

KAHS010047542021



Presented on : 29-10-2021  
Registered on : 29-10-2021  
Decided on : 06-04-2026  
Duration : 4 years 5 months 8 days

IN THE COURT OF PRINCIPAL DISTRICT &  
SESSIONS JUDGE, HASSAN.

Dated this the 6<sup>th</sup> day of April 2026

PRESENT

**Smt. Hemavathi**, BBM. LL.B.  
Principal District & Sessions Judge,  
Hassan.

**IID No.9/2021**

First Party:

Sannegowda K.H.,  
S/o Hanumegowda,  
Aged about 44 years,  
Machine Operator,  
Kavalikere Village,  
Doddakanagalu Post,  
Alur Taluk,  
Hassan District.

*(Represented by Sri. K.B. Palaksha, Advocate)*

Vs.

Second Party:

1. The Managing Director,  
Amalgamated Bean Coffee

Trading Company Limited,  
R/o Coffee Day Global Limited,  
Coffee Day Square,  
Vittal Mallya Road,  
Bengaluru – 560 001.

2. Sadananda Poojari,  
Company Secretary,  
Amalgamated Bean Coffee  
Trading Company Limited,  
R/o Coffee Day Global Limited,  
Coffee Day Square,  
Vittal Mallya Road,  
Bengaluru – 560 001.
3. Malavika Siddartha,  
W/o late V.G. Siddartha Hegde,  
Managing Director,  
R/o Coffee Day Global Limited,  
Coffee Day Square,  
Vittal Mallya Road,  
Bengaluru – 560 001.
4. The Manager,  
Amalgamated Bean Coffee  
Trading Company Limited,  
Belur Road, Hassan.

*(SP No.1 – Exparte*

*SP No.2 - 4 Represented by Sri. S.T. Somashekara, Advocate)*

## **ORDER**

First party filed claim statement under Section 10(4A)  
of the Industrial Disputes Act 1947 for an award by setting

aside the order of termination passed by the second party dated 21.07.2020 and to direct the second party management to reinstate him to original position with continuity of service and provide back wages, increments, other allowances, financial benefits or otherwise appoint or order for reinstatement of the first party in similar position or post in any other sister concerns of second party under the management of second party and such other relief.

2. After registration of the claim statement, notice was issued to the second party and the second party No.2 to 4 appeared through their counsel and resisted the claim of first party. Second party No.1 did not appear before this Court. Hence, it was placed *exparte*.

3. Brief facts of the case is that, first party was working as Machine Operator since 1991 in Hassan branch on monthly salary of Rs.800/-. He worked under the second party

throughout the service under the control and management of Chikkamagalore Branch office of second party and he was discharging his duties to the best satisfaction of the management with due diligence, promptness, honestly and punctuality. He maintained unblemished record of service during course of service. He was terminated from the service on 21.07.2020, which is opposed to the principles of natural justice. During his service with the second party, he was not given increments, salary as per the provisions of Minimum Wages Act and he was not paid DA bonus, leave with wages, gratuity and retirement compensation as per the provisions of labour laws. Even he was not paid proper salary. When he questioned, second party promised that it will be paid in future. Thereby he was paid less salary for his work and for the period of one year. From September 2019 10% of his salary was deducted and not paid to him. Second party wanted to settle entire matter by paying paltry sum and first party was

pressurized to submit his resignation voluntarily stating that second party is not in a position to run the company. Finally, he was terminated from the service with effect from 21.07.2020 by issuing termination letter. It is against the law. Due to termination dated 21.07.2020, his financial position ruined and he undergone untold hardship and inconvenience. It had greatly affected himself and his family members. His termination with effect from 21.07.2020 amounts to violation of principles of natural justice, unfair labour practice, whimsical, arbitrary act on the part of second party management. So the said order is liable to be set aside. He had issued legal notice to the second party management on 27.11.2020 calling upon the second party to recall the said termination order. But the second party issued untenable reply on 15.12.2020 justifying its order of termination by giving false and baseless grounds. Second party still running its various concerns throughout the Karnataka State in different

cities under the name and style Cafe Coffee Day outlets, Amalgamated Bean Coffee Limited, Chikkamagalore its Roasting Unit, Coffee Powder Packing Unit, Research and Development Unit and also Serai Hotel. Second party would employed him and given opportunity to work. He is aged about 44 years rendered more than 29 years of service with the second party. Now he is not in a position to get alternative job or any work. His family depends upon his income. If the order of termination is not set aside, he will be put to great hardship and inconvenience. Hence, prayed to allow the petition.

4. Second party No.2 to 4 filed counter statement admitting that first party worked as Machine Operator in Hassan Branch of second party till 21.07.2020 and he was discharged from the service with effect from 21.07.2020. But denied all other averments in the petition and contended that first party was employed as a Machine Operator with effect from 01.06.1996 with the second party at Hassan. Subsequent

to untimely death of Managing Director in July 2019 the company had struggled to meet the operational expenses. Further due to Covid-19 second party faced several challenges as a result it has suffered loss. So the company had no other choice except to streamline operation. Accordingly around 1100 cafes and over 30,000 vending machines were closed all over the county. Several other cost cutting measures have been implemented in order to ensure that the company does not shut its operations permanently. One such measure was to close down the operations of the factory at Hassan. The cafes and vending machines run by the company were dependent on the factory and the plantations for coffee as a raw material. In view of closure of cafes and vending machines, the second party had no work to be assigned to the workmen in the factory. As a result the company had no business opportunities going forward owing to lack of funds. Therefore, it has decided to close the manufacturing activities carried out at the

factory where the first party was employed and manufacturing operations in the factory was closed with effect from the said date. At that time, first party was paid Rs.4,71,368/- towards full and final settlement of his account and it was credited to the bank account of the first party. As on the date no workman continues to be employed on the manufacturing side of factory and the closure of Hassan factory is permanent and first party is not entitled to the relief of reinstatement or back wages as prayed. In view of settlement of the amount due to first party, the claim is baseless, arbitrary and holds no water. Hence, prayed to dismiss the claim statement.

5. Based on the claim statement and counter statement, the following issues were framed:

- 1) *Whether the first party proves that the order of termination dated 21.07.2020 is unfair and in violation of principles of natural justice?*
- 2) *Whether the first party proves that he is entitled to reinstate with continuity service and entitled*

*for consequential benefits including full back wages as prayed for?*

3) *What order and award?*

6. In spite of sufficient opportunity has been given first party and second party have not adduced any evidence.

7. In spite of sufficient opportunity has been given, both the parties have not address the arguments. Hence, the argument is taken as nil.

8. My finding on the above issues are as under:

Issue No.1: Negative,

Issue No.2: Negative,

Issue No.3: As per final order

for the following:

### **REASONS**

9. **ISSUE No.1:** On going through the pleadings of the parties, it is very clear that the first party was working as Machine Operator in Hassan Branch of second party until

21.07.2020 and on that day, he was terminated from the service. It is stated in the claim statement that he joined the service with second party as Machine Operator on monthly salary of Rs.800/- He discharged his duties to the best satisfaction of the management with due diligence, honesty and punctuality in the interest of the company and he had maintained unblemished record of service during the course of his employment with second party. During his service with second party, he was not given increment, salary as per labour laws. He was terminated from the service on 21.07.2020 without following the principles of natural justice and the said order of termination is unfair and illegal.

10. Per contra the second party contended that first party joined the service with second party on 01.06.1996 at Hassan. First party has failed to prove that without any reason and in violation of principles of natural justice, he was terminated from the service. He has not been terminated from the service

for the reason that his service was not satisfactory or he was discharging his duties with honesty, promptness and punctuality. But according to second party due to Covid-19 and also untimely death of the then Managing Director in the month of July 2019, the company had struggled to meet the operational expenses and it has faced several challenges and suffered financial loss. Hence, without any option they had closed around 1100 cafes and over 30,000 vending machines throughout the county. Cafes and vending machines run by the company were depended on the factory and also plantations for coffee as a raw material. In view of closure of cafes and vending machines, second party had no work to be assigned to the workmen at the factory. As a result, it had terminated the employees. But at the time of termination, they had made full and final settlement.

11. Since the first party has not entered into witness box to disprove the contention of second party in counter statement

and it is also not stated in the claim statement for what reason he was terminated from the service, the contention taken by the second party in the counter statement is to be accepted.

12. The first party has to prove that the termination is illegal, then the question whether he is entitled for reinstatement of service and back wages or not as sought by him does arise. The termination of worker from the service for any reason is different from dismissing the worker by way of punishment based on the report of disciplinary action and termination from the service other than the punishment inflicted by way of disciplinary action is called as retrenchment. Section 25F of Industrial Disputes Act says about *“the conditions precedent for retrenchment of workman”*. As per Section 25F(a) of Industrial Disputes Act *“the workman has to be given one month’s notice in writing indicating the reasons for retrenchment and the period of notice has expired or the workman has been paid in lieu of*

*such notice, wages for the period of the notice”. As per Section 25F(b) of Industrial Disputes Act “at the time of retrenchment, compensation which shall be equivalent to fifteen days average pay for every completed year of continuous service or any part thereof in excess of six months to be paid”. As per Section 25F(c) of Industrial Disputes Act “notice in the prescribed manner is to be served on the appropriate Government or such authority as may be specified by the appropriate Government by notification in the Official Gazette”.*

13. First party has produced the copy of legal notice dated 27.11.2020 got issued through advocate to the second party management calling upon the second party to reinstate him into service and settled the benefits as per the Minimum Wages Act. The reply dated 15.12.2020 got issued by the second party produced by the first party reveals that second party had given reply repeating what they stated in their

counter statement before the Court. Second party has also stated that while terminating service of first party, it had paid one month salary in lieu of notice Rs.19,510/-, wages towards earned leave Rs.11,090/-, gratuity Rs.1,69,892/- and proportionate bonus Rs.12,756/- and the same has been credited to his bank account. This fact has not been denied by the first party in his claim statement. So it shows that the second party had complied requirement envisaged under Section 25F(a) and (b) of Industrial Disputes Act.

14. In the decision reported in **(2003) 4 SCC 619** in the case between *Pramod Jha and others Vs. State of Bihar and others*, the Hon'ble Supreme Court of India held that, "The underlying object of Section 25F is two-fold. Firstly, a retrenched employee must have one month's time available at his disposal to search for alternate employment and so, either he should be given one month's notice of the proposed termination or he should be paid wages for the notice period.

Secondly, the workman must be paid retrenchment compensation at the time of retrenchment or before. So that once having been retrenched there should be no need for him to go to his employer demanding retrenchment compensation and the compensation so paid is not only a reward earned for his previous services rendered to the employer but is also a sustenance to the worker for the period which may be spent in searching for another employment. Further it is held by Hon'ble Apex Court that Section 25F nowhere speaks of the retrenchment compensation being paid or tendered to the worker along with one month's notice, on the contrary clause (b) expressly provides for the payment of compensation being made at the time of retrenchment and by implication it would be permissible to pay the same before retrenchment. Payment of tender of compensation after the time when the retrenchment has taken effect would vitiate the retrenchment and non-compliance with the mandatory provision which has a

beneficial purpose and a public policy behind would result in nullifying the retrenchment and compliance with clauses (a) and (b) of Section 25F strictly as per the requirement of the provision is mandatory. However, compliance with clause (c) is directory and a substantial compliance would be enough.

15. Further in the judgment reported in 2018 (1) KCCR SN 28(DB) in the case between Belagavi Urgan Development Authority, Belgaum Vs. Sri. D.N. Shivaraj, the Hon'ble High Court held that, "there is no need of getting the permission from the appropriate government and what required is only the intimation. The consent of the government is not mandatory requirement of Section 25F of Industrial Disputes Act for retrenching the workmen".

16. In view of the settled position of law and after going through the document produced by the first party itself as discussed above, I hold that second party had complied the

requirement envisaged under Section 25F of Industrial Disputes Act.

17. So it proves that the termination of first party under the service of second party is on account of challenges faced by the second party not for any other reason. First party has failed to show that second party has given unjustifiable reason for the termination and the second party is still running various concerns throughout the Karnataka State in different cities and second party would have employed him there. Considering all these facts, I hold that the order of termination dated 21.07.2020 is fair and not in violation of principles of natural justice as contended by the first party. Further second party has offered the claim as full and final settlement by crediting the amount to the bank account of first party. Hence, I answer this point in the negative.

18. **ISSUE No.2:** In view of my answer to the issue No.1, the first party is not entitled to reinstate into service with consequential benefits as prayed for Accordingly, I answer this issue in the negative.

19. **ISSUE No.3:** In view of the above discussions, I proceed to pass the following:

**ORDER**

The petition filed by the first party is hereby dismissed.

No order as to costs.

Send the copy of the Award to the State Government for publication as contemplated under Section 17A of Industrial Disputes Act.

*(Dictated to the Stenographer Grade-I, transcribed by her, corrected and then pronounced by me in Open Court on this **the 6<sup>th</sup> day of April 2026**)*

**(Hemavathi)**  
Principal District & Sessions Judge,  
Hassan.