

**BEFORE CENTRAL GOVT. INDUSTRIAL TRIBUNAL CUM –
LABOUR COURT NO. II, NEW DELHI**

I.D. No. 16/2008

Smt. Sheela vs. Corporation Bank

Smt. Sheela,

W/o Shri Nirmal Prasad,
Through Corporation Bank Safai Karmchari Sangh,
6054, Gali Mandir Satya Narayan,
Nabi Karim, Paharganj, New Delhi-110055.

...Applicant/Claimant

Versus

The Senior Manager,

Corporation Bank,
Chandni Chowk Branch,
Delhi-110006.

...Management/respondent

Counsels:

For Applicant/ Claimant:

Ms. Mamta Yadav and Sh. Rajvir Chaudhary, Ld. ARs.

For Management/ Respondent:

Sh. Rajat Arora, Ld. AR.

Award

03.09.2025

In exercise of powers conferred under clause (d) of Sub-section (1) and Sub-section (2A) of Section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Government of India, through the Ministry of Labour and Employment, vide its Order No. L-12011/162/2006-IR (B-II) dated 30.04.2008, has been pleased to refer the following dispute between and for adjudication by this Tribunal in the following terms:

“Whether the termination of services of Smt. Sheela, Part-time Sweeper w.e.f. 04.10.2006 by the management of Corporation Bank is legal and justified? If not, to what relief the concerned workman is entitled?”

Pursuant to the reference, the claimant appeared and filed her claim statement stating that she was initially appointed as a part-time Safai Karmchari with Corporation Bank at its Chandni Chowk Branch, Delhi, on 09.04.2003, drawing a wage of Rs. 1,750/- per month. It is averred that she had performed her duties sincerely and diligently throughout her engagement, without giving any reason for complaint.

According to her, on 04.10.2006, the management abruptly refused to allow the workman to resume her routine duties. Upon enquiry, the officials informed her that her services stood terminated on account of her husband's active involvement in union activities, (he was the General Secretary of the Corporation Bank Safai Karmchari Sangh), which the management found objectionable. The claimant asserted that the said action of the management was completely arbitrary, vindictive, and violative of the principles of natural justice. No prior notice of termination, charge sheet, or domestic enquiry was ever conducted by the management and the provisions under Section 25F, G and H of the Industrial Disputes Act, 1947, were not complied with while terminating her services. She submitted that a strike notice dated 14.10.2006 was served upon the management through the union, demanding her reinstatement along with full back wages and consequential benefits. The matter was taken before the Assistant Labour Commissioner, but due to the alleged non-cooperation of the management, conciliation proceedings failed, and a reference was accordingly sent by the appropriate government.

In response, the management filed the written statement denying all the allegations made by the workman and stated that the claim is false, baseless, and deserves to be dismissed. According to them, the workman has tried to mislead the Tribunal by hiding important facts. The management's main stand is that the workman was never formally appointed by them. They claim she was the wife of Shri Nirmal Prasad, a part-time sweeper in the Chandni Chowk branch of the bank and that she occasionally assisted her husband in cleaning work like toilet cleaning, but had never been appointed as an employee, nor was she paid any salary by the bank. They asserted that was no appointment

letter ever issued in her favour, and at no point was she treated as an employee of the bank.

The management further stated that Corporation Bank, being a nationalized bank, follows strict rules for recruitment. All vacancies are filled through employment exchange or public advertisement, followed by a proper selection process. Since none of this happened in the workman's case, her claim of being a regular employee is not tenable. They also denied the allegation that the workman was removed from duty on account of her husband's union activities and reiterated that she was never prevented from performing duties because she was never appointed in the first place.

With regard to conciliation, the bank contended that no strike or demand notice was received from the claimant or the said union. They even questioned the legal standing of the union, claiming that it was not recognized and had not authority to raise a dispute on behalf of someone who was not even an employee. They further argued that since the workman was never employed, she did not fall under the definition of a "workman" under the Industrial Disputes Act. As such, she cannot claim any benefits like reinstatement, back wages, or continuity of service.

Rejoinder had also been filed by the claimant where she denied the averments made by the management in its written statement and affirmed the averments in her claim statement.

Though no issue had been framed for adjudication, however, the reference itself is treated as the issue. However, this tribunal has to answer whether termination of the services of the claimant, working as a part-time sweeper, is illegal and unjustified.

In order to prove her claim, the claimant examined himself as WW1. She reiterated the contents of her claim and deposed that she was initially appointed with the management on 09.04.2003. She relied upon the following documents:

- Copy of salary statement given by the bank during the period from 09.04.2003 to 04.10.2006 (Ex. WW1/1).

- Copy of the registration certificate issued by the Registrar of the Corporation Bank Safai Karmchari Sangh (Ex. WW1/2).
- Copy of the constitution of the union (Ex. WW1/3).
- Copy of the strike notice dated 14.10.2006 (Ex. WW1/4).
- Copy of the legal demand notice after filing a statement of claim before the Conciliation Officer (Ex. WW1/5).
- Postal Receipt of the notice (Ex. WW1/6).

During her cross-examination the claimant admitted that:

- No letter of appointment was issued by the bank at the time of her joining on **09.04.2003**.
- She has **no knowledge** whether any advertisement was issued in 2003 for the post of part-time safai karamchari.
- Her interview was conducted by the AGM of the bank before her engagement.
- Two to three other persons had also appeared for the interview, but she cannot recall their names.
- During her engagement, **payment was made to her through vouchers**, not via bank account.
- She admitted that **regular employees received their salaries in their bank accounts**.
- Her **husband, Nirmal Prasad**, was a part-time sweeper at the Chandni Chowk Branch and **received his salary through bank account**.
- She admitted that no termination letter was issued to her at the time of alleged termination.
- She stated that since 2006 till date, she has been unemployed.
- She denied suggestions that she was merely assisting her husband or was a casual worker.

In rebuttal, the management examined Sh. Praveen Kumar Khanna as MW1 who reiterated the averments made in the written statement and produced a copy of the rules and regulation of recruitment in the sub-ordinate cadre of Corporation Bank (Ex. MW1/A) (Colly). During course of the proceedings, the claimant's right to cross-examine the

management's witness was closed due to repeated adjournment requests.

I have heard the arguments advanced by both parties, perused the record and analysed the evidence. Before parting the decision on whether the services of the claimant had been terminated illegally and unjustifiably, section 25F and section 2(s) of the Act is required to be reproduced herein:

25F. Conditions precedent to retrenchment of workmen. - No workman employed in any industry who has been in continuous service for not less than one year under an employer shall be retrenched by that employer until-

the workman has been 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;

the workman has been paid, 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; and

notice in the prescribed manner is served on the appropriate government [or such authority as may be specified by the appropriate Government by notification in the Official Gazette.]

2 [(s) "workman" means any person (including an apprentice) employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward, whether the terms of employment be express or implied, and for the purposes of any proceeding under this Act in relation to an industrial dispute, includes any such person who has been dismissed, discharged

or retrenched in connection with, or as a consequence of, that dispute, or whose dismissal, discharge or retrenchment has led to that dispute, but does not include any such person—

(i) who is subject to the Air Force Act, 1950 (45 of 1950), or the Army Act, 1950 (46 of 1950), or the Navy Act, 1957 (62 of 1957); or

(ii) who is employed in the police service or as an officer or other employee of a prison; or

(iii) who is employed mainly in a managerial or administrative capacity; or (iv) who, being employed in a supervisory capacity, draws wages exceeding 3 [ten thousand rupees] per mensem or exercises, either by the nature of the duties attached to the office or by reason of the powers vested in him, functions mainly of a managerial nature.]

From the above provisions, the claimant has to establish first that she qualifies as a 'workman' within the meaning of section 2(s) of the Act. Only thereafter the question of whether her services were terminated illegally and unjustifiably arises.

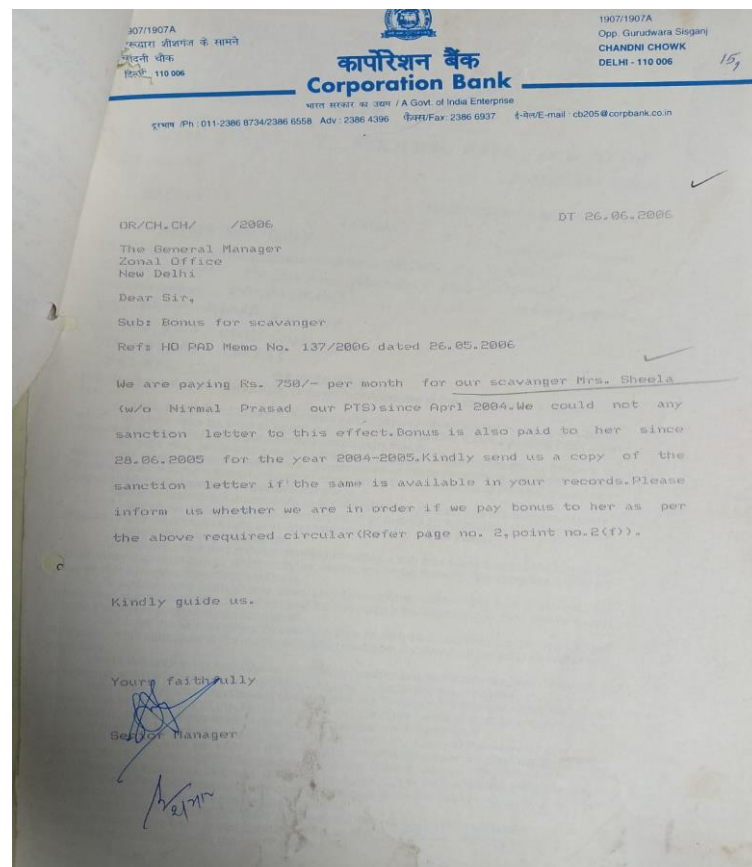
The whole defence of the management rests substantially on the premise that she was never officially appointed, nor was she paid any salary by the bank. There was no appointment letter ever issued in her favour, and at no point was she treated as an employee of the bank.

The vital question that requires to be determined whether the claimant was working for the management as an employee, and whether her services were illegally and unjustifiably discontinued w.e.f. 04.10.2006.

The claimant has alleged that she was engaged as a part-time Safai Karamchari by the Chandni Chowk Branch of the Bank and had been working on a regular basis since 09.04.2003 until she was suddenly denied entry and refused to resume her duties. She submitted that she was providing her services in good faith and had never provided any reason for complaint. However, the management has completely denied ever having formally appointed the claimant. It is their position that the claimant is the wife of Shri Nirmal Prasad, who is a part-time sweeper working at the same branch, and that she would sometimes help him in

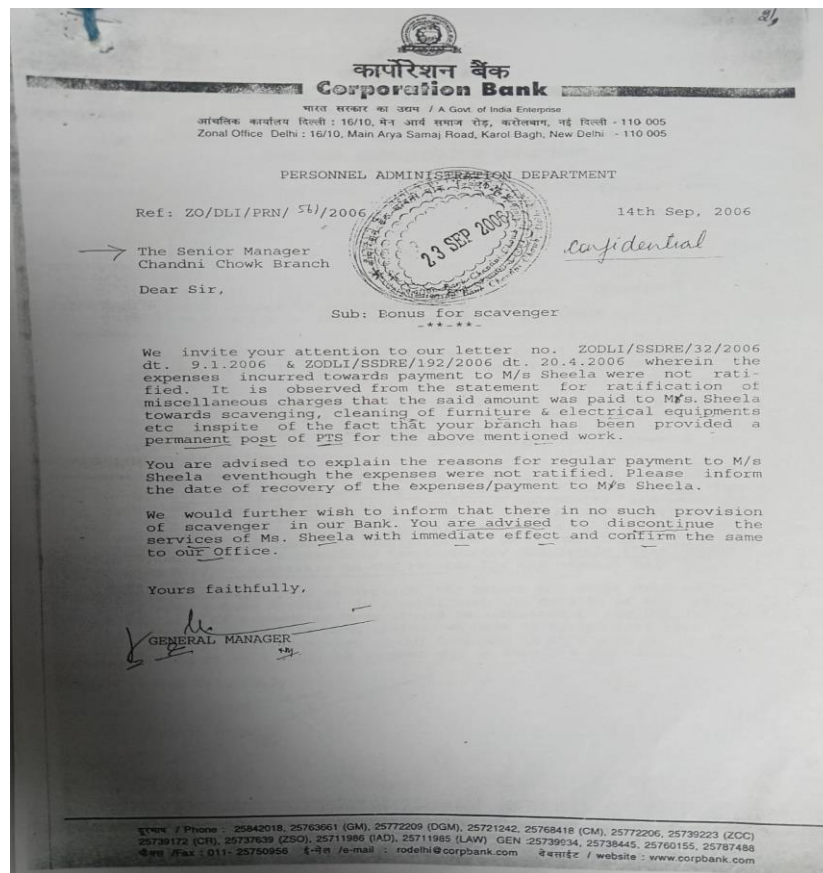
the performing cleaning tasks, especially toilet cleaning. It is their argument that the help was entirely voluntary in nature, and that no formal appointment or regular engagement was ever done in her favour. To affirm this, the management has pointed out that there is no appointment letter, no service record entry, and no salary payment in her name.

However, on close examination of the record, this Tribunal has found a letter dated 26.06.2006 written by the Senior Manager, Chandni Chowk Branch to the General Manager, Zonal Office, in which it was stated that since April 2004, the branch had been paying an amount of Rs. 1750/- every month to Mrs. Sheela for working in the role of scavenger. It further notes that bonus was paid to her for the financial year 2004-2005 as well. In the same letter, the branch sought clarification from the zonal office for clarification on whether such payments were permissible and requested a sanction letter. The said letter is required to be pasted herein:



The letter dated 14.09.2006 issued by the General Manager also holds important evidentiary value. In that letter, it is clearly admitted

that the branch had in fact made regular payments to the claimant for scavenging and cleaning of furniture and electrical appliances. It is worth noting that the higher authorities did not dispute such payments, their concern was only that these payments had not been sanctioned under the internal policy of the bank. The letter further instructs the branch to terminate the services of the claimant with immediate effect on the ground that there was no such post of scavenger in the bank. The said letter is required to be pasted herein:



Though, the letter dated 26.06.2006 and 14.09.2006 has not been put in evidence. However, the same has not been denied by the respondent's counsel. Therefore, these letters are admitted in evidence having been written by the bank's officials.

Together, these two letters specifically establish that the claimant was actually providing cleaning services at the Chandni Chowk branch for a long time period and was being paid on a monthly basis, though in the name of miscellaneous charges or vouchers. The fact that she was not formally appointed or given a letter of appointment does not rule out

the existence of employer-employee relationship, especially when such relationship is supported by the documentary evidence on record.

It is a settled principle of law that an employment relationship can be established not only from issuance of a formal appointment letter, but also from the nature and continuity of work, the manner of remuneration, and the degree of control exercised by the employer. In the current case, the claimant stated that she had been working regularly since 2003 has gone unchallenged in cross-examination. Additionally, she has stated that no termination notice letter was ever served to her. Notably, the management has failed to provide any material to establish that the payments to the claimant were unauthorized or discontinued before the instruction of the General Manager dated 14.09.2006.

In view of the above, it is clearly established that the claimant was engaged with the management for more than 240 days in a calendar year until her services were terminated in violation of section 25F of the Industrial Disputes Act, 1947. The aforesaid action on the part of the management is in violation of the principles of natural justice.

Now, the question that arises is what relief the claimant is entitled to. As a general rule, when termination is declared illegal, the appropriate relief is **reinstatement with full back wages**. It has been held by the Hon'ble Supreme Court of India in the case titled as **Employers, Management of central P & D Inst. Ltd. vs. Union of India & Another, AIR 2005 Supreme Court 633** that it is not always mandatory to order reinstatement even after the termination is held illegal. Instead, compensation can be granted by the industrial adjudicator. Similar views were expressed by Hon'ble High Court of Delhi in the case titled as **Indian Hydraulic Industries Pvt. Ltd. Vs. Kishan Devi and Bhagwati Devi & Ors., ILR (2007) Delhi 219** wherein it was held by the court that even if the termination is found to be illegal, the relief of reinstatement with full back wages need not be granted automatically, and the relief may be moulded according to the facts and circumstances of each case, and the court can allow compensation to the claimant instead of reinstatement with back wages. The same principle has been reiterated by the Apex Court in **Maharashtra State Road Transport Corporation vs. Mahadeo**

Krishna Naik 2025 Latest Caselaw 157 SC, wherein it was observed that upon dismissal being aside by a court of Law, reinstatement with full back wages is not an automatic relief and in certain situations, lump sum compensation is a better relief.

Given these circumstances, a lump sum compensation of Rs. 5,00,000/- (Rupees Five Lakhs Only) is considered an appropriate relief. Hence, the management is hereby directed to pay a compensation of Rs. 5,00,000/- (Rupees Five Lakhs Only) to the claimant within two months of notification of this award, failing which the management shall also pay interest @ 8% per annum on the aforesaid amount from the date of award till the date of realization. A copy of this award be sent to the appropriate government for notification under section 17 of the I.D Act. The file is consigned to record room.

Dated 03.09.2025

ATUL KUMAR GARG
Presiding Officer
CGIT – cum – Labour Court – II