



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

CWP-7394-2001 (O&M)

Date of decision: 16.04.2026

Bhagwanti

....Petitioner

Versus

The Presiding Officer, Industrial Tribunal cum Labour Court, Hisar and
others

....Respondents

CWP-7640-2001 (O&M)

Santoshi Kumari

....Petitioner

Versus

The Presiding Officer, Industrial Tribunal cum Labour Court, Hisar and
others

....Respondents

CWP-7643-2001 (O&M)

Bimla Devi

....Petitioner

Versus

The Presiding Officer, Industrial Tribunal cum Labour Court, Hisar and
others

....Respondents

CORAM: HON'BLE MR. JUSTICE KULDEEP TIWARI

Present: Ms. Jaishree Kaushik, Advocate,
Mr. Tarun Kaushik, Advocate, and
Mr. Hitesh Soni, Advocate,
for the petitioners.

Mr. Kapil Bansal, DAG, Haryana.

KULDEEP TIWARI, J. (Oral)

1. Since a common issue, as to whether, termination of the
petitioners would tantamount to retrenchment under Section 2(oo) (bb) of
the Industrial Disputes Act, 1947? (for short, 'the Act'), arises for



consideration of this Court, all the three writ petitions are taken up together. However, the facts are being derived from CWP-7394-2001.

2. Succinctly stated, the petitioner had joined the respondent-Management as Craft Assistant on 05.08.1993, for a period of six months, which was extended from time to time. However, on 08.08.1997, her services were terminated, without serving any charge sheet, notice or payment of compensation. At the time of termination, she was getting Rs.1500/- per month as salary. Whereafter, upon preferring a claim statement by the petitioner, an industrial dispute, under Section 10(1)(c) of the Act was referred to the learned Industrial Tribunal for adjudication, *“whether termination of services of Smt. Bhagwanti is justified and in order? If not, alongwith reinstatement, to what amount of back wages, she is entitled?”*

3. It was her pleaded case that, *albeit* she was working against a permanent post, but despite availability of the work, her services were terminated. Secondly, persons junior to her were retained in service.

4. While contesting the claim, the Management filed written statement admitting that the petitioner was engaged as Assistant Tailoring Teacher on 05.08.1993, in village Nohla, on a consolidated salary of Rs.800/- for six months. Further, it was categorically spelt out in the appointment letter that her services could be terminated without any notice. Thereafter, subject to the abovesaid condition, her engagement was extended by six months from time to time, as per the requirement of different village Panchayat Samities. However, owing to paucity of funds with Panchayat Samiti and Gram Panchayat, which were



paying the salary of the petitioner in equal proportion, her services were terminated vide letter No.55-57 dated 08.08.1997.

5. After taking into consideration the respective stands of the parties, along with the evidence proved by them on record, the learned Industrial Tribunal came to the conclusion that it was a case of termination of contract, due to paucity of funds with the employer Panchayat Samiti and the Gram Panchayat, which were paying the salary in equal proportion, and not of retrenchment.

6. Learned counsel for the petitioners, in an endeavour to assail the awards, submits that even if, services of all the petitioners were terminated due to lack of funds to remit the salary, still the same would squarely fall within the ambit of retrenchment. Further, the learned Industrial Tribunal failed to evaluate that petitioners had worked for more than 240 days in the preceding year from the date of termination, therefore, there was an apparent violation of Section 25-G and H of the Act.

7. This Court has heard learned counsel for the petitioners and gone through the record.

8. *Ex facie*, the contract of the petitioners was not renewed after expiry of term, due to lack of requisite funds to pay the remuneration. Accordingly, as demonstrated in the very beginning, this Court is required to delve into the issue, whether, non-renewal of the contract would amount of retrenchment or not? Suffice it to say that the answer of the abovesaid question lies in the definition of Section 2(oo) (bb) of the Act, which is extracted hereinbelow:-



2. Definitions.—In this Act, unless there is anything repugnant in the subject or context,

xx xx xx xx

2 [(oo) “retrenchment” means the termination by the employer of the service of a workman for any reason whatsoever, otherwise than as a punishment inflicted by way of disciplinary action, but does not include—

xx xx xx

3 [(bb) termination of the service of the workman as a result of the non-renewal of the contract of employment between the employer and the workman concerned on its expiry or of such contract being terminated under a stipulation in that behalf contained therein; or]...”

9. The abovesaid unambiguous provision of the Act leaves no room for doubt for this Court to reach a definite conclusion that termination of the petitioners was an outcome of non-renewal of contract, due to insufficiency of funds with the Management to pay remuneration, which in any case, does not lead to retrenchment of service. The relevant findings, as have been recorded by the learned Industrial Tribunal, on the abovesaid aspect are also required to be referred to:-

“I have considered the above arguments and gone through the record on file. There is no dispute to this effect that claimant was engaged on 5.8.93 and she worked upto 8.0.1997. The only question is whether the services can be terminated or not. In my view her appointment was contractual. Moreover. Ex.M2 shows that this order has not been passed with any ill-will and the department has no funds to pay the salary and 50% amount is contributed by the Panchayat Samiti and thereafter the salary was to be paid and since they also clarified that if there will be funds, they will take back the claimant in service. So keeping in view the above discussion there is no violation of provisions of the Act. The department has given undertaking, in



other words, they will take back the claimant in service if they get the sufficient funds.”

10. As a sequel to the position sketched out above, no interference is warranted by this Court with the well-reasoned awards. Accordingly, all these writ petitions are **dismissed**.

11. A photocopy of this order be placed on the files of connected cases.

(KULDEEP TIWARI)
JUDGE

16.04.2026
Ak Sharma

Whether speaking/reasoned	Yes
Whether reportable	Yes/No