

IN THE HIGH COURT OF HIMACHAL PRADESH, SHIMLA

CWP No.7643 of 2026

Date of Decision: 31.08.2026

Naresh Kumar

.....Petitioners

Versus

The Director, Industries and another

... Respondents

Coram:

Hon'ble Mr. Justice Sandeep Sharma, Judge.

Whether approved for reporting? ¹

For the Petitioner: Mr. Amrinder Singh Rana, Advocate.

For the Respondents: Mr. Rajan Kahol & Mr. Vishal Panwar,
Additional Advocate Generals with Mr. Ravi
Chauhan & Mr. Anish Banshtu, Deputy
Advocates General.

Sandeep Sharma, Judge(oral):

Being aggrieved and dissatisfied with the award dated 15.01.2026 passed by learned Presiding Judge, Labour Court-cum-Industrial Tribunal, Kangra at Dharamshala in Reference No. 12 of 2025, titled ***Shri Naresh Kumar v. Director, Industries & another***, whereby learned Tribunal, while answering the reference, rejected the claim of the petitioner that his services were wrongly disengaged by the respondent in violation of provisions of the Industrial Disputes Act, but held him entitled to lump-sum compensation to the tune of ₹2,00,000/- from respondents No. 1 and 2 for his having served the department for three years, petitioner herein has approached this

¹ Whether the reporters of the local papers may be allowed to see the judgment?

Court in the instant proceedings filed under Article 226 of the Constitution of India, praying therein to set aside the award and pass an order of his reinstatement in the department.

2. Precisely, the grouse of the petitioner, as has been highlighted in the petition and further canvassed by Mr. A.S. Rana, learned counsel for the petitioner, is that learned Tribunal below has fallen in grave error inasmuch as it arrived at a conclusion that petitioner herein was not the employee of the respondent-Industries Department. He submitted that petitioner adduced on record overwhelming evidence to prove that though initially his engagement was through an outsource agency but from day one of his appointment, his salary was being paid directly by the Department of Industries, as a consequence thereof, he was to be considered as an employee of the Industries Department and not of the outsource agency.

3. To the contrary, Mr. Rajan Kahol, learned Additional Advocate General, while supporting the impugned award, vehemently argued that there is no illegality or infirmity in the impugned award, which is based upon proper appreciation of the evidence adduced on record by the respective parties. He submitted that no evidence, worth credence, ever came to be adduced on record at the behest of the petitioner to prove that his salary was being paid directly by the

Industries Department. To the contrary, the respondent-department successfully proved on record that petitioner herein was being paid salary by the outsource agency, which otherwise never came to be impleaded as party respondent. He further submitted that after some time of his engagement through outsource agency, petitioner worked with the Industries Department, but thereafter, on the request of the department, the outsource agency disengaged/removed him and as such, there is no claim, if any, of the petitioner against the respondent-Department.

4. Having heard learned counsel representing the parties and perused material adduced on record vis-à-vis reasoning assigned in the impugned award, this Court finds no illegality or infirmity in the same and as such, and no interference is called for.

5. The petitioner herein, being aggrieved of his verbal termination dated 15.05.2023 passed by the Department of Industries, raised an industrial dispute, claiming therein that he was appointed as Pump Operator vide appointment letter dated 01.05.2020. He stated that he was doing the work of meter reading and had worked for 240 days in a calendar year since the date of his appointment. He also claimed that he carried out his work with utmost honesty, but yet before disengaging him, no notice, which was otherwise required under the Industrial Disputes Act, ever came to be issued to him and

as such, his termination, being in violation of the mandatory provisions of the Industrial Disputes Act, is not sustainable in the eye of law.

6. However, having carefully perused the pleadings as well as other material adduced on record, this Court finds that the petitioner himself admitted in his cross-examination that he was engaged in the Industries Department on an outsource basis. He also admitted that in every appointment letter, pay has been mentioned and he received salary in his bank account. He further admitted that he did not produce any record to show as to who deposited the salary into his bank account. He admitted that department had never paid salary directly to him.

7. Shri Anshul Dhiman (RW-1) deposed that the Managing Committee had decided unanimously that in future all the essential services in the industrial area shall be done on an outsource basis as and when required by IADA. He stated that meetings were held on 28.02.2019 and 31.12.2019 and thereafter a Memorandum of Understanding was executed by Shri Kishori Lal Sharma, Contractor as manpower/ contract labour/ service provider to supply manpower to the office of respondent No. 2 for the year 2019. Respondent No. 2 again executed a Memorandum of Understanding/ agreement with Skylight Manpower and Hospitality Service for supplying manpower

on outsource basis to respondent No. 2. Both Skylight Manpower and Hospitality Service appointed the petitioner for the purpose of assigning work by respondent No. 2 and at no point in time, appointment was given to the petitioner by the department directly. As per the respondents, salary was being paid to the petitioner by the contractor not by the department.

8. Since the petitioner claimed that his salary was being paid by the department directly, the onus was upon him to prove such fact, but admittedly, he failed to lead any positive evidence in support of his aforesaid claim. Rather, in his cross-examination, he admitted factum of his having been engaged through an outsource agency as well as the receipt of salary through the outsource agency. If it is so, no illegality can be said to have been committed by learned Tribunal below, while passing the impugned award, which appears to have been passed on proper appreciation of facts and law.

9. However, having taken note of the fact that prior to his disengagement, petitioner rendered his services with the department (albeit on an outsourced basis) for more than three years, this Court is persuaded to agree with the learned counsel for the petitioner that the lump-sum compensation of ₹2,00,000/- awarded by learned Tribunal below is on the lower side and such, same is required to be enhanced from ₹2,00,000/- to ₹2,50,000/-. Ordered accordingly.

10. The present petition is disposed of in the aforesaid terms along with pending applications, if any, also stand disposed of.

**(Sandeep Sharma),
Judge**

August 31, 2026
(shankar)