* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

% Reserved on : 24.08.2026
Pronounced on : 30.10.2026
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 # CNR No.DLHC011458022018

+ W.P. (C) 13701/2018, CM APPL. 37395/2021 and CM APPL. 55114/2026

CHELMSFORD CLUB LIMITED. .....Petitioner
Through: Mr. Rajiv Bakshi, Advocate

versus

DIWAN SINGH .....Respondent
Through: Mr. Mukesh Gupta, Mr. Raghav Gupta and Mr. DevanshWahi, Advocates

CORAM:
HON'BLE MR. JUSTICE MANOJ KUMAR OHRI

JUDGMENT

1. By way of the present writ petition filed under Articles 226 and 227 of the Constitution of India, the petitioner seeks to assail the award/order dated 20.01.2018 passed by the Pilot Court/POLC-XVII, *Dwarka* Courts, New *Delhi*(hereinafter referred to as the "Labour Court") in Case No. LC 1453/16 (Old No. 314/10), whereby the petitioner was directed to reinstate the respondent/workman with continuity of service and 25% back wages from the date of termination. The petitioner/club (hereinafter referred to as the "Management") was further directed to extend the said benefits within

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one month from the date of publication of the award, failing which an interest at the rate of 9% per annum was made payable.

2. The statement of claim came to be filed by the respondent who had joined the management as a waiter in April 1998 and his last drawn salary was Rs.4,200/- per month. It was his case that from April 2005, he was also assigned the duties of a barman, although the corresponding pay scale was not extended to him. He was an active member of the Chelmsford Club *Karamchari* Union and had been elected as an Executive Member in 2007 and as its Secretary in 2009. According to him, the management became hostile towards him on account of his union activities and his demand for the pay scale applicable to a barman. His services came to be terminated by the petitioner *vide* letter dated 09.07.2010.

3. The management, on the other hand, denied that the respondent had been assigned the duties of a barman in the manner alleged by him and disputed the assertion that his termination was connected with his union activities. Its case was that the dispute arose against the backdrop of two charge-sheets issued to him, dated 05.11.2007 and 17.11.2007. The first charge-sheet alleged that he had been found in possession of 12 bottles of Royal Stag whisky without an official receipt or cash memo. The second charge-sheet alleged that he had failed to deposit sale proceeds of Rs.17,971/- pertaining to 10.10.2007 and Rs.2,920/- pertaining to 15.10.2007. The respondent disputed the allegations and challenged the termination as illegal and unjustified.

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4. The industrial dispute raised by the respondent resulted in a reference to the Labour Court, which framed the following issues on 29.08.2014:

> *1. whether the management was an industry within the meaning of Section 2(j) of the Industrial Disputes Act, 1947;*
> *2. whether the claim was not maintainable in view of the preliminary objection no.3 taken in the written statement;*
> *3. whether the services of the workman had been terminated illegally and/or unjustifiably; and the relief to which he was entitled.*
> *4. Relief.*

5. The respondent entered the witness box and tendered his affidavit in support of his statement of claim. He also relied upon the correspondence exchanged during the domestic enquiry, the termination letter dated 09.07.2010, the demand notice dated 19.07.2010 and the other documents forming part of the record. The management examined its Chief Administrative Officer, *Raman Kwatra*, as MW-1, who supported the management's stand that the Club was not an industry within the meaning of the Industrial Disputes Act, 1947 (hereinafter referred to as the "Act") and reiterated its case concerning the misconduct alleged against the respondent.

6. On the question whether the petitioner was an industry, the Labour Court did not accept the management's contention that its activities were outside the scope of Section 2(j) of the Act merely because its receipts were derived from subscriptions and contributions of its members and its object was to provide facilities to them. The evidence disclosed that the Club operated bars, restaurants and a banquet hall, besides other facilities, and employed a substantial

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workforce to provide these services. In his cross-examination, MW-1 admitted that the Club had two bars, two restaurants, a banquet hall and a lawn which was made available to customers. He also admitted that persons becoming members for the first time were charged a one-time amount, followed by annual charges, and stated that the Club had 2,337 permanent members. The Labour Court further took note of the management witness's admission that disputes concerning the regularisation of two contractual employees had previously been settled with the management. On this evidence, it held that the activities carried on by the Club constituted an organised activity and that the management Club fell within the definition of an industry under Section 2(j) of the Act.

7. The management had also objected to the maintainability of the claim on the ground that a settlement dated 19.01.2008 provided, in Clause 12, a mechanism for the redressal of grievances. The Labour Court recorded that the management had not placed the said settlement on record and declined to accept the objection on the basis of a document that had not been proved before it. It also considered the statutory provisions relied upon in that context and rejected the preliminary objection.

8. The principal controversy concerned the allegations of misconduct and the justification for terminating the respondent's services. With respect to the 12 Royal Stag Whisky bottles, the Labour Court considered the respondent's explanation that the said liquor had been gifted to him by a Club member, *Vinod Chawla*, outside the premises of the management, for a marriage in his family.

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Significantly, even MW-1 admitted in cross-examination that the bottles had been gifted by the member. The record further showed that the membership of the said member was initially cancelled but was subsequently restored after his explanation was considered. MW-1 also admitted that there was no standing order in force which prohibited an employee from accepting a gift of whisky from a member. The Labour Court observed that, if the possession of the liquor was unlawful, the matter could have been referred to the police for investigation, but no such step had been taken by the management. In these circumstances, it held that the allegation concerning possession of the whisky bottles did not justify termination of the respondent's services.

9. The Labour Court separately examined the charge relating to the sale proceeds. It noted that the respondent had not deposited Rs.17,971/- relating to 10.10.2007 on the same day or the following day. However, the management witness admitted that the respondent had explained that his pocket had been cut on 11.10.2007, which accounted for the delay in depositing the amount relating to 10.10.2007. The position concerning the amount of Rs.2,920/- relating to 15.10.2007 was different. The respondent had no explanation for failing to deposit that amount on the same day or the following day. The Labour Court, therefore, expressly held that the respondent was guilty of misconduct to that extent. It was also recorded that the total amount of Rs.20,891/- was deposited on his behalf by another barman, *Krishna*, on 23.10.2007.

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10. The finding of misconduct was not ignored by the Labour Court while determining the relief. It considered the fact that the sale proceeds had ultimately been deposited and that no pecuniary loss had been caused to the management. It also noted that the management had not placed the respondent's previous service record on record to establish that he had committed similar misconduct in the past. On an assessment of these circumstances, the Labour Court held that, notwithstanding the misconduct concerning the delayed deposit of Rs.2,920/-, termination of the respondent's services was unjustified.

11. While determining the relief, the Labour Court took into account that the respondent had worked with the petitioner from April 1998 until his termination on 09.07.2010, thereby completing approximately 12 years of service. It also noticed that the petitioner continued to carry on its activities through its establishments and employees. Reinstatement with continuity of service was, therefore, directed. However, the Labour Court did not grant full back wages. It observed that the respondent had experience as a waiter and barman and could have sought employment in a restaurant, café or bar. On this reasoning, back wages were restricted to 25% from the date of termination.

12. Before this Court, the petitioner has challenged the award principally on the grounds that the findings of the Labour Court are contrary to the evidence and law, that material evidence was not properly appreciated, that the respondent's case was based on false and concocted allegations, and that the Labour Court failed to appreciate the circumstances in which the domestic enquiry could not be

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completed. The petitioner has also questioned the findings concerning its status as an industry and the grant of reinstatement and back wages.

13. The respondent's case before the Labour Court, in contrast, was that the allegations concerning the whisky bottles had been explained, that the management's own witness supported the explanation regarding the gift, and that the delay in depositing the sale proceeds had caused no ultimate pecuniary loss. The respondent also relied upon the absence of any proved past misconduct and the circumstances in which the termination had taken place.

14. The rival submissions have been considered in the light of the record. The question before this Court is not whether another view of the evidence could possibly be taken, but whether the findings returned by the Labour Court suffer from any perversity, jurisdictional infirmity or such disregard of material evidence as would warrant interference in exercise of the supervisory jurisdiction of this Court.

15. On the issue concerning the status of the petitioner as an industry, the findings of the Labour Court are founded on the nature of the activities carried on by the Club and the admissions made by its own witness. The management's plea that the Club was not operating for profit and that its facilities were intended for the benefit of members did not justify the question whether the activities undertaken constituted an organised activity within the meaning of Section 2(j) of the Act. The Labour Court considered the facilities operated by the petitioner, the number of members, the charges collected and the employees engaged in providing the services. The conclusion that the petitioner was an industry was thus based on the evidence on record

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and cannot be characterised as perverse merely because the management seeks a different inference to be drawn from the same evidence.

16. The objection founded on the settlement dated 19.01.2008 also does not furnish a ground for interference. The Labour Court specifically recorded that the management had not produced the settlement on which it relied. In the absence of the document being proved, the management could not secure rejection of the respondent's claim solely on the assertion that the settlement contained a grievance-redressal mechanism. No error is made out in the Labour Court's decision to determine the issue on the material available before it.

17. As regards the misconduct, the award demonstrates that the Labour Court considered the two charges separately and did not treat the respondent as having been exonerated of every allegation. It accepted the explanation regarding the whisky bottles after considering the admission of MW-1 that the bottles had been gifted by a Club member and that no standing order prohibited the acceptance of such a gift. More pertinently, the said exchange had taken outside the club premises. In relation to the sale proceeds, it expressly held the respondent guilty of misconduct concerning the delayed deposit of Rs.2,920/-. The conclusion that termination was nevertheless unjustified was reached after taking into account the eventual deposit of the entire amount, the absence of pecuniary loss and the absence of evidence of similar past misconduct. The Labour Court thus considered the misconduct established on the record and its

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implications for the question of termination, rather than overlooking the charge altogether.

18. The petitioner has not demonstrated that the aforesaid findings rest on no evidence or that material evidence was excluded or inadmissible material was relied upon in a manner affecting the outcome. The challenge, in substance, seeks a fresh assessment of the evidence and a substitution of the management's appreciation of the circumstances for that of the Labour Court. The fact that a different conclusion may be urged on the evidence is not, by itself, sufficient to warrant interference in proceedings under Articles 226 and 227 of the Constitution of India.

19. The grant of relief must also be seen in the context of the reasons recorded in the award. The Labour Court took note of the respondent's approximately 12 years of service and directed reinstatement with continuity. At the same time, it declined to award full back wages and restricted the entitlement to 25%, having regard to the respondent's experience and the possibility of his obtaining similar employment elsewhere. The relief was thus not granted mechanically, the Labour Court considered both the length of service and the question of back wages separately. No ground has been shown which would justify this Court in substituting its own assessment of the relief in the absence of a demonstrated legal infirmity in the award.

20. The limits of this Court's jurisdiction in proceedings of the present nature stand settled by the decision of the Supreme Court

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in "*Syed Yakoob v. K.S. Radhakrishnan*"[1]. The power to issue a writ of certiorari is supervisory and not appellate. Findings of fact reached by a tribunal upon appreciation of evidence cannot ordinarily be reopened merely because another view is possible. Interference may be warranted where the tribunal has acted without or in excess of jurisdiction, violated the principles of natural justice, committed an error of law apparent on the face of the record, or returned a finding based on no evidence.The present case does not fall within those recognised grounds. The findings under challenge are supported by the evidence considered by the learned Labour Court, and the petitioner has not established any jurisdictional or patent legal error warranting interference.

21. In view of the above, this Court finds no ground to interfere with the award dated 20.01.2018 passed by the Labour Court and the same is upheld. The writ petition is accordingly dismissed.

22. Pending applications, if any, stand disposed of along with the petition.

(MANOJ KUMAR OHRI)
JUDGE

OCTOBER 30, 2026
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[1]AIR 1964 SC 477

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