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

+ **W.P.(C) 5780/2018**

**PANKAJ GOEL**

.....Petitioner

Through: **Mr. Anupam Gupta, Advocate**  
versus

**BABU KHAN**

.....Respondent

Through: **Ms. Bhumica Kundra, Mr. Anuj Aggarwal, Mr. Shubham Bahl, Ms. Kritika Matta, Mr. Nikhil pawar and Ms. Tanya Rose and Mr. Pradeep Kumar, Advocates**

**CORAM:**

**HON'BLE MR. JUSTICE MANOJ KUMAR OHRI**

**ORDER**

**08.05.2026**

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1. The present petition has been filed under Articles 226/227 of the Constitution of India by the petitioner, assailing the award/order dated 31.10.2017 passed by the Authority under the Delhi Shops & Establishments Act, 1954, in case bearing ID No. SE/ED/109/2016/5067-5068, whereby the management has been directed to pay a sum of Rs.1,17,600/- towards earned wages along with compensation of Rs.100/- under Section 21(3) of the Delhi Shops & Establishments Act, 1954.

2. Briefly stated, the respondent/workman filed a claim petition stating that he had been working with the management on piece-rate basis for about eight months and that his earned wages for the period from May 2016 till 20.07.2016 had not been paid. The respondent further alleged that he had stitched garments at different piece-rates and claimed an amount of Rs.1,17,600/- towards unpaid wages.



3. Learned counsel for the petitioner submits that the impugned order has been passed in a mechanical manner. It is further submitted that there existed no employer-employee relationship between the management and the respondent as it was purely a piece-based contract. It is further submitted that the dispute raised by the respondent was purely civil in nature pertaining to recovery of money and, therefore, the claim petition under the Delhi Shops & Establishments Act, 1954 was not maintainable.

4. Learned counsel for the respondent submits that the impugned order does not call for any interference. It is submitted that the respondent had specifically pleaded and proved that he had been working with the management on piece-rate basis and that the management had failed to pay his earned wages for the work performed by him. Learned counsel for the respondent further submits that despite opportunity, the management failed to lead any evidence before the Authority.

5. I have heard the learned counsel for the parties and perused the records.

6. Before proceeding further, it would be apposite to refer to Section 2(7) of the Delhi Shops and Establishments Act, 1954, which defines the term “employee”, and the same reads as under:-

*“(7) “employee” means a person wholly or principally employed, whether directly or otherwise, and whether for wages (payable on permanent, periodical, contract, piece- rate or commission basis) or other consideration, about the business of an establishment and includes an apprentice and any person employed in a factory but not governed by the Factories Act, 1948 (43 of 1948), and for the purpose of any matter regulated by this Act, also includes a person discharged or dismissed whose claims have not been settled in accordance with this Act;”*



7. A plain reading of the aforesaid provision shows that the definition of “employee” is broad in scope and expressly includes persons engaged for wages payable on contract or piece-rate basis in connection with the business of an establishment. Thus, merely because wages are paid on piece-rate basis would not, by itself, exclude a person from the ambit of an “employee” under the provisions of the said Act.

8. The record further reveals that the respondent/workman had led evidence by way of affidavit and had also placed on record material documents, including complaints, demand notice, postal receipts and material slips, in support of his claim regarding non-payment of earned wages. Despite repeated opportunities, the management failed to lead any evidence in rebuttal and its right to adduce evidence was eventually closed by the Authority.

9. During the course of cross-examination, the respondent categorically stated that he had been carrying out stitching work for the management on piece-rate basis. The said testimony, coupled with the documentary material placed on record, remained substantially unrebutted. In the absence of any evidence to the contrary from the management, the Authority was justified in drawing an inference that the respondent had been engaged by the management for carrying out work in connection with its establishment and was, therefore, an “employee” within the meaning of Section 2(7) of the Act.

10. The contention of the petitioner that the dispute was purely civil in nature and that the claim petition under the Delhi Shops and Establishments Act, 1954 was not maintainable also does not merit acceptance. The claim raised by the respondent pertained to recovery of earned wages allegedly



withheld by the management for work admittedly performed on piece-rate basis. Such a dispute squarely falls within the jurisdiction of the Authority constituted under the Act.

11. This Court further takes note of the limited scope of writ jurisdiction in exercise of powers conferred under Article 226 of the Constitution of India. It is well settled that the challenge is not in the nature of appeal, but to seek if the order is passed without jurisdiction, is perverse or did not follow principle of natural justice [Ref: Syed Yakoob v. K.S. Radhakrishnan<sup>1</sup>]. The same principle was reiterated by the Supreme Court in International Airport Authority of India v. International Air Cargo Workers Union<sup>2</sup>. This Court has also considered the scope of its writ jurisdiction in Ritz Theatre Private Limited v. Ramesh Chandra<sup>3</sup>.

12. Upon a cumulative consideration of the aforesaid, this Court does not find any apparent illegality or perversity in the findings returned by the Authority so as to warrant interference in exercise of writ jurisdiction. The findings returned by the Authority are based on due appreciation of the oral and documentary evidence on record and is, therefore, not liable to be interfered with.

13. The award amount to the extent of 50%, deposited by the petitioner with the Registry of this Court, along with the interest accrued thereon, be released in favour of the respondent. The balance awarded amount shall also be paid to the respondent by the petitioner within a period of four weeks, failing which the same shall carry interest at the rate of 12% per annum from the date of expiry of the aforesaid period till realization.

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<sup>1</sup> 1963 SCC OnLine SC 24

<sup>2</sup> (2009) 13 SCC 374



14. Therefore, the petition is dismissed.

**MAY 8, 2026**  
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**MANOJ KUMAR OHRI, J**