



2025:DHC:4023



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI***Date of Decision: 08.05.2025*+ **W.P.(C) 8863/2020, CM APPL. 28493/2020, CM APPL. 39176/2021 & CM APPL. 19576/2023**

BANARAS HOUSE LTD

.....Petitioner

Through: Mr. Pran Krishna Jana, Advocate.

versus

SODAN SINGH & ANR.

.....Respondents

Through: None.

CORAM:**HON'BLE MS. JUSTICE TARA VITASTA GANJU****TARA VITASTA GANJU, J.: (Oral)**

1. None appears for the Respondents.
2. In view of the fact that the matter is pending since the year 2020, this Court deems it apposite to take up the matter for hearing and final disposal today.
3. The present Petition has been filed on behalf of the Petitioner seeking to challenge an award dated 14.05.2019 [hereinafter referred to as the Impugned Award"] passed by Additional District and Sessions Judge, Presiding Officer Labour Court-V, Rouse Avenue Court Complex, New Delhi.
4. Briefly the facts are that the Respondent No.1/workman was working with the Petitioner/Company as a tailor. The services of the Respondent No.1/workman were terminated on 29.10.2007 by the Petitioner/Management, while it is the case of the Petitioner that the Respondent No.1/workman abandoned his services on 29.10.2007 voluntarily and that no payment was outstanding.
- 4.1 It is the case of the Petitioner that the statement of claim was filed



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before the learned Labour Court by the Respondent No.1/workman on 17.08.2016 stating that the Respondent No.1/workman was employed with the Petitioner since March, 2006 at the post of a tailor at a monthly salary of Rs.3,940/- per month. It was further contended in the statement of claim that the services were illegally terminated by the Petitioner/Company without paying the wages for the month of October, 2007 or conducting a domestic enquiry against the workman.

4.2 The Petitioner/Company received notice of these proceedings from the learned Labour Court on 09.01.2017 and on that date, the Petitioner/Company authorized its Manager Accounts to represent the Petitioner/Company before the learned Labour Court in this behalf and to take necessary steps for adjudication of the cases filed against the Petitioner/Company before the learned Labour Court. The said Manager did not correctly apprise the Directors of the Petitioner/Company about the proceedings held before the learned Labour Court and on 18.09.2018, the said Manger left the Petitioner/Company.

4.3 Since no Written Statement was filed and the matter was not being pursued by the Petitioner/Company, by an order 12.10.2018 passed by the learned Labour Court, the Petitioner was proceeded *ex parte*. Subsequently, on 14.05.2019, the Impugned Award was passed allowing the claim petition filed by the Respondent No.1/workman, directing reinstatement with full backwages and continuity of services.

4.4 The Petitioner states that he got knowledge of the *ex parte* Award on 18.12.2019, when a communication was received from the office of the Joint Labour Commissioner (District South).

5. Learned Counsel for the Petitioner submits that the Petitioner owing



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to the negligence and carelessness of the ex-employee of the Petitioner/Company the proceedings before the learned Labour Court could not be proceeded with diligently and even written statement could not be filed by the Petitioner.

5.1 It is the case of the Petitioner that the Respondent No.1/workman was never employed with the Petitioner/Company and was working on the post of a tailor on a piece-rate basis for a limited period of time.

5.2 Learned Counsel for the Petitioner submits that as soon as the Petitioner received information about the passing of the Impugned Award, the Petitioner approached a lawyer and has filed this Petition challenging the Impugned Award after obtaining the requisite documents.

5.3. Learned Counsel for the Petitioner submits that the Petitioner has good case on merits as well. It is further submitted that a perusal of the Impugned Award shows that there are no findings and the Impugned Award has been passed merely on the basis of the evidence led by the Respondent No.1/workman.

6. The Supreme Court in ***Grindlays Bank Ltd. v. Central Government Industrial Tribunal & Ors¹*** has held that if a party is prevented by sufficient cause from appearing at a hearing and is faced by an *ex parte* award, such an award would be nothing but a nullity and the Tribunal has powers to set aside such an award.

7. This Court has perused the Impugned Award. The Impugned Award sets out that the Petitioner/Company despite being served with a notice of claim and putting an appearance on 01.06.2018 and 17.08.2018, since the

¹ 1980 (Supp) SCC 420



Petitioner failed to file the written statement, despite the opportunity given, was proceeded with *ex parte* on 12.10.2018. The Impugned Award further states that the Petitioner/Company did not come forward to cross-examine the claimant.

7.1 The Impugned Award records that the summons in relation to an Application filed by the Respondent/Claimant on 20.11.2018 were received back with the report of refusal. The Impugned Award further states that the *ex parte* evidence was led by the Respondent No.1/workman. The relevant extract of the Impugned Award is set out below:

“Part-B

MANAGEMENT’S STAND/REPLY

7. The management despite being served with the notice of claim petition and putting up appearance on 01.06.2018 & 07.08.2018 but failed to file WS despite opportunity granted to it and accordingly management proceeded Ex-Parte vide order dated 12.30.2018.

PART-C

WORKMAN'S EVIDENCE

8. In support of his claim workman examined himself as WW1 and deposed along the lines of statement of claim and also proved on record documents in support.

9. The management has also not come forward to cross-examine the claimant.

10. Sommons sent to the management w.r.t application moved on behalf of claimant on 20.11.2018 regarding production of documents received back with the report "Refusal".

11. It is also submitted by the counsel for claimant that he does not want to lead further evidence, ex-pate evidence stand closed vide separate statement of Ld counsel for claimant.”

7.2 Subsequently, the Impugned Award gives a finding that since the Petitioner/Management has not come forward to file any written statement, the evidence of claimant remained unabated and was accepted on its face



value. No analysis whatsoever of any kind was done by the learned Labour Court. The findings and conclusion of the Labour Court are below:

“PART-D

FINDINGS/CONCLUSION

12. After considering the claim, document and the evidence led on record, decision of the court is as under:-

13. As the management has not come forward to file any Written Statement or to cross-examine the claimant, the evidence of the claimant remain uncontroverted and unrebutted and as such accepted on its face value.

14. Hence, the claimant is held entitled to the relief of reinstatement with full back wages and continuity of service.

15. Reference answered accordingly

16. Let copy of the award be sent to the appropriate Govt for its publication as per rules”

8. As can be seen from above, the only finding is that since the Petitioner/Company has not come forward to cross-examine the witness nor has the Petitioner filed any Written Statement, the evidence of the Respondent/Claimant remained uncontroverted and unrebutted.

9. The Supreme Court in the case of ***Uttar Pradesh State Road Transport Corporation vs. Jagdish Prasad Gupta***² has held that it is the duty of the Court to ensure that reasons are provided in the order so as to introduce clarity in the order indicating the application of mind thereby avoiding arbitrariness in the decision. It was held that the failure to give reasons amounts to a denial of justice. The relevant paragraph nos. 8, 9 & 10 are reproduced hereunder:-

“8. “5. ... Reasons introduce clarity in an order. On plainest consideration of justice, the High Court ought to have set forth its reasons, howsoever brief, in its order indicative of an application of its mind, all the more when

² (2009) 12 SCC 609



its order is amenable to further avenue of challenge. The absence of reasons has rendered the [High Court's judgment] not sustainable. ...

6. Even in respect of administrative orders, Lord Denning, M.R. in *Breen v. Amalgamated Engg. Union* [(1971) 2 QB 175 : (1971) 2 WLR 742 : (1971) 1 All ER 1148 (CA)] observed : (WLR p. 750 G). 'The giving of reasons is one of the fundamentals of good administration.' In *Alexander Machinery (Dudley) Ltd. v. Crabtree* [1974 ICR 120] it was observed:

'Failure to give reasons amounts to denial of justice. Reasons are live links between the mind of the decision-taker to the controversy in question and the decision or conclusion arrived at.'

Reasons substitute subjectivity by objectivity. The emphasis on recording reasons is that if the decision reveals the 'inscrutable face of the sphinx', it can, by its silence, render it virtually impossible for the courts to perform their appellate function or exercise the power of judicial review in adjudging the validity of the decision. Right to reasons is an indispensable part of a sound judicial system, reasons at least sufficient to indicate an application of mind to the matter before court. Another rationale is that the affected party can know why the decision has gone against him. One of the salutary requirements of natural justice is spelling out reasons for the order made, in other words, a speaking-out. The 'inscrutable face of a sphinx' is ordinarily incongruous with a judicial or quasi-judicial performance."

[Emphasis supplied]

10. The proposition of law that reasoning is required to be given in judicial pronouncements and by authorities, even for *quasi-judicial* decisions has been discussed in detail in the decision of the Supreme Court in the case of ***Kranti Associates (P) Ltd. and Anr. vs. Masood Ahmed Khan and Ors.***³. The relevant extract is set out below:

"47. Summarising the above discussion, this Court holds:

(a) **In India the judicial trend has always been to record reasons, even in administrative decisions, if such decisions affect anyone prejudicially.**

(b) A quasi-judicial authority must record reasons in support of its conclusions.

(c) **Insistence on recording of reasons is meant to serve the wider**

³ (2010) 9 SCC 496



principle of justice that justice must not only be done it must also appear to be done as well.

(d) Recording of reasons also operates as a valid restraint on any possible arbitrary exercise of judicial and quasi-judicial or even administrative power.

(e) Reasons reassure that discretion has been exercised by the decisionmaker on relevant grounds and by disregarding extraneous considerations.

(f) Reasons have virtually become as indispensable a component of a decision-making process as observing principles of natural justice by judicial, quasi-judicial and even by administrative bodies.

(g) Reasons facilitate the process of judicial review by superior courts.

(h) The ongoing judicial trend in all countries committed to rule of law and constitutional governance is in favour of reasoned decisions based on relevant facts. This is virtually the lifeblood of judicial decision-making justifying the principle that reason is the soul of justice.

(i) Judicial or even quasi-judicial opinions these days can be as different as the judges and authorities who deliver them. All these decisions serve one common purpose which is to demonstrate by reason that the relevant factors have been objectively considered. This is important for sustaining the litigants' faith in the justice delivery system.

(j) Insistence on reason is a requirement for both judicial accountability and transparency.

(k) If a judge or a quasi-judicial authority is not candid enough about his/her decision-making process then it is impossible to know whether the person deciding is faithful to the doctrine of precedent or to principles of incrementalism.

(l) Reasons in support of decisions must be cogent, clear and succinct. A pretence of reasons or "rubber-stamp reasons" is not to be equated with a valid decision-making process.

(m) It cannot be doubted that transparency is the sine qua non of restraint on abuse of judicial powers. Transparency in decision-making not only makes the judges and decision-makers less prone to errors but also makes them subject to broader scrutiny. (See David Shapiro in Defence of Judicial Candor [(1987) 100 Harvard Law Review 731-37].)

(n) Since the requirement to record reasons emanates from the broad doctrine of fairness in decision-making, the said requirement is now virtually a component of human rights and was considered part of Strasbourg Jurisprudence. See Ruiz Torija v. Spain [(1994) 19 EHRR 553] EHRR, at 562 para 29 and Anya v. University of



Oxford [2001 EWCA Civ 405 (CA)] , wherein the Court referred to Article 6 of the European Convention of Human Rights which requires, “adequate and intelligent reasons must be given for judicial decisions”.

(o) In all common law jurisdictions judgments play a vital role in setting up precedents for the future. Therefore, for development of law, requirement of giving reasons for the decision is of the essence and is virtually a part of “due process”. ”

[Emphasis supplied]

11. Quite clearly and given the fact that Impugned Award does not give any findings or even reasons for the award, the Impugned Award suffers from a material irregularity and is accordingly set aside.

12. The matter is remanded to the learned Labour Court. Accordingly, the parties shall appear before the learned Labour Court on 26.05.2025, on which date the Petitioner shall file its Written Statement.

12.1 The Petitioner shall not take any unnecessary adjournments before the learned Labour Court.

13. Given the pendency of the matter, the learned Labour Court is requested to dispose of the matter expeditiously.

14. The present Petition is disposed of in the foregoing terms. The pending Applications also stand closed.

15. However, given the fact that the Petitioner was also negligent in appearing before the learned Labour Court and had put the entire blame on the Authorized Representative of the Petitioner, this Court deems it apposite to impose costs on the Petitioner/Company in the sum of Rs.25,000/- payable directly to the “Bar Council of Delhi-Indigent and Disabled Lawyers Account”.



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16. In view of the order passed today, the next date before the Mediator stands cancelled.
17. The parties shall act based on the digitally signed copy of the order.

TARA VITASTA GANJU, J

MAY 8, 2025/ ha

Click here to check corrigendum, if any