

IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH

LPA-2952-2025 (O&M)

Shiv Kumar (since deceased) through his LRs

...Appellant(s)

Vs.

Secretary cum-Executive Officer, Market
Committee and others

...Respondent(s)

1.	Date when Order was reserved	16.03.2026
2.	Date of Pronouncement of Order	24.04.2026
3.	Date of uploading order	28.04.2026
4.	Whether operative part or full order is pronounced	Full
5.	Delay, if any, in pronouncing of full order, and reasons thereof	Not Applicable

CORAM: HON’BLE MR. JUSTICE SUVIR SEHGAL
HON’BLE MR. JUSTICE DEEPAK MANCHANDA

Present: Mr. Ashwani Bakshi, Advocate and
Mr. Harshit Kataria, Advocate for the appellant(s).

SUVIR SEHGAL, J.

1. This Letters Patent Appeal has been filed assailing judgment dated 24.03.2025 passed by the learned Single Judge whereby writ petition filed by management-respondent No.1 has been accepted and award dated 09.05.2003, Annexure P-2, passed by the Labour Court has been set aside.
2. Mr. Ashwani Bakshi, counsel for the workman-appellant has argued that there was no evidence before the learned Single Judge to come to the conclusion that retrenchment compensation was offered to the workman

along with retrenchment notice dated 10.01.1992. He asserts that there is a violation of Section 25-F of Industrial Disputes Act, 1947 (for short 'the Act') and workman is entitled to be reinstatement, along with all consequential benefits and salary. He has contended that a mere offer to pay compensation along with notice is not sufficient compliance of Section 25-F of the Act. Reliance has been placed by him upon *Anoop Sharma Vs. Executive Engineer Public Health Division No.1, Panipat (Haryana)*, *Mani Ram Vs. The Presiding Officer, Labour Court, Ambala, 1996 (2) PLR 39* and *Nar Singh Pal Vs. Union of India, 2000 (3) SCC 588*.

3. We have heard counsel for the appellant(s) and considered his submission besides examining the documents relied upon by him.

4. Workman was employed as Electrician-cum-Plumber with Market Committee, Gurugram, but as the post was not sanctioned in the budget year 1985-86, he was given a fresh appointment as a Waterman against a vacant post w.e.f. 01.01.1986. Due to financial crunch, Market Committee abolished the post and the workman was served with a notice dated 07.06.1991 and subsequently by letter dated 12.06.1991, he was informed that he is being retrenched w.e.f. 20.07.1991. Workman approached the Civil Court and was granted an injunction. Upon the vacation of the interim order, his services were retrenched vide letter dated 01.10.1992 (Ex. M-6) on account of the abolition of the post. Along with the retrenchment letter, he was offered a retrenchment compensation of Rs.3,690/- and was asked to receive the amount prior to leaving the office. A perusal of the retrenchment notice shows that he refused to accept the notice and the retrenchment compensation was sent to him by money order, Ex. M-7. Receipts, acknowledging receipt of payment of

retrenchment compensation through money order have been brought on the record before the Labour Court as Ex. M-8.

5. The sole question to be determined is whether an offer of compensation along with the retrenchment letter is a sufficient compliance of Section 25-F of the Act. Section 25-F, *ibid*, does not provide any mode or manner of payment of retrenchment compensation. The only requirement is that compensation as per the formula specified in the statute must be paid at the time of retrenchment. A perusal of the retrenchment notice clearly shows that the workman was asked to collect the retrenchment compensation from the office, but he neither accepted the retrenchment notice nor did he collect the compensation which was later sent to him through postal service. In this background, this Court is of the view that this is a sufficient compliance of the statutory provision.

6. In *Pramod Jha and others Vs State of Bihar and others, (2003) 4 SCC 619*, Supreme Court approved the service of termination notice directing the retrenched employees to collect termination compensation from the divisional office to be a sufficient compliance of the provisions of Clause F of Section 25 of the Act.

7. Appellant-workman cannot derive any benefit of the judgment in Anoop Sharma's case (supra). In that case, workman was given a notice dated 15.11.1958 and his services were terminated w.e.f. 17.11.1958. He was asked to collect his dues from the office on 20.11.1958. In these circumstances, the Supreme Court came to the conclusion that the workman had been asked to collect his dues after his termination which is not a compliance of the mandatory clauses (a) and (b) of Section 25-F of the Act. The situation in the

present case is entirely different and the workman was offered compensation simultaneously with the retrenchment. In Mani Ram's case (supra) also, compensation was sent subsequently by money order and it was held to be in breach of Section 25-F of the Act. In Nar Singh Pal's case (supra), Supreme Court held that mere acceptance of a subsequently offered retrenchment compensation does not bar a workman from challenging termination from service. These judgments do not advance the case of the workman as it stands clearly established that in the present case he was offered retrenchment compensation along with the notice of termination, though he refused to accept both the notice as well as the compensation.

8. As a sequel to the above discussion, we are of the considered opinion that the judgment passed by the learned Single Judge is a well reasoned and does not deserve to be interfered with.

9. There is no merit in the present appeal, which is dismissed with no order as to cost.

(SUVIR SEHGAL)
JUDGE

(DEEPAK MANCHANDA)
JUDGE

24.04.2026

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