

(2026) 02 GUJ CK 1668

In the Gujarat High Court

Case No : R/Special Civil Application No. 15514, 15603 Of 2020

Gondal Nagarpalika Through Chief Officer Hiteshkumar
Kantilal Patel

APPELLANT

Vs

Vijaykumar Madhubhai Padhiyar

RESPONDENT

Date of Decision : 23-02-2026

Acts Referred:

Constitution Of India, 1950 — Article 226, 227

Industrial Disputes Act, 1947 — Section 17B, 25(F), 25(G), 25(H)

Citation : (2026) 02 GUJ CK 1668

Hon'ble Judges : Hemant M. Prachchhak, J

Bench : Single Bench

Advocate : Yatin Soni, Ramnandan Singh

Final Decision : Partly Allowed

Judgement

Hemant M. Prachchhak, J

1. Since common issue involved in the captioned writ petitions, the same are heard analogously and are being decided by this common judgment.

2. Present petitions are filed by the petitioner – Gondal Negarpalika under Article 226 and 227 of the Constitution of India read with the provisions of the Industrial Disputes Act, 1947 (hereinafter be referred to as “the Act”) challenging the judgment and award passed by the learned Presiding Officer, Labour Court, Rajkot (hereinafter be referred to as “the Labour Court”) in Reference (LCR) Nos. 76 of 2011 & 77 of 2011 respectively, whereby, the learned Judge has partly allowed the Reference filed by the respective respondents and directed the petitioner - Nagarpalika to reinstate the workman with 20% backwages and continuity of service and also directed to pay sum of Rs.2,500/- each as expenses to the respondent-workmen.

3. Brief facts of the case of the petitions are that the respondent – workmen were working, continuously with the petitioner as Valveman and drawing salary

of Rs.1200/- per month w.e.f. 1994 to 12.01.2000. It is contended that on 12.12.2000, the workman was terminated from the services without issuing notice or paying notice pay and, thereafter, though dispute was not resolved, the same was referred to the Labour Court by way of reference. The workmen have averred that the petitioner has committed breach of Section 25(F), (H) and (G) of the Industrial Disputes Act and also averred that the workmen had worked for more than 240 days. It is also contended that the petitioner has filed written statement at Exhibit 10 inter alia contending that the workmen were not permanent employees of the petitioner and their appointments were not made by following due procedure of law. The workmen filed applications for condonation of delay, which came to be allowed by the Labour Court without hearing the petitioner as the workman preferred References after 11 years from their termination. The Labour Court allowed the reference and directed the petitioner to reinstate the workmen with 20% back wages.

4. Being aggrieved and dissatisfied with the impugned award passed by the learned Presiding Officer, Labour Court, Rajkot in the aforesaid References, the petitioner has preferred these petitions.

5. Heard Mr. Yatin Soni, learned counsel appearing for the petitioner - Nagarpalika and Mr. Ramnandan Singh, learned counsel appearing for the respondent-workmen.

6. Learned counsel Mr. Soni has submitted that the impugned judgment and award passed by the Labour Court is illegal, unjust, arbitrary, erroneous and contrary to the facts and material on record and the provisions of the Act and therefore, is required to be quashed and set aside. He has submitted that the Labour Court has failed to appreciate the fact that the respondent-workmen were daily rated employees and they had not completed 240 days continuous service and therefore, on that ground, the impugned award is required to be quashed and set aside. He has submitted that the Labour Court has erred in not taking the cognizance of the settled legal position where the dispute was raised after the long gap of 11 years, then only on the ground of delay and laches, that Reference was required to be rejected, and no further adjudication was required to be made by the Labour Court, where there was unexplained delay of 11 long years. He has further submitted that the Labour Court ought to have held that there was unexplained delay of 11 long years for raising an industrial dispute of reinstatement wherein termination made in the year 2000, that was challenged in the year 2011, that itself shows that the employees had abandoned their claim for challenging the termination and the same is required to be rejected only on that ground. Over and above the grounds agitated in the memo of petition, learned counsel Mr. Soni has urged that the respective impugned award is required to be quashed and set aside and the present petitions are required to be allowed.

7. As against that, learned counsel Mr. Ramnandan Singh, appearing for the respondent-workmen, has opposed the present petition and submitted that there

is no any infirmity or any illegality in the impugned judgment and award passed by the Labour Court and therefore, no interference is required to be called for in the present petition. Learned counsel Mr. Singh has referred and relied upon the decision of the Division Bench of this Court rendered in Letters Patent Appeal No. 908 of 2023 and other allied matters, more particularly the observations made in paras-7, 10 and 11 and urged that appropriate orders be passed.

8. I have heard the learned counsel appearing for the respective parties and perused the material placed on record. I have also gone through the impugned awards passed by the Labour Court. Considering the submissions canvassed by learned counsel appearing for the respective parties and the impugned award passed by the Labour Court, it appears that the Labour Court has rightly appreciated the evidence while coming to the conclusion and without there being any rebuttal, on the other hand, the Labour Court has awarded the aforementioned relief. In view of the decision of the Hon'ble Supreme Court in the case of Maharashtra State Cooperative Marketing Federation Limited Versus Suresh S/o Dadarao Gadge reported in (2015) 4 SCC 542 and the oral order dated 18.04.2024 passed by the Division Bench of this Court in Letters Patent Appeal No. 908 of 2023 and allied appeals more particularly para – 10 and the order dated 18.04.2024 passed by the Division Bench of this Court in Letters Patent Appeal No.1091 of 2023 and allied appeals more particularly paras – 5 and 6, this Court is of the opinion that interest of justice would be subserved, if lump sum compensation is awarded in favour of the workman.

8.1 The relevant para – 10 of the oral order dated 18.04.2024 passed by the Division Bench of this Court in Letters Patent Appeal No. 908 of 2023 and allied appeals reads thus:-

"10. Having come to the conclusion that the lump sum compensation would be appropriate remedy for the families of the deceased workmen, the other aspects which comes for consideration is quantum of lump sum compensation. Though learned advocate Mr. Bhatt has contended that there was delay in preferring the complaint and the subsequent reference, it can be observed from the pleadings that the averments with regard to delay and laches in preferring the reference were not made before the labour court as well as the learned Single Judge. Therefore, the argument of learned advocate Mr. Bhatt with regard to delay and laches in preferring reference cannot be countenanced and what needs to be seen is that almost all the workmen have put in 16-20 years of service for the respondent and their services were terminated without following due procedure of law. Therefore, the families of the deceased workmen needs to be compensated proportionally as to the number of years of service put in by them. However, in order to balance the equation, we have considered to give effect of delay in preferring the reference while enhancing the amount of compensation. Thus, while calculating the number of years of services, we proposed to deduct the number of years service for which there is delay in preferring reference. After deduction of such number of service, we propose to give compensation in the

following tabular form:

Sr.No.

Total no. of years for lump sum compensation

Amount of lump sum compensation

1

5 to 10 years

Rs.3.00 lacs

2

10-15 years

Rs.5.00 lacs

3

15-20 years

Rs.7.5 lacs

8.2 The relevant paras 5 and 6 of the oral order dated 18.04.2024 passed by the Division Bench of this Court in Letters Patent Appeal No. 1091 of 2023 and allied appeals reads thus:-

"5. Therefore, looking to the gap which intervened between the date of termination and the date of granting reinstatement, the approach of the learned Single Judge granting lump sum compensation cannot be faulted with.

6. Looking to the various aspects and factors which are considered above, like the nature of employment, time gap intervened, length of service, the compensation awarded to the tune could not be said to be unreasonable. Therefore, Letters Patent Appeals preferred by the Municipality on the question of amount of compensation as well as appeals preferred by the workmen seeking reinstatement are liable to be dismissed. However, in one of the matters being Letters Patent Appeal No. 701 of 2023 in Special Civil Application No. 18334 of 2021 in the case of workman being Koli Vairaginiben Ramkumar, we observe that the compensation given by the learned Single Judge is to the tune of Rs.6,25,000/- for 11 years of service. It can be observed from the order passed by the learned Single Judge that such amount is proportionally different from the other set of amounts which are given as compensation. However, for the identical years of work i.e. 11 years of service, the other workmen are granted an amount of Rs.3,25,000/- as lump sum compensation. Thus, we are inclined to modify the amount of lump sum compensation in Letters Patent Appeal No. 701 of 2023 to the tune of Rs.3,25,000/- from Rs.6,25,000/-. Hence, Letters Patent Appeal No. 701 of 2023 is partly allowed to the aforesaid extent, whereas, all the other Letters Patent Appeals stand dismissed as no ground is made out to interfere

with the order of the learned Single Judge.”

9. Now, considering the materials placed on record and the peculiar facts of this case and considering the fact that though this Court while admitting the petitions had passed an order to comply with the provisions of Section 17B of the Act but, since the petitioner-Nagarपालिका had never complied with that order, this Court is of the opinion that considering the tenure of 7 years’ service, it will be in the fitness of things if, the award passed by the Labour Court is suitably modified in light of the aforesaid position of Law by granting lumpsum compensation of Rs.3,00,000/- each towards full and final settlement of all the dues of the employees.

10. In view of above, all the petitions are partly allowed. The impugned judgment and award passed by the learned Presiding Officer, Labour Court, Rajkot in Reference (LCR) Nos. 76 of 2011 and 77 of 2011 respectively are hereby modified accordingly. An amount of Rs. 3,00,000/- as lump sum compensation shall be paid to EACH of the respondent-workmen by the petitioner - Nagarपालिका, after proper verification of the identity and bank details through RTGS/NEFT, within a period of eight weeks from the date of receipt of the writ of this Order. Rule is made absolute to the aforesaid extent. There shall be no order as to costs.