2026:AHC:208943

HIGH COURT OF JUDICATURE AT ALLAHABAD

WRIT - C No. - 13510 of 2023

M/S A2z Infra Engineering Limited

.....Petitioner(s)

Versus

State Of Uttar Pradesh And 3 Others

.....Respondent(s)

Counsel for Petitioner(s)	:	Gaurav Tripathi, Syed Imran Ibrahim
Counsel for Respondent(s)	:	Ajaj Ahmad, Akhtar Ali, C.S.C.

Court No. - 36

HON'BLE SAURABH SHYAM SHAMSHERY, J.

Impleadment Application No. 2 of 2025

1. Ms. Apeksha Sachdeva, holding brief of Sri Gaurav Tripathi, learned counsel for the petitioner and Mr. Akhtar Ali, learned counsel for the respondent no.5.

2. The impleadment application is allowed.

3. Necessary impleadment be carried out during course of day.

Order on Writ

1. The newly impleaded respondent filed an application under the provisions of the Payment of Wages Act, claiming that petitioner had not paid his wages for the period from 25.09.2012 to 17.08.2013, amounting to Rs. 2,86,618/-.

2. By the impugned order, the Prescribed Authority held that the petitioner was liable to pay the aforesaid amount to the newly impleaded respondent. Additionally, a penalty equivalent to five times the amount of wages was imposed in terms of Section 15(3) of the Payment of Wages Act, 1936.

3. This Court has passed the following interim order on 24.04.2023 :

> *"Heard learned counsel for the petitioner and learned Standing Counsel for State-respondents.*
>
> *The present writ petition has been filed for quashing the impugned orders dated 28.1.2022 and 19.1.2021.*
>
> *Learned counsel for the petitioner submits that an exparte proceeding has been initiated against the petitioner though the petitioners have neither given any notice nor information and recovery proceedings have been*

initiated. He submits that the petitioners have only executed a work contract and there was no liability upon the petitioners.

The matter requires consideration.

Notice on behalf of respondents has been accepted by Chief Standing Counsel.

The respondents are granted six weeks' time to file counter affidavit. Rejoinder, if any, may be filed within a week thereafter.

List on 12.7.2023.

Till the next date of listing, no coercive action shall be taken against the petitioner subject to deposit of Rs. 3,00000/- (three lakh) by the petitioner before respondent no. 2 within 15 days from today.

It is made clear that the said amount deposited by the petitioner shall be released in favour of the party concerned, subject to outcome of this writ petition."

4. Learned counsel for the petitioner submits that a sum of Rs. 3,00,000/- has already been deposited and the same has been paid to the newly impleaded respondent.

5. After hearing learned counsel for the parties, Court finds that no interference is required insofar as the direction for payment of wages amounting to Rs. 2,86,618/- is concerned. The only issue which remains for consideration is whether the penalty equivalent to five times the amount of wages imposed by the Prescribed Authority is justified or not.

6. Section 15(3) of the Payment of Wages Act, 1936 provides that the Prescribed Authority may, in its discretion, impose a penalty up to ten times the amount of wages. However, this Court finds that no reason has been recorded by the Prescribed Authority as to the circumstances or factors which weighed with it in imposing a penalty equivalent to five times the amount of wages.

7. Otherwise also, the newly impleaded respondent had worked for about one year and, thereafter, appears to have worked only for a short period of about ten days prior to the alleged occurrence and was not working thereafter. In the circumstances, this Court finds that the penalty equivalent to five times the amount of wages imposed by the Prescribed Authority is not justified and the same is liable to be modified.

8. The question that now remains is as to the amount by which the newly impleaded respondent may be reasonably compensated towards the penalty. In the opinion of the Court, a sum of Rs. 75,000/- would be just, sufficient and reasonable compensation towards the penalty.

9. Since a sum of Rs. 3,00,000/- has already been paid to the newly impleaded respondent, the impugned order is modified to the extent that the petitioner shall pay a further sum of Rs. 75,000/- to the newly impleaded respondent within a period of six months.

10. With the aforesaid modification, the present writ petition is disposed of.

October 6, 2026
Ashok Gupta

(Saurabh Shyam Shamshery,J.)

Digitally signed by :-
ASHOK KUMAR GUPTA
High Court of Judicature at Allahabad