



2026:DHC:565



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

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W.P.(C) 11638/2023, CM APPL. 45428/2023

INDIAN OIL CORPORATION LIMITEDPetitioner

Through: Mr. Rajiv Shukla, Ms. Shivani Kapoor, Mr. Sanjay Kumar, Mr. Ravi Ranjan and Ms. Manisha Brahma, Advocates.

versus

SH RAMPAL SO HARI RAMRespondent

Through: Mr. Jawahar Raja, Ms. L. Gangmei and Ms. Meghna De, Advocates.

CORAM:

HON'BLE MR. JUSTICE MANOJ KUMAR OHRI

JUDGMENT

1. The present petition has been filed by the petitioner/management under Articles 226/227 of the Constitution of India seeking setting aside of the award dated 10.07.2023 *vide* which the Labour Court awarded compensation of Rs.10,00,000/- to the respondent/workman along with interest @ 8% per annum from the date of award till its realisation, if not paid within 30 days.

2. The short issue involved in the present case is whether the Labour Court had territorial jurisdiction to enter into the reference. It is also contended by the learned counsel for the petitioner that the *Delhi* Administration had no jurisdiction to refer the present dispute. The above



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submission is premised on the ground that the respondent had never been employed in *Delhi*. It is contended that the respondent was employed and posted for the entire period in *NOIDA* as a *Chowkidar* (security guard) by Housing Project Committee, *NOIDA*. The said committee was formed by 4 independent companies (i) Balmer Lawrie & Company Ltd. (ii) I.B.P. Co. Ltd. (iii) Bridge and Roof Company Ltd. and (iv) Blecco Lawrie and Company Ltd.

3. Learned counsel for the respondent, on the other hand, has defended the impugned judgment and submitted that the petitioner is estopped from raising the issue of territorial jurisdiction as the said issue attained finality in the first round of litigation; although the claim application was dismissed therein, the contentions pertaining to territorial jurisdiction raised by the petitioner were rejected.

4. For appreciating the aforesaid contentions, this Court deems it apposite to note the background facts. The respondent had raised a labour dispute and *vide* notification dated 05.10.1991, the Secretary (Labour), *Delhi* Administration, referred the dispute for litigation with the following terms of reference:-

“Whether the termination of services of Shri Rampal is illegal and/or unjustified; and if so, to what relief is he entitled and what directions are necessary in this respect?”

5. The respondent filed the statement of claim wherein he claimed that he was employed by the management since 26.12.1985 at the post of Peon and his last drawn salary was Rs.700/- per month. He alleged his services were illegally terminated by the management w.e.f. 01.04.1989 without any justified reason; although he was paid one month's salary in lieu of notice,



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no service compensation in terms of the provisions of Section 25(F) of Industrial Disputes Act, 1947 ("I.D. Act") was paid. He claimed reinstatement with back wages and the other consequential benefits as per law. The claim application was resisted by the petitioner by denying the employer-employee relationship between the parties. The territorial jurisdiction of the Court to entertain the dispute was also called into question by contending that the respondent was employed as a *Chowkidar* (and not a peon) by the Housing Project Committee in *Noida, U.P.*

6. The Labour Court, *vide* award dated 14.05.2009, dismissed the issue of territorial jurisdiction raised by the management by observing that the management had failed to bring on record any cogent evidence in support of its contentions; however, the claim application was dismissed by concluding that the employer-employee relationship could not be established and that the management was not an "industry" as defined under Section 2(j) of the I.D. Act. The said decision came to be assailed by the respondent before this Court *vide* W.P.(C) 5424/2011. The petitioner filed a counter affidavit questioning the maintainability of the said writ petition and craving leave to file a detailed affidavit at a later stage, if required. The said petition came to be disposed of *vide* decision dated 06.11.2019, whereby this Court, noting the contentions therein, came to the conclusion that the Labour Court had failed to take into account the salary vouchers produced by the workman while claiming an employer-employee relationship. This Court, while setting aside the award concerned, remanded the matter back to the Labour Court for a proper examination of the matter on merits. It further directed re-examination of the issue of the employer-employee relationship between the



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parties, as well as the issue as to whether or not the respondent qualified as an “industry” within the definition of the term as provided under the I.D. Act. The Court further made it clear that it had not examined the rival contentions of the parties on the merits of the workman’s claim and directed that it would be open to the management to show before the Labour Court that the workman was in fact never its employee.

7. While the learned counsel for the petitioner claimed that the entire award was set aside, the respondent contended that the remand back was only limited to the aforesaid two issues, i.e., the employer-employee relationship between the parties and whether the management was an “industry” under the I.D. Act.

8. On a perusal of the award dated 14.05.2009, as well as the decision dated 06.11.2019 passed by this Court, this Court is of the considered opinion that the issue of territorial jurisdiction, being pivotal to entertain the reference itself, was not examined by this Court in the decision dated 06.11.2019. The issue was, in fact, never raised and thus not gone into. On the dispute being remanded back, the Labour Court *vide* the impugned award, while considering the contentions relating to territorial jurisdiction, concluded that it cannot travel beyond the reference made to it by the appropriate Government and cannot determine its validity. It further observed, while relying on the decision in *Municipal Corporation of Delhi Vs. Mahavir*¹, that even in a case where the Central Government is the appropriate Government in relation to disputes arising within the jurisdiction of the NCT, the administration of the latter can also take action in terms of

¹ 2002 (97) DLT 922



Rule 2(f) of the Industrial Disputes (Central) Rules, 1957.

9. From the above, it is apparent that the Labour Court, though agreeing with the objections of the workman, still gave its finding on the issues raised relating to the jurisdiction of the *Delhi Administration* to refer the dispute. It is the grievance of the learned counsel for the petitioner that the decisions cited in support of its contentions were not adverted to by the Labour Court while passing the impugned order.

10. The petitioner has placed strong reliance on the decision of the Supreme Court in Eastern Coalfields Ltd. & Ors. Vs. Kalyan Banerjee². The said decision was rendered in a dispute wherein the workman was an employee in the *Mugma* area in district *Dhanbad, Jharkhand*. The office of the General Manager, who was his appointing and disciplinary authority, was also situated in the *Mugma* area. The service of the workman was terminated in *Mugma*. The workman had challenged the termination before the *Calcutta* High Court. While answering the question as to whether the *Calcutta* High Court had jurisdiction to entertain the said writ petition, advertizing to Article 226(2) of the Constitution of India, the Court noted that the cause of action, for the purpose of Article 226(2) of the Constitution of India, for all intent and purport, must be assigned the same meaning as envisaged under Section 20(c) of the Code of Civil Procedure, 1908. Adverting to its various earlier decisions, the Court observed that the entire cause of action arose in the *Mugma* area within the State of *Jharkhand*, and merely because the *situs* of the office of the appellant and insofar as the claim to jurisdiction on the basis of the *situs* of the area of the management

² (2008) 3 SCC 456



was situated in the State of *West Bengal*, the same by itself would not confer any jurisdiction upon the *Calcutta* High Court, particularly when the Head Office had nothing to do with the impugned action.

11. Recently, in V. G. Jadishan Vs. Indofos Industries Limited³, the Supreme Court was seized of a dispute wherein the workman was employed at *Ghaziabad* and was working as a driver in *Ghaziabad*. His service was terminated at *Ghaziabad*, subsequent to which he shifted to *Delhi* and sent a demand challenging his termination to the head office of the management at *Delhi*. The dispute was raised before the Labour Commissioner, *Delhi* and in the conciliation proceedings, the management raised the issue relating to territorial jurisdiction. The Supreme Court, while considering the question as to whether the Labour Court at *Delhi* or the Labour Court at *Ghaziabad* would have territorial jurisdiction, noted that throughout the course of employment, the workman had stayed and worked at *Ghaziabad*; he was employed at *Ghaziabad*, and his services were also terminated at *Ghaziabad*. Merely because the workman shifted to *Delhi* after his termination and sent a demand notice from *Delhi* and the Head Office of the Management was at *Delhi*, it would not result in any part of the cause of action arising at *Delhi*. Adverting to its earlier decision in Eastern Coalfields (*supra*), the Court concluded that no part of the cause of action had arisen in *Delhi*.

12. In the present case, before the reference could be made, in the conciliation proceedings itself, the management had taken a preliminary objection to the territorial jurisdiction of this Court. In the statement of claim

³ (2022) 6 SCC 167



filed before the Labour Court, there was no averment claiming jurisdiction of *Delhi*; however, it was stated that the workman was posted at the Management's *NOIDA* Residential Complex in Sector-29. In the evidence filed by way of affidavit, the averments in the claim petition were reiterated.

13. In cross-examination, the workman admitted that he was working with Housing Project Committee, *NOIDA, U.P.* He was verbally told by one *R. K. Rattan* to not come to work after 01.04.1989. He admitted that at the time of joining, there was no appointment letter, and he also did not request the same. The construction site was at *NOIDA*, where he remained employed, and the project took 3 years to complete.

14. The management also examined one *Suresh Kumar Bansal*, who was employed as the Chief Manager (Projects). He stated that the workman was employed as peon-cum-*chowkidar* in the housing construction situated at *NOIDA* with the understanding that the services of the workman would not be required after the completion of the project. In cross-examination, he denied the suggestion that the workman was appointed on 26.12.1985 by the Head Office.

15. On an overall conspectus of the facts and evidence that have come on record, it is indisputable that the workman was employed and posted at the construction of the concerned housing project at *NOIDA*. During the course of his entire employment, he remained posted in *NOIDA*. There is no averment in the plaint or in his evidence as to where he was appointed. Rather, it has come in the evidence that he was not appointed by the Head Office. His appointment as well as his termination was oral; and his termination was communicated to him by one Mr. *R.K. Rattan*.



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16. This Court agrees with the petitioner's contentions that the issue of territorial jurisdiction was never raised and considered by this Court in its earlier decision. The issue being central to the dispute, the award passed by the Labour Court, lacking jurisdiction, is a nullity.

17. After going through the aforesaid, this Court is of the considered opinion that no cause of action had arisen in the territorial jurisdiction of this Court and as such, the impugned award is liable to be set aside.

18. Needless to state, this Court has not gone into the other respective contentions of the parties.

19. The present petition is disposed of in the above terms along with the pending application.

**MANOJ KUMAR OHRI
(JUDGE)**

JANUARY 22, 2026

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