

**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

Civil Appeal No 366 of 2022
(Arising out of SLP(C) No 8208 of 2020)

**The Patiala Central Cooperative Bank Ltd
Patiala & Ors**

.... Appellant(s)

Versus

Jaswinder Singh

....Respondent(s)

ORDER

1 Leave granted.

2 The first appellant is a cooperative bank. The respondent was engaged as a daily wager on 12 January 1999. The services of the respondent were terminated with effect from 28 May 2005. The respondent raised an industrial dispute. The Industrial Tribunal¹, by its award dated 3 January 2006, allowed the reference by an *ex-parte* award and granted reinstatement, together with 50 per cent of the arrears of salary. Thereafter, on 18 March 2006, the respondent was paid an amount of Rs 9,118 purportedly towards compensation under Section 25F of the Industrial Disputes Act 1947². The Bank filed an application for setting aside the *ex parte* award and, on 21 March 2006, the award was set aside, subject to the payment of costs. The Bank filed its written statement and the parties adduced evidence. On 2 September 2013, the Presiding Officer of the Tribunal held that the termination of service violated Section 25F of the ID

1“Tribunal”

2“ID Act”

Act. However, having regard to the fact that the termination took place in 2005, after which nearly nine years had elapsed, the Tribunal granted compensation in the amount of Rs 20,000 in lieu of reinstatement and back wages, together with interest at six per cent per annum. The award of the Tribunal was challenged by the respondent before the High Court of Punjab and Haryana. The Single Judge allowed the petition on 4 December 2019 and held that the respondent would be entitled to reinstatement in service with continuity, together with 50 per cent back wages from the date of termination till the date of reinstatement. The judgment of the Single Judge has been upheld by the Division Bench by the impugned judgment and order dated 24 January 2020.

- 3 Mr Sudhir Walia, counsel, appears on behalf of the appellants, while, Mr Durga Dutt, counsel, appears on behalf of the respondent.
- 4 The finding that the retrenchment was in breach of the provisions of Section 25F of the ID Act is unexceptionable. Admittedly, the payment of compensation in the amount of Rs 9118 took place on 18 March 2006, whereas the retrenchment had taken place much prior thereto on 28 May 2005. Since the retrenchment was contrary to the provisions of Section 25F of the ID Act, the direction for the grant of reinstatement with continuity of service cannot be faulted. The reinstatement would necessarily have to be in the same capacity which was held by the respondent as on the date of termination.
- 5 Insofar as the quantum of back wages is concerned, counsel appearing on behalf of the appellants submits that the first appellant is a cooperative bank and there are twelve other cases involving a similar claim which would unduly burden the finances of the Bank.
- 6 Having due regard to the facts and circumstances, including the financial position of the Bank, as stated before the Court, we are of the view that in lieu of

an award for the payment of half the quantum of back wages as directed by the High Court, a lump sum compensation should be paid. Hence, while affirming the award for the grant of reinstatement to the respondent in the same capacity which was held as on the date of the termination, we modify the award for the payment of back wages by directing that a lump sum compensation of Rs 1,00,000 shall be payable to the respondent within a period of two months from the date of this order.

7 The appeal is accordingly partly allowed, in the above terms.

8 Pending application, if any, stands disposed of.

.....J.
[Dr Dhananjaya Y Chandrachud]

.....J.
[Surya Kant]

**New Delhi;
January 17, 2022**

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ITEM NO.13 Court 4 (Video Conferencing) SECTION IV-B

S U P R E M E C O U R T O F I N D I A
R E C O R D O F P R O C E E D I N G S

Petition(s) for Special Leave to Appeal (C) No(s).8208/2020

(Arising out of impugned final judgment and order dated 24-01-2020 in LPA No. 124/2020 passed by the High Court of Punjab & Haryana at Chandigarh)

THE PATIALA CENTRAL COOPERATIVE
BANK LTD. PATIALA & ORS.

Petitioner(s)

VERSUS

JASWINDER SINGH

Respondent(s)

(WITH IA No. 60819/2020 - EXEMPTION FROM FILING O.T.)

Date : 17-01-2022 This petition was called on for hearing today.

CORAM :

HON'BLE DR. JUSTICE D.Y. CHANDRACHUD
HON'BLE MR. JUSTICE SURYA KANT

For Petitioner(s) Mr. Sudhir Walia, Adv.
 Ms. Niharika Ahluwalia, AOR

For Respondent(s) Mr. Durga Dutt, AOR
 Mr. Jatinder Nagpal, Adv.
 Mr. Rohit Priyadarshi, Adv.
 Mr. Upendra Narayan Mishra, Adv.
 Ms. Renuka, Adv.
 Mr. Vikash Pandey, Adv.

UPON hearing the counsel the Court made the following
O R D E R

- 1 Leave granted.
- 2 The appeal is partly allowed in terms of the signed order.

3 Pending application, if any, stands disposed of.

(SANJAY KUMAR-I)
AR-CUM-PS

(SAROJ KUMARI GAUR)
COURT MASTER

(Signed order is placed on the file)