



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 1ST DAY OF DECEMBER, 2025

PRESENT

THE HON'BLE MR. JUSTICE D K SINGH

AND

THE HON'BLE MR. JUSTICE UMESH M ADIGA

WRIT APPEAL NO. 950 OF 2024 (L-RES)

BETWEEN:

MANAGING DIRECTOR,
M/S KARNATAKA POWER
CORPORATION LTD.,
NO.82 SHANKTHI BHAVAN,
RACE COURSE ROAD
BANGALORE - 560 001

...APPELLANT

(BY SRI. K.SHASHI KIRAN SHETTY, SENIOR COUNSEL FOR
SMT. ASHWINI PATIL, ADVOCATE)

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by ANNAPURNA
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Location: HIGH
COURT OF
KARNATAKA

AND:

1. BHARATIYA MAZDOOR SANGHA
VARAHI CHARITABLE
TRUST NO.458,
OTC ROAD, COTTONPET,
BANGALORE-560 053
REPRESENTED BY ITS SECRETARY.



2. SUPERINTENDENT ENGINEER
M/S KARNATAKA POWER
CORPORATION LTD.,
VARAHI HYDRO ELECTRIC
PROJECT, HOSANGADI,
UDUPI DISTRICT-576 287.

3. CHIEF ENGINEER
M/S KARNATAKA POWER
CORPORATION LTD.,
SHARAVATHI PROJECT ,
SAGAR TALUK ,
SHIMOGA DISTRICT-577 401.

...RESPONDENTS

(BY SRI. NEERAJ SASTRY, ADVOCATE FOR R1)

THIS WRIT APPEAL FILED U/S 4 OF THE KARNATAKA
HIGH COURT ACT PRAYING TO ALLOW THIS WRIT APPEAL BY
SETTING ASIDE THE FINAL ORDER DATED 09/11/2023 PASSED
IN RP 453/2023 AND FINAL ORDER DATED 18/04/2023
PASSED IN WP NO.11378/2013.

THIS APPEAL, COMING ON FOR ORDERS, THIS DAY,
JUDGMENT WAS DELIVERED THEREIN AS UNDER:

CORAM: HON'BLE MR. JUSTICE D K SINGH
and
HON'BLE MR. JUSTICE UMESH M ADIGA



ORAL JUDGMENT

(PER: HON'BLE MR. JUSTICE D K SINGH)

The present writ appeal is filed impugning the order dated 18.04.2023 passed in W.P.No.11378/2017 as well as order dated 09.10.2023 passed in R.P.No.453/2023 passed by the learned single Judge.

2. The appellants had filed the writ petition impugning the order passed by the Additional Industrial Tribunal, Bangalore dated 30.07.2016 in AID No.11/2023.

3. The Tribunal in the impugned award dated 30.07.2016 had directed the appellant to regularize the services of 34 workmen without any backlog and monetary benefits.

4. The appellant is the State Government undertaking/Corporation. The main aim and object of the Corporation is power generation in the entire State of Karnataka and to carry out various projects for power generation. One such project is Hydro Electric Power



Generating stations along with Kali, Sharavathy and Varahi rivers. The State Government acquired certain lands in the Rippon pet, Hosanagar Taluk, Shimoga District. The Government issued an order dated 23.08.1983 promising the land losers that one family member of every land loser shall be given permanent employment in the Corporation. In pursuance to the said promise made out to the land losers, an agreement came to be entered with the Varahi Charitable Trust formed by the land losers and the appellant. The 34 family members of the land losers were employed as security guards and these persons were deputed to the service of the appellants. As per the agreement between the Varahi Charitable Trust and the appellants, it was said in Clause 2.7 that all wages/salaries and other statutory benefits including but not limited to bonus, gratuity etc. would be paid by the Trust by referring to Clause 3.1 thereof.

5. The Tribunal in its impugned award found this arrangement sham and fraud on the land losers and therefore, held that the Government and the appellant were bound by the promise given to the land losers to provide



them permanent appointment. Instead of providing the permanent appointments, a fraud has been played on the land losers. The said order came to be challenged before the learned single Judge.

6. The learned single Judge framed the following questions.

- "i. *Whether the decision rendered in ONGC's case would apply to the present case?*
- ii. *Whether in view of the subsequent decision doubting the decision in ONGC, this Court ought to take up the matter for consideration?*
- iii. *Whether the formation of Varahi Charitable Trust and engagement of 34 workmen by the petitioner is a sham transaction and or in violation of the Contract Labour Regulation Act?*
- iv. *Whether the award passed by the Industrial Tribunal suffers from any legal infirmity requiring interference at the hands of this Court?*
- v. *What order?"*

7. In response to question No.1, learned Single Judge held that the ONGC's decision would not be applicable



to the facts of the present case, as there were no Certified Standing Orders of the Corporation as they were invoked in the case of ***ONGC Ltd., vs. Petroleum Coal Labour Unions & others***¹.

8. So far as the question No.2 is concerned, the learned Single Judge has been of the view that as the ONGC judgment would not be applicable to the facts of the present case, therefore, the decision in ***ONGC (referred Supra)*** would not have any bearing on the present case.

9. In response to the question No.3, the learned single Judge, after giving thoughtful consideration to the facts and circumstances, particularly the promise held out to the land losers that one of the family members of each of the land losers should be given regular employment, held that the formation of the Varahi Charitable Trust and the engagement of 34 workmen by the appellant- Corporation was the sham transaction in violation of the Contract Labour Regulation Act as held by the Industrial Tribunal.

¹ 2015 (6) SCC 494



10. It was also held that the judgment in the case of ***Secretary, State of Karnataka vs. Umadevi & others***² would not have any bearing in the facts and circumstances of the case. In the present case, the promise was held out to the land losers that one of the family members of each of the land losers would be given employment.

11. The review petition came to be dismissed vide order dated 09.10.2023 on the ground that no fresh reconsideration on facts can be given in the review petition, and there was no error apparent on the face of the record, which would require reviewing the order in W.P.No.11378/2017.

12. Learned Advocate General, who has appeared for the appellant has fairly submitted that 34 persons have been working for more than 20 years. Though learned Advocate General has submitted that one of the family members of each land losers had been given regular employment by the

² (2006) 4 SCC



appellant-Corporation but the said fact is not borne out from the record. On the contrary, the learned counsel for the respondent submits that none of the family members of these 34 workmen had given regular employment. The Tribunal as well as learned Single Judge have found that none of the family members of the 34 workmen has been given employment as promised by them.

13. In view thereof, we do not find any error in the impugned order passed by the learned Single Judge. Therefore, the appeal is ***dismissed***.

So far as the question of law whether the industrial dispute is maintainable in the facts and circumstances of the case, is kept open, to be decided in an appropriate case.

**Sd/-
(D K SINGH)
JUDGE**

**Sd/-
(UMESH M ADIGA)
JUDGE**