

**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

206

CWP-33698-2024

Date of Decision : November 03, 2025

**THE MANAGING DIRECTOR, PUNBUS, PUNJAB ROADWAYS,
CHANDIGARH AND ANOTHER**

-PETITIONERS

V/S

SURINDER SINGH AND ANOTHER

-RESPONDENTS

CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI

Present: Mr. T.P.S. Walia, A.A.G., Punjab
for the petitioners.

Mr. D.S. Patwalia, Sr. Advocate, with
Mr. Ayush Gupta, Advocate
for the respondent No.1.

KULDEEP TIWARI, J. (ORAL)

1. The present writ petition assails the award dated 09.08.2023, whereby the Industrial Tribunal, Amritsar, principally on the ground that the services of respondent No.1/workman were terminated in violation of the principles of natural justice, answered the reference in his favour and directed his reinstatement in service with continuity of service along with 50% back wages.

2. Concisely and compendiously, the petitioners/management, vide contract agreement dated 22.07.2015, engaged respondent No.1/workman as a Driver on a contractual basis. However, vide order dated 30.06.2016, the management terminated the contract of the workman, ordered forfeiture of his security, relieved him from duty, and further blacklisted him. The termination was premised upon allegations

that the workman had received a sum of ₹ 420/- from a passenger without issuing a ticket. Aggrieved by this action of the management, the workman raised an industrial dispute, leading to a reference for adjudication before the Industrial Tribunal.

3. Upon hearing both the parties and appreciating the evidence on record, the Industrial Tribunal found the termination of the workman to be illegal and, vide the impugned award, directed his reinstatement with continuity of service and 50% back wages.

4. Assailing the award, learned counsel for the petitioners/management contends that the respondent No.1, being a contractual appointee, does not fall within the statutory definition of “workman,” rendering the reference itself unsustainable. It is further argued that Clause 6 of the contract agreement (supra) expressly empowered the management to dispense with the services of negligent employee at any time. It is also argued that the instructions referred to in the termination order specifically authorize the management to terminate services of any conductor found guilty of embezzlement exceeding ₹400 without holding a formal inquiry.

5. *Per contra*, learned senior counsel for the respondent No.1/workman has vehemently opposed the submissions of management’s counsel. He draws the attention of this Court to Clause 3 of the contract agreement (supra), to submit that the workman was appointed only after due selection by a selection committee, and the contract was thereafter executed. He further invites attention of this Court to the reports (Annexures P-4 and P-5) forming the basis of termination as well as the

termination order itself, contending that both are clearly stigmatic in nature, as the workman was branded a thief and accused of embezzlement without being afforded any opportunity to defend himself. It is thus argued that the termination order, having been passed in gross violation of the *audi alteram partem* rule, has rightly been set aside by the Industrial Tribunal.

6. This Court has heard learned counsel for the parties and made a studied survey of the record.

7. At the outset, it is considered appropriate to advert to the reports (Annexures P-4 and P-5) submitted against the workman by Inspector Manjit Singh and the General Manager of the depot concerned, respectively. The termination order is evidently founded upon these reports.

8. During the course of hearing, this Court repeatedly queried learned counsel for the management as to whether any show cause notice or opportunity of hearing was granted to the workman prior to issuance of the termination order. Learned counsel for the management candidly admitted that no such opportunity was afforded. However, in an attempt to justify this omission, he sought to rely upon Clause 6 of the contract agreement (*supra*). It would, therefore, be apposite at this stage to examine Clause 6 of the agreement in conjunction with the termination order, which read as under:-

“CLAUSE 6

6. In case second party want to cancel his contract, then he have to give prior one month notice OR one month pay has to be deposited with account of PUNBUS. Similarly, in case of second party found negligent in any manner, the PUNBUS can remove

second party from duty at any time. In that event, second party will have no right to file any claim in this respect.”

“RELEVANT PORTION OF TERMINATION ORDER

....During checking it was found that one passenger was sitting with the said driver from whom said driver had taken ₹ 420/- as exact fare for travelling from Delhi to Amritsar and did not allow the conductor to cut his ticket and said that this passenger is with him. When passenger was asked, the passenger told that driver has taken fare of ₹ 420/- from him, but no ticket has been issued to him. Director State Transport, Punjab Chandigarh vide his office letter no.827-37/C.F.S. dated 24-6-2016 has written to cancel contract of said driver and forfeit his security. So, while complying with the order Endst. No.11/37/2014-593/271417/1-4 dated 18-7-2014 of Chief Secretary, Punjab State, Transport Department, Punjab, Chandigarh, the driver is immediately removed from the duty and he is blacklisted and orders for forfeit his security are being issued.”

9. On a careful reading of the above, it is evident that the present case does not pertain to mere negligence. The termination order, founded upon the reports (Annexures P-4 and P-5), is manifestly stigmatic as it categorically imputes to the workman the act of embezzlement. Once the management had formed such an opinion, it was incumbent upon it to issue a show cause notice and provide the workman an opportunity to present his defence. The omission to do so renders the termination order, even in respect of a contractual engagement, legally unsustainable for want of adherence to the principles of natural justice. In reaching this conclusion, this Court draws fortification from the judgment of the Hon’ble Supreme Court in **“U.P. State Road Transport Corporation and Others v. Brijesh Kumar and Another”**, 2025 All SCR 1328, wherein it was held that an order of termination, even if issued in relation to a contractual employee, cannot be sustained when it is stigmatic in nature

and issued without observance of the principles of natural justice. The relevant paragraph is extracted hereunder:-

“19. The services of the respondent have been determined solely on the ground of misconduct as alleged but without holding any regular inquiry or affording any opportunity of hearing to him. The termination order has been passed on the basis of some report which probably was not even supplied to the respondent. No show cause notice appears to have been issued to the respondent. Therefore, the order of termination of his services, even if on contractual basis, has been passed on account of alleged misconduct without following the Principles of Natural Justice. The termination order is apparently stigmatic in nature which could not have been passed without following the Principles of Natural Justice.”

10. A similar view was taken by a Co-ordinate Bench of this Court, presided over by Hon’ble Mr. Justice Harsimran Singh Sethi, in ***CWP-7349-2020, titled “Babandeep Singh Vs. State of Punjab and Ors.”, Decided on: 28.11.2024.*** The apposite observations are extracted hereinafter:-

“8. Further, it is also a settled principle of law that stigmatic order cannot be passed without holding an enquiry. In the present case, the impugned order dated 05.03.2020 (Annexure P-3) is stigmatic and hence, cannot be sustained in the eyes of law.

10. It may be noticed that keeping in view the judgment of the Hon’ble Supreme Court of India noticed here-in-before, wherein, even for a contractual/temporary employee where the allegations have been alleged, the enquiry is must, hence, the benefit of the judgment being relied upon by the learned counsel for the respondents cannot be brought into operation so as to reject the claim of the petitioner.”

11. In summa, this Court finds no merit in the present writ petition, as the impugned award withstands the test of legality.

Accordingly, the writ petition is **dismissed**.

12. Needless to mention, the petitioners/management shall, however, be at liberty to initiate appropriate disciplinary proceedings against respondent No.1/workman if it believes that he is involved in act of embezzlement.

November 03, 2025
devinder

(KULDEEP TIWARI)
JUDGE

Whether speaking/reasoned : Yes/No
Whether Reportable : Yes/No