

CWP No. 12448 of 2010 (O&M) and
CWP No. 16064 of 2009 (O&M)

2025:PHHC:039231



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**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH
(Sr. No. 1097)**

(1)

**CWP No. 12448 of 2010 (O&M)
Date of Decision : 21.03.2025**

Diwan Chand

...Petitioner

Versus

**Managing Director, the Gurdaspur Cooperative Sugar Mills Pvt. Ltd.
And another**

...Respondents

(2)

CWP No. 16064 of 2009 (O&M)

**Managing Director, the Gurdaspur Cooperative Sugar Mills Pvt. Ltd.
Paniar, Gurdaspur**

...Petitioner

Versus

Diwan Chand and another

...Respondents

CORAM: HON'BLE MR. JUSTICE HARSIMRAN SINGH SETHI

Present: Ms. Vamika Johar, Advocate for
Mr. Pritam Singh Saini, Advocate for the petitioner
in CWP-12448-2010 and
for respondent No. 1 in CWP-16064-2009.

Mr. Vikas Singh, Advocate for respondent No. 1
in CWP-12448-2010 and
for the petitioner in CWP-16064-2009.

Harsimran Singh Sethi J. (Oral)

1. In the present bunch of petitions, the challenge is to the same
Award passed by the Labour Court, by both the Workmen as well as the
Management.



2. For the sake of convenience, facts are being taken up from CWP-12448-2010.

3. The grievance being raised by the Workman is that a lump sum compensation of ₹50,000/- has been granted by the Labour Court while passing the impugned order dated 12.05.2009 (Annexure P-5) whereas, an indispensable fact that the service rendered by an employee is for a period of 22 years has not been kept in mind by the Labour Court while ascertaining the amount of compensation payable to the Workman.

4. The respondent-Management is aggrieved that the benefit of compensation has been granted by the Labour Court after holding the termination of Workman by Management as bad is without even appreciating the fact that it was the Workman who had abandoned the job whereas, the same has been treated as termination by the Labour Court which view is incorrect.

5. I have heard learned counsel for the parties and have gone through the record with their able assistance.

6. Certain facts need to be noticed for the correct appreciation of the issue in hand.

7. The petitioner-Workman was appointed as a Mason in the month of January, 1984 and he continued working for a period of more than eight years with the respondent-Management when his services were terminated on 01.01.1993. The said order of termination was challenged by the Workman and by an Award dated 05.05.1999 (Annexure P-1), the termination of the services of the Workman was held to be bad and he was



awarded the reinstatement with continuity in service along with 50% back wages.

8. The said Award was challenged by the Management by filing CWP No. 3373 of 2000, which was ultimately dismissed by the Division Bench of this Court vide order dated 28.03.2000 after which, the Workman was reinstated in service starting from 11.04.2000 in accordance to letter dated 11.04.2000 (Annexure P-3).

9. The Workman then continued working upto 18.04.2002 i.e. for a period of two years when his services were again terminated and the said grievance was raised by the petitioner by raising a claim petition dated 03.07.2002 before the Labour Court and ultimately while passing the impugned Award, the Labour Court held that the termination of the services of the Workman by the respondent-Management was bad and rather than granting the benefit of reinstatement in service, a lump sum amount of ₹50,000/- has been awarded as compensation to the petitioner-Workman.

10. The argument of the learned counsel for the petitioner-Workman is that once, there is a continuity in service from January, 1984 till April, 2002 and for a period of 18 years, the Workman has worked, the compensation awarded to the Workman should have been given keeping in view the length of the service rendered whereas, without any valid justification, a pecuniary sum of ₹50,000/- has been awarded by the Labour Court and that too without supporting as to how the said compensation has been calculated hence, the amount of compensation to be granted to petitioner-Workman should be extended. Whereas, the Management is



contending that the case is one of abandonment of job, which has wrongly been adjudicated by the Labour Court as case of wrongful termination.

11. I have heard learned counsel for the parties and have gone through the record with their able assistance.

12. A bare perusal of the factual averment stated here-in-before would make it clear that the petitioner-Workman is litigating with the Management starting from the year 1992 onwards when he was dismissed from his service for the first time, though he became successful in the year 2000 as the litigation ended in his favour wherein, he was reinstated in service but again got terminated in the year 2002. An employee, who is litigating for his right to be in the service and has been granted benefit qua the same, will not abandon the job un-warrantedly as nothing has come on record to show that the said allegation by the respondent-Management has been proved before the Labour Court in a substantial manner. No letter has been brought on record to show that the respondent-Management asked the petitioner-Workman to refuse so as to perform his duty. Even when the litigation qua his termination was raised by the petitioner-Workman by sending the demand notice within a period of two months of termination of his services, no stand was taken by the respondent-Management that they are ready to allow the petitioner-Workman to render his service rather they contested against his claim of termination of the services.

13. The totality of these facts has rightly been appreciated by the Labour Court in its impugned Award so as to hold that the said case is of termination of services, not that of abandonment of job by the petitioner-



workman. Learned counsel for the respondent-Management has not been able to point out any perversity in the impugned Award keeping in view the facts and evidence which has come on record so as to show that there is any need of interference at the hands of this Court. Hence, the recording of the finding by the Labour Court in its impugned Award that the present case is one of termination and not of abandonment of job, the said findings are upheld.

14. The question which has been raised by the Workman for adjudication by this Court is that a lump compensation of ₹50,000/- has been awarded without any valid justification despite the fact that the Workman had worked for 22 years with the respondent-Management. As per the settled principle of law settled by the Division Bench of this Court in LPA No. 1203 of 2021 titled as ***Sukhbir Singh Vs. State of Haryana and others***, decided on 01.03.2023, for each completed year, the compensation to be paid is @ ₹50,000/- in case, benefit of reinstatement in service is not granted to the petitioner-Workman. Relevant paragraphs No. 6 and 7 of the said judgment are as under :-

“6. Resultantly, once the workman had completed 240 days and apparently had worked for a period spanning more than 5 ½ years, we are of the considered opinion that dispensing of his service before his contractual period came to an end would entitle him for the statutory protection which would be evident from the award of the Labour Court. However, keeping in view the fact that at this point of time, it would not 3 of 5 Neutral Citation No:= be justified to put him back in service since a period of almost 25 years has gone by and therefore, it



would be just and appropriate to award compensation to the tune of Rs.2,50,000/- on an average of Rs.50,000/- per year, keeping in view the fact that the State had taken his service for more than 5 years with the same office in different districts.

7. The Apex Court in *Haryana Urban Development Authority Vs. Om Pal*, (2007) 5 SCC 742 granted Rs.25,000/- for the service of one year whereas in *Uttaranchal Forest Development Corporation Vs. M.C.Joshi*, (2007) 9 SCC 353, for a period of 2 years, a sum of Rs.75,000/- was granted. Similarly, in *Asst.Engineer, Rajasthan Development Corporation & another Vs. Gitam Singh*, 2013 (1) SCR 679, the said view was followed while noticing that the service was of 8 months and thus, compensation of Rs.50,000/- was granted. Similarly, in *Management, Hindustan Machine Tools Ltd. Vs. Ghanshyam Sharma*, 2018 (18) SCC 80, for a period of one year, compensation of Rs.50,000/- had been granted. In *K.V.Anil Mithra & another Vs. Sree Sankaracharya University of Sanskrit & another*, 2021 (4) SCT 415, for a period of little over 4 years, amount awarded was Rs.2,50,000/- in lieu of the reinstatement and backwages of 50% which was granted and accordingly, modified.”

15. Keeping in view the fact that the Workman was nearing his retirement and had already been reinstated in service along with back wages upto the year 2000, therefore, in the facts and circumstances of the present case, the equity will be maintained in case, the compensation awarded in favour of the Workman is enhanced from ₹50,000/- to ₹ 5 lacs so that the petitioner-Workman at this age is able to sustain himself with the said amount. The impugned Award is accordingly modified and the Workman is



held to be entitled for a lump sum compensation of ₹5 lacs keeping in view the fact that he had rendered 18 years of service before his services were terminated.

16. Let the decided amount of ₹5 lacs be paid to the petitioner-Workman within a period of eight weeks of the receipt of copy of this order. In case, the said amount is not paid within the stipulated time frame, the amount of ₹5 lacs will also carry interest upon expiry of eight weeks till the same is paid @ 6% per annum from the date of this order till payment.

17. As per the interim order, a sum of ₹50,000/- was deposited by the respondent-Management with the Labour Court by way of fixed deposit. The said amount of ₹50,000/- be taken out of the fixed deposit and be given to the petitioner-Workman and the amount which will be given, will be taken into account and will be adjusted for computing a sum of ₹5 lacs and the remaining amount, if any, still to be paid, shall be paid by the Management.

18. Petitions are disposed of in above terms.

19. Pending miscellaneous application, if any, also stands disposed of.

20. A photocopy of this order be placed on the file of connected cases.

March 21, 2025
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(HARSIMRAN SINGH SETHI)
JUDGE

Whether speaking/reasoned : Yes

Whether reportable : No