



2025:DHC:8819



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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% ***Date of Decision: 15.09.2025***

+ **W.P.(C) 12722/2019**

M/S MICRO NICKEL PVT. LTD.Petitioner

Through: Mr. L.K. Singh, Advocate.

versus

SHRI RAMJAG YADAVRespondent

Through: Respondent in person.

CORAM:

HON'BLE MS. JUSTICE TARA VITASTA GANJU

TARA VITASTA GANJU, J.: (Oral)

1. The present Petition seeks to challenge an award dated 29.10.2018 passed by the learned Presiding Officer, Labour Court-V, Rouse Avenue Court, New Delhi [hereinafter referred to as the “Impugned Award”]. By the Impugned Award, a direction has been passed awarding the Respondent reinstatement with full backwages along with continuity of services and other consequential reliefs.

1.1 The Petition also seeks to challenge the order dated 04.10.2019 passed by the learned Presiding Officer, Labour Court-V, Rouse Avenue Court, New Delhi [hereinafter referred to as the “Impugned Order”], by which an Application under Order IX Rule 13 of the Code of Civil Procedure, 1908 [hereinafter referred to as the “CPC”] which was filed by the Petitioner has been dismissed by the learned Labour Court.



2. The Respondent appears in person and submits that his lawyer is online. However, despite the matter being passed over on more than one occasion, the Counsel for the Respondent is not present.

2.1 The Respondent, however, submits that he has already filed a Reply, which may be considered for deciding this Petition, since the matter is pending for long.

3. Learned Counsel for the Petitioner submits that the matter has been pending for six years now despite the fact that a full and final settlement has been made previously in favour of the Respondent and that the Petitioner was not given an opportunity to be heard.

4. The Petitioner has challenged the Impugned Award as well as the Impugned Order on the following grounds:

4.1 That the Petitioner was never served with the summons in the claim Petition by the learned Labour Court. It is contended that his address was changed, on 14.02.2017, from S-37, Okhla Industrial Area Phase-II, New Delhi to B-66, Flatted Factory Complex, Okhla Industrial Area Phase-III. Learned Counsel submits that the notice of change of address was duly filed with statutory authorities including the Income Tax Authorities and the Registrar of Companies and that these documents formed part of the record before the learned Labour Court, however, these documents were not taken into consideration by the learned Labour Court.

4.2 Secondly, learned Counsel for the Petitioner submits that the terms of reference that was set out have not been answered and thus the Impugned



Award is without jurisdiction.

4.3 Lastly, it is contended that the Impugned Award is bereft of any reasons.

4.4 On merits, it is contended that the Respondent has already received his full and final settlement.

5. The Respondent appears in person and submits that he has not received the entire amounts for the work that he has carried out.

5.1 A Reply has been filed on behalf of the Respondent wherein the Respondent has reiterated what has been stated in his Statement of Claim and the fact that he has not received his dues despite working for more than 22 years with the Petitioner.

6. This Court, by its order dated 03.12.2019, while staying the execution of the Impugned Award, had directed that the amounts awarded be deposited with the Registrar General of this Court.

7. Briefly the facts are that Respondent/Workman filed a Statement of Claim stating that he was working with the Petitioner/Management at the post of Machine Operator since 06.02.1995 and that his last drawn salary was Rs.9,568/- per month. He further submitted therein that he worked continuously, and during the course of his employment on 16.06.2016, he demanded his earned wages for the month of April and May, 2016 from Management and his signatures were taken on a blank piece of paper and that he was handed over a cheque of Rs.34,500/- which he accepted under protest. The Statement of Claim further sets out that the Petitioner/Management had



not paid gratuity or any other compensation amount, despite the fact that the Respondent worked for 22 years and 5 months with the Petitioner/Management.

8. As stated above, it is the case of the Petitioner that the Petitioner never received service of summons since they were served to a wrong address. Reliance in this behalf is placed on the Application dated 19.09.2019 under Order IX Rule 13 of the CPC filed before the learned Labour Court [hereinafter referred to as the “Application”], wherein it is set out that the Petitioner only came to know about an industrial dispute having been raised by the Respondent and the Impugned Award being passed, when a letter was delivered to them on 21.07.2019 in their new office by a messenger from the persons who were at their old office.

8.1 It is further stated in the Application that the intimation of the change of the address from S-37, Okhla Industrial Area, Phase-II which was previously occupied by the Petitioner Company was given to the statutory authority on 14.02.2017 including the Registrar of Companies and the Income Tax Authorities. Thus, it is the case of Petitioner that service of summons were not effected on him at all. Paragraphs 2, 5 and 6 of the Application, in this behalf, are set out below.

“2. That the management came to know about an industrial dispute having been raised by the workman before this Hon'ble Court against the management relating to his alleged termination from service and about the award dated 29.10.2018 when a letter dated 21.07.2019 by Okhla Industrial Workers Union was hand delivered in the office of the Management at B-66, Flatted Factories Complex, Okhla Industrial Area, Phase-III, New Delhi-110020 on 25.07.2019 by a messenger from S-37, Okhla Industrial Area, Phase-II, New Delhi which was earlier the office of the management but from where the management had shifted on



14.02.2017.

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xxx

xxx

5. That the management humbly submits that the management had changed its address from S-37, Okhla Industrial Area, Phase-II, New Delhi to B-66, Flatted Factories Complex, Okhla Industrial Area-III, New Delhi on 14.02.2017 and intimation to the ROC as well as changes in the PAN card of the company were made regarding the change of address, the records of which are collectively annexed herewith as Annexure-M-2 (colly).

6. That the management further submits that at the relevant period of time, when the summons in the name of the management were sent to the address i.e. S-37, Okhla Industrial Area, Phase-II, New Delhi, a company by the name of Mega Technobiz Consultants (P) Ltd. was having its place of business and Shri Praveen Rathi is an employee of M/s Mega Technobiz Consultants (P) Ltd. and the said company even as on today is having its place of business at the same address."

[Emphasis Supplied]

9. The Respondent has in its Reply stated that since the Respondent demanded its earned wages for the month of April and May, 2016 from the Petitioner, he was called into the office of the Petitioner and that he was given an amount of Rs. 34,500/- by a cheque and that he was asked to sign a blank paper in this behalf. It further states that the Petitioner has not paid gratuity and service compensation to the Respondent for over 22 years.

9.1 In addition, the Counter-Affidavit also sets out that this Court cannot interfere with the findings of fact arrived at by the learned Labour Court. Thus, it is stated therein that the Petition is liable to be dismissed. The Respondent has also reiterated that the Petitioner was duly served.

10. At this stage, it is apposite to set out the Terms of Reference dated 20.07.2017 which form part of the Impugned Award and are reproduced below:



“Whether the services of workman Sh Ramjag Yadav S/o Sh. Muniraj Yadav, aged 21 years, has settle his account in full and final on his own or his services have been terminated illegally and/or unjustifiably by the management; and if so, to what relief is he entitled and what directions are necessary in this respect?”

10.1 As stated above, the Terms of Reference were whether the final settlement of the amounts due to the Respondent have been paid to him or whether his services have been terminated illegally. The Petitioner has contended that the Reference has neither been addressed nor has there been any finding given in its behalf.

11. In support of its contention regarding the change of address, reliance has been placed by the Petitioner on the documents which were annexed along with the Application. A perusal of these documents shows that the Petitioner had duly intimated the Income Tax Authorities of their request of change of address and copy of their new and corrected PAN Card was attached. In addition, the documents also show that the Ministry of Corporate Affairs has received the notification of change of address on 14.02.2017.

11.1 Since these documents form part of the Labour Court Record, these were available for the perusal of the learned Labour Court. Learned Counsel for the Petitioner submits that although the Petitioner has changed its address in 2017 itself, the learned Labour Court relied upon a communication which was used as to an authority letter to dismiss his Application. Learned Counsel however submits, that the other documents which form part of the Application have not been considered at all by the learned Labour Court.

12. The record reflects that the documents which were filed by the



Petitioner before the learned Labour Court along with the Application are the corrected PAN Card, service receipt dated 14.02.2017, FORM No. INC-22 which was filed with the Ministry of Corporate Affairs/Registrar of Companies, NCT Delhi and the receipt of full and final settlement were not taken into consideration by the learned Labour Court. In addition, and as can be seen from the finding extracted above, the Reference was not answered at all.

13. The Impugned Award states that the Petitioner/Management despite being served failed to put up an appearance. It further states that since the Management [Petitioner] failed to contest the case, the Claimant's [Respondent] claim is allowed in the following manner:

"PART-B

MANAGEMENT'S STAND/REPLY

8. The management despite being served failed to put up appearance and accordingly, was proceeded ex parte vide order dated 09.07.2018.

PART-C

CLAIMANT'S EVIDENCE

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

"PART-D

FINDINGS/CONCLUSION

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

11. As the management has failed to put up appearance and contest the case, the evidence of the claimant remained uncontroverted and unrebutted and accepted on its face value.

12. Accordingly, the claimant is held entitled to the relief of reinstatement with full backwages along with continuity of services and all other



consequential benefits.

13. Reference answered accordingly.”

[Emphasis Supplied]

14. The learned Labour Court in Part C and D of the Impugned Award, has held that in support of his claim, the Respondent examined himself as WW1 and deposed and proved the documents in support, and as the Petitioner/Management has failed to appear, the evidence of the Respondent remains uncontroverted and unrebutted. Thus, the only reason that has been given by the learned Labour Court for grant of relief is that the Petitioner/Management has failed to appear. However, no finding has been given on the Terms of Reference, nor were any reasons given in support of the conclusions.

15. The Supreme Court in the case of ***Uttar Pradesh State Road Transport Corporation vs. Jagdish Prasad Gupta***¹ 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 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

¹ (2009) 12 SCC 609



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]

16. 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. vs. Masood Ahmed Khan & Ors.***². 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 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.**

² (2010) 9 SCC 496



(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]

17. 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.

18. In addition, it is settled law that before finding on awarding backwages is given, evidence in this behalf needs to be lead. The Courts have held that the burden initially lies on the workman to plead and prove that he was not gainfully employed after dismissal, though the employer may rebut it with contrary evidence. The discretion to award full, partial, or no back wages depends on the facts, but such discretion must rest on proper pleadings and evidence. The relevant paragraphs *Rajasthan SRTC Jaipur v. Phool Chand (Dead) through LRs*³ case are reproduced hereunder:

“12. It is necessary for the workman in such cases to plead and prove with the aid of evidence that after his dismissal from the service, he was not gainfully employed anywhere and had no earning to maintain himself or/and his family. The employer is also entitled to prove it otherwise against the employee, namely, that the employee was gainfully employed during the relevant period and hence not entitled to claim any back wages. Initial burden is, however, on the employee.

13. In some cases, the Court may decline to award the back wages in its entirety whereas in some cases, it may award partial, depending upon the facts of each case by exercising its judicial discretion in the light of the facts and evidence. The questions, how the back wages are required to be decided, what are the factors to be taken into consideration awarding back wages, on whom the initial burden lies, etc. were elaborately discussed in several cases by this

³ (2018) 18 SCC 299



Court wherein the law on these questions has been settled. Indeed, it is no longer *res integra*. These cases are, *M.P. SEB v. Jarina Bee* [*M.P. SEB v. Jarina Bee*, (2003) 6 SCC 141], *Haryana Roadways v. Rudhan Singh* [*Haryana Roadways v. Rudhan Singh*, (2005) 5 SCC 591], *U.P. State Brassware Corpn. Ltd. v. Uday Narain Pandey* [*U.P. State Brassware Corpn. Ltd. v. Uday Narain Pandey*, (2006) 1 SCC 479], *J.K. Synthetics Ltd. v. K.P. Agrawal* [*J.K. Synthetics Ltd. v. K.P. Agrawal*, (2007) 2 SCC 433], *Metropolitan Transport Corpn. v. V. Venkatesan* [*Metropolitan Transport Corpn. v. V. Venkatesan*, (2009) 9 SCC 601], *Jagbir Singh v. Haryana State Agriculture Mktg. Board* [*Jagbir Singh v. Haryana State Agriculture Mktg. Board*, (2009) 15 SCC 327] and *Deepali Gundu Surwase v. Kranti Junior Adhyapak Mahavidyalaya* [**Deepali Gundu Surwase v. Kranti Junior Adhyapak Mahavidyalaya**, (2013) 10 SCC 324].

15. Coming now to the facts of the case at hand, we find that neither the Labour Court and nor the High Court kept in consideration the aforesaid principles of law. Similarly, no party to the proceedings either pleaded or adduced any evidence to prove the material facts required for award of the back wages enabling the court to award the back wages.

16. On the other hand, we find that the Labour Court in one line simply directed the appellant (employer) to pay full back wages for a long period to the deceased workman while directing his reinstatement in service.

17. We cannot, therefore, concur with such direction of the courts below awarding full back wages to the workman which, in our opinion, has certainly caused prejudice to the appellant (employer)."

[Emphasis Supplied]

18.1 No finding or discussion has been given in the Impugned Award for the award of backwages either.

19. In view of the above going discussion, the Impugned Award is set aside. Consequently, the Impugned Order is also set aside.

20. The matter is remanded to the learned Labour Court for fresh adjudication. The parties shall appear before the learned Labour Court on 13.10.2025.

20.1 Given the lapse of time, the Petitioner shall file its Written Statement



before the learned Labour Court within a period of four weeks. Rejoinder, if any, be filed within a period of two weeks thereafter. It is made clear that neither party will take any unnecessary adjournment before the learned Labour Court.

21. The Respondent, who is present in person, has been explained the order passed today.

22. The amounts which have been deposited before this Court shall remain deposited with the Court and shall abide by the orders passed.

23. The present Petition is disposed of in the foregoing terms. The pending Application also stands closed.

24. It is clarified that this Court has not expressed any opinion on the merits of the case. All rights and contentions of the parties are left open to be agitated before the appropriate forum.

25. The parties shall act based on the digitally signed copy of the order.

TARA VITASTA GANJU, J

SEPTEMBER 15, 2025/ ha/r