IN THE HIGH COURT OF JUDICATURE AT BOMBAY

CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 3170 OF 2025
WITH
WRIT PETITION NO. 3172 OF 2025

Maharashtra State Electricity Distribution Company Limited **...Petitioner**

V/s.

Bhartiya Kamgar Karmachari Mahasangh **...Respondent**

Mr. Prashant Chavan, Senior Advocate *with Mr. Nirav Shah and Ms. Richika Kadam i/b M/s. Little & Co. for Petitioner.*

Mr. G. R. Naik *with Mr. Uresh U. Sawant and Ms. Rutika Naik i/b Mr. G.R. Naik Co., for Respondent No. 4.*

CORAM: SANDEEP V. MARNE, J.

RESERVED ON: 14 JULY 2026.
PRONOUNCED ON: 21 JULY 2026.

JUDGMENT:

1) By these two petitions, the Petitioner has challenged the Awards dated 24 April 2024, passed by the Presiding Officer, Industrial Tribunal, Thane in Reference (IT) Nos. 12 of 2018 and 16 of 2020. The Industrial Tribunal has answered the References in the affirmative and has directed the Petitioner to pay difference of arrears of wages at the

rate of minimum of the pay scale at the lowest grade as that of permanent employees to the members of the Respondent-Union w.e.f. December 2016 in case of Reference (IT) No. 12 of 2018 and from May 2016 in case of Reference (IT) No. 16 of 2020.

2) Petitioner is Maharashtra Electricity Distribution Company Limited which has taken over the distribution undertaking of the erstwhile Maharashtra Electricity Board. Petitioner is registered with the Competent Authority under the provisions of Contract Labour (Regulation and Abolition) Act, 1970 **(CLRA Act)**.

3) It appears that the Government of Maharashtra had imposed ban on new recruitment on the establishment of the Petitioner, which created difficulties for the Petitioner in carrying out its day-to-day work. Petitioner therefore decided to award contracts for supply of skilled and unskilled contract workers. Accordingly, work orders were issued to various contractors from time to time for supply of manpower. The contract workers started assisting the regular employees of Petitioners in technical cadre such as Lineman, Meter Readers, etc. Petitioner, however, denies any employer-employee relationship between it and the contract workers.

4) Respondent in both petitions represent 40 + 49 contract workers. A demand was served by the Respondent-Union on the Petitioner on 5 April 2017 demanding equal wages to the contract workers as paid to the permanent employees of the Petitioner. The

Respondent-Union thereafter approached the office of Commissioner of Labour. After failure of conciliation proceedings, the Additional Commissioner of Labour made References to the Industrial Tribunal, Thane vide orders dated 16 March 2018 and 18 March 2020. In respect of Writ Petition No. 3172 of 2025, Reference (IT) No. 12 of 2018 was registered, whereas in respect of Writ Petition No. 3170 of 2025, Reference (IT) No. 16 of 2020 was registered. The Respondent-Union filed its statement of claim, which was resisted by the Petitioner by filing written statement. The Respondent-Union led evidence of contract workers. By separate Awards delivered on 24 April 2024, the Industrial Tribunal has answered both the References in the affirmative, holding that the contract workers were entitled to receive equal pay for equal work in the form of minimum of the pay scale (at the lowest cadre in the regular pay-scale) as that of permanent employees of the Petitioner. The Industrial Tribunal has accordingly directed the Petitioners to pay to the members of the Respondent-Union difference of wages calculated at the rate of minimum of the pay scale payable to the permanent employees with effect from December 2016 in case of Reference (IT) No. 12 of 2018 and from May 2016 in case of Reference (IT) No. 16 of 2020. The Awards dated 24 April 2024 are the subject matter in the present petitions.

5) Mr. Chavan, the learned Senior Advocate appearing for the Petitioner submits that the Industrial Tribunal has grossly erred in answering the References in the affirmative. He submits that there can never be comparison between the workers engaged by the contractors and permanent employees of the Petitioner. That the wages of the

contract workers are not decided by the Petitioner and that Petitioner merely pays the contract value based on tender process implemented by it. He submits that it is for the contractor to decide how much wages are to be paid to its worker. He submits that the ratio of the judgment of the Apex Court in ***State of Punjab Versus. Jagjit Singh and Ors.***[1] cannot be extended to workers who are engaged by the contractors. He relies on judgment of the Apex Court in ***Municipal Council, Nandyal Municipality Versus. K Jayaram and others.***[2]

6) Mr. Chavan further submits that the Industrial Tribunal has erroneously relied on provisions of Rule 25 of the Maharashtra Contract Labour (Regulation and Abolishing) Rules,1971 (**Maharashtra Rules**) in the present case. That the contract workers do not perform same nature of work as performed by the permanent employees. That the burden was on Respondent-Union to prove similarity in the nature of work which is not discharged by them. He relies on admissions given in the cross examination of the Respondents' witness about failure to produce any documentary evidence to demonstrate similarity of work. He submits that a specific defence was raised in the written statement before the Industrial Tribunal about difference of work performed by the contract workers and the permanent employees. He submits that in any case, the ratio of the judgment in ***Municipal Council, Nandyal Municipality*** (supra) would prevail over the interpretation made by the Tribunal in respect of Rule 25 of the Maharashtra Rules. He prays for setting aside the impugned Awards.

---

1 2017 (1) SCC 148

2 SLP(C) NO. 17711 of 2019 decided on 16 December 2025.

7) Mr. Naik the learned counsel appearing for the Respondent-Union, opposes both the petitions. He submits that the contract workers are engaged by the Petitioners in view of ban imposed by the Government of Maharashtra on new recruitment. That contract workers are engaged with a view to come over the difficulty of absence of regular manpower. That therefore contract workers are required to perform same duties and responsibilities as performed by the permanent employees. That the Respondent-Union led evidence of performance of same duties and responsibilities by the contract workers. He submits that Petitioner has registered itself under the provisions of CLRA Act and that therefore it is statutorily obliged to follow the provisions of Rule 25 of the Maharashtra Rules. That in addition to provisions of Rule 25 of the Maharashtra Rules, the judgment of the Apex Court in ***Jagjit Singh*** lays down a clear law that employer cannot distinguish between contract workers and regular employees in the matter of payment of wages. He submits that the judgment of the Apex Court in ***Municipal Council, Nandyal Municipality*** is delivered in the peculiar facts and circumstances of that case where the issue before the Apex Court was with regard to regularization of contract workers. That the Apex Court has indeed granted regularization to the contract workers. That therefore the said judgment does not assist the case of the Petitioner in any manner. He prays for dismissal of the petition.

8) Rival contentions urged on behalf of the parties now fall for my consideration.

9) The issue involved in the petition is whether workers engaged by the contractors of the Petitioner are entitled to receive wages in the minimum of pay scale payable to the permanent employees of the Petitioner. Petitioner has apparently engaged large number of contract workers to take care of manpower requirement due to ban imposed by the State Government for new recruitment. Petitioner has placed on record one of the work orders placed on M/s. Shagun Guards Security Agency in pursuance of tender floated for providing outsourcing manpower for Pen Circle Office, Pen Testing Division, Roha Division and Panvel Division. As per the work order, the contractor was required to supply man power in the form of skilled persons into technical cadres, semi-skilled persons in technical and non-technical cadres and unskilled persons (Poen). It appears that the total manpower requirement was for 222 personnel under the work order. The rates payable per person per day were as under:

> **RATE PER PERSON PER DAY including Bonus and excluding contractor service charge/Profit as per revised Special Allowance/DA effective from 01.01.2019 to 30.06.2019 is as below:**
>
> 1) Skilled Persons (Technical) -Rs492/-
>
> 2) For Semi-Skilled Persons (Technical & Non-Technical)-Rs 471/-
>
> 3) For Unskilled Person (Peon) - Rs 450/-

10) This is how Petitioner was required to hire manpower for carrying out its activities by issuing various contracts throughout the State.

11) At the instance of the Respondent-Union, two References were registered before the Industrial Tribunal, Thane for adjudication of demands relating to equal pay for equal work. The Tribunal has answered the References in the affirmative by issuing following directions.

> i. Reference (IT) No. 16 of 2020, is Answered in Affirmative.
>
> ii. It is hereby held that the Member Employees of the Second Party Employees Union are entitled to receive Equal Pay for Equal Work, and are entitled to the Wages at the Minimum of the Pay-Scale (at the Lowest Grade, in the Regular Pay-scale) as that of Permanent Employees of the First Party Management.
>
> iii. The First Party Management is hereby directed to pay all the difference of Arrears of Wages, at the rate of the Minimum of the Pay-Scale (at the Lowest Grade, in the Regular Pay- Scale, as that of Permanent Employees of the First Party Management), to the Member Employees of the Second Party Employees Union, as are named in the List Annexed to the Schedule of Reference, with effect from May 2016, till the date of their engagement, within a period Six Months from the date of Publication of this Award.
>
> iv. First Party Management is further directed to pay to the Member Employees of the Second Party Employees Union, as are named in the List Annexed to the Schedule of Reference, wages equal to wages of the Minimum of the Pay-Scale (at the Lowest Grade, in the Regular Pay-Scale, as that of Permanent Employees of the First Party Management), in the similar category, for which the Member Employees are engaged.
>
> v. List of the Member Employees, Annexed to the Schedule of Reference, shall form the part of this Award.
>
> vi. No order as to costs.
>
> vii. Cost of this Award be sent to the Competent Authority, for its publication.

12) The Industrial Tribunal has *inter-alia* relied on ratio of the judgment of the Apex Court in ***Jagjit Singh*** in which the Apex Court has held that the principle of equal pay for equal work would apply to all

temporary workers who are differently described as work charged, daily wage, casual, *ad-hoc*, contractual etc. The Apex Court has held that such temporary employees need to be paid wages at the minimum of the pay scale (at the lowest grade in the regular pay scale) extended to the regular employees holding the same post. The Apex Court has held in ***Jagjit Singh*** as under:

> 57. There is no room for any doubt, that the principle of 'equal pay for equal work' has emerged from an interpretation of different provisions of the Constitution. The principle has been expounded through a large number of judgments rendered by this Court, and constitutes law declared by this Court The same is binding on all the courts in India, under Article 141 of the Constitution of India. The parameters of the principle, have been summarized by us in paragraph 42 hereinabove. The principle of 'equal pay for equal work' has also been extended to temporary employees (differently described as workcharge, daily-wage, casual, ad-hoc, contractual, and the like). The legal position, relating to temporary employees, has been summarized by us, in paragraph 44 hereinabove. The above legal position which has been repeatedly declared, is being reiterated by us, yet again.
>
> 58. In our considered view, it is fallacious to determine artificial parameters to deny fruits of labour. An employee engaged for the same work, cannot be paid less than another, who performs the same duties and responsibilities. Certainly not, in a welfare state. Such an action besides being demeaning, strikes at the very foundation of human dignity. Any one, who is compelled to work at a lesser wage, does not do so voluntarily. He does so, to provide food and shelter to his family, at the cost of his self respect and dignity, at the cost of his self worth, and at the cost of his integrity. For he knows, that his dependents would suffer immensely, if he does not accept the lesser wage. Any act, of paying less wages, as compared to others similarly situate, constitutes an act of exploitative enslavement, emerging out of a domineering position. Undoubtedly, the action is oppressive, suppressive and coercive, as it compels involuntary subjugation.
>
> 60. Having traversed the legal parameters with reference to the application of the principle of 'equal pay for equal work', in relation to temporary employees (daily-wage employees, ad-hoc appointees, employees appointed on casual basis, contractual employees and the like), the sole factor that requires our determination is, whether the

> concerned employees (before this Court), were rendering similar duties and responsibilities, as were being discharged by regular employees, holding the same/corresponding posts. This exercise would require the application of the parameters of the principle of 'equal pay for equal work' summarized by us in paragraph 42 above. However, insofar as the instant aspect of the matter is concerned, it is not difficult for us to record the factual position. We say so, because it was fairly acknowledged by the learned counsel representing the State of Punjab, that all the temporary employees in the present bunch of appeals, were appointed against posts which were also available in the regular cadre/establishment. It was also accepted, that during the course of their employment, the concerned temporary employees were being randomly deputed to discharge duties and responsibilities, which at some point in time, were assigned to regular employees. Likewise, regular employees holding substantive posts, were also posted to discharge the same work, which was assigned to temporary employees, from time to time. There is, therefore, no room for any doubt, that the duties and responsibilities discharged by the temporary employees in the present set of appeals, were the same as were being discharged by regular employees. It is not the case of the appellants, that the respondent-employees did not possess the qualifications prescribed for appointment on regular basis. Furthermore, it is not the case of the State, that any of the temporary employees would not be entitled to pay parity, on any of the principles summarized by us in paragraph 42 hereinabove. There can be no doubt, that the principle of 'equal pay for equal work' would be applicable to all the concerned temporary employees, so as to vest in them the right to claim wages, at par with the minimum of the pay-scale of regularly engaged Government employees, holding the same post.
>
> 61. In view of the position expressed by us in the foregoing paragraph, we have no hesitation in holding, that all the concerned temporary employees, in the present bunch of cases, would be entitled to draw wages at the minimum of the pay-scale (- at the lowest grade, in the regular pay-scale), extended to regular employees, holding the same post.

13) The law expounded in ***Jagjit Singh*** has been reiterated by the Apex Court in ***Sabha Shanker Dube Versus. Divisional Forest Officer and others***[3] in which it is held in paras-11 and 12 as under:

[3] 2019 12 SCC 297

> 11. The issue that was considered by this Court in ***Jagjit Singh*** is whether temporary employees (daily-wage employees, ad hoc appointees, employees appointed on casual basis, contractual employees and likewise) are entitled to the minimum of the regular pay scales on account of their performing the same duties which are discharged by those engaged on regular basis against the sanctioned posts. After considering several judgments including the judgments of this Court in ***Tilak Raj*** and ***Surjit Singh***, this Court held that temporary employees are entitled to draw wages at the minimum of the pay scales which are applicable to the regular employees holding the same post.
>
> 12. In view of the judgment in *Jagjit Singh*, we are unable to uphold the view of the High Court that the appellants herein are not entitled to be paid the minimum of the pay scales. We are not called upon to adjudicate on the rights of the appellants relating to the regularisation of their services. We are concerned only with the principle laid down by this Court initially in Putti Lal Z relating to persons who are similarly situated to the appellants and later affirmed in Jagjit Singh that temporary employees are entitled to minimum of the pay scales as long as they continue in service.

14) Thus, as per the ratio of the judgment of the Apex Court in ***Jagjit Singh***, where temporary workers are engaged by the employer under whatever nomenclature, they must be paid wages in the minimum of the pay scale which is extended to the permanent employees. The ratio of the judgment however essentially applies where there is a direct engagement by the employer of temporary workers. The Apex Court has undoubtedly used the word 'contractual' while describing the temporary employees. However, sometimes employers do make direct contractual engagement of workers. There may be direct contracts executed between the employer and the workman or even in absence of a formal contract, the nature of engagement is described as contractual. However, in both the cases, there is direct relationship between the employer and the worker and the wages are paid to the worker directly by the employer. The difficulty arises when the employer issues contract to an agency for

supply of manpower. The contractor quotes the rates of wages payable to the workers to be supplied to the employer and on the basis of rates so offered in the competitive bidding process, decision is taken by awarding contract to a particular contractor. The employer then pays a lump-sum amount to the contractor and it becomes the responsibility of the contractor to pay the wages to its own workers. The employer is not really concerned with the wages actually paid by the contractor to its workers.

15) However, engagement of contract workers is governed by the provisions of CLRA Act. Under Section 21 of the CLRA Act, though it is the primary responsibility of the contractor to pay wages, the principal employer becomes liable to pay wages in the event of failure by the contractor to pay wages. In exercise of powers under Section 35 of the CLRA Act, the State of Maharashtra has notified Maharashtra Contract Labour (Regulation and Abolition) Rules, 1971. Under Rule 25 of the Maharashtra Rules, one of the conditions for grant of license for engagement of contract workers is with regard to the wages payable to them. Rule 25 (2)(iv)(a) and (b) of the Maharashtra Rules deal with wages payable to the contract workers. Under Rule 25 (2)(iv)(a), the rates of wages payable to the workmen by the contractor cannot be less than the minimum rates of wages fixed under the Minimum Wages Act,1948. However, under Rule 25 (2)(iv)(b), where a workman employed by the contractor performs same kind of work as workman directly employed by the principal employer, the rates of wages payable to the workman of the contractor shall be the rates payable to the workman directly employed

by the principal employer doing same kind of work. Rule 25 (2)(iv)(a) and (b) provides thus:

> **25. Form and terms and conditions of licence:-**
>
> (1) Every licence granted under Rule 23 or renewed under Rule 29 shall be in Form No. VI.
>
> (2) Every such licence shall be subject to the following conditions, namely:-
>
> (i) the licence shall be non-transferable;
> (ii) the number of workmen employed as contract labour in the establishment shall not, on any day, exceed the maximum number specified in the licence;
> (iii) save as provided in these rules, the fees paid for the grant, or as the case may be, for renewal of the licence shall be non-refundable;
> (iv) (a) The rate of wages payable to the workmen by a contractor shall not be less than the minimum rates of wages fixed under the Minimum Wages Act, where that Act applies, where the rates have been fixed by agreement, settlement or award shall not be less than the rates so fixed, and where rates have been fixed under the Minimum Wages Act and also under any agreement, settlement or award, the rates, shall not be less than the higher of the two rates;
> **(b) where the workmen employed by the contractor perform the same kind of work as the workmen or a class of workmen directly employed by the principal employer, the rates of wages payable to the workmen by the contractor shall be the rates payable to the workmen directly employed by the principal employer doing the same kind of work.**
> (c) in any other case, the rates of wages shall be such as may be specified in this behalf by the Commissioner of Labour;
> xxx
>
> *(emphasis added)*

16) Thus, it is a statutory duty imposed under Rule 25(2)(iv)(b) of the Maharashtra Rules on the contractor to pay same wages to its workers as payable to the workmen of principal employer if both perform same kind of work.

17) The Tribunal has conducted a factual inquiry about the nature of work performed by the members of the Respondent-Union. After assessing the evidence on record, the Industrial Tribunal has recorded findings that the members of the Respondent-Union perform same work as is performed by the regular employees of the Petitioner. I have my own limitations for interfering in the said finding of the fact recorded by the Industrial Tribunal, unless a case of perversity is made out. In fact, Petitioner has emphatically admitted in the Petition that engagement of contract workers is necessitated on account of ban imposed by the State of Government on new recruitment. This is clear from pleadings in paragraph 3.1 of the Petition which reads thus:

> 3.1 There was totally ban on new recruitment as per notification issued by the Government of Maharashtra. There were vacancies due to retirement, restructuring, increased in consumers and to overcome the situation and providing better service to the consumer, the Petitioner requires manpower for its day-to-day work and therefore invites/floated tenders for providing skilled and unskilled contract workers.

18) Thus, contract workers are engaged on account of shortage of manpower due to retirement/promotion coupled with ban by the State Government. The contract workers are thus engaged to perform the work which is supposed to be performed by the regular employees. From the Work Order relied upon by the Petitioner, it is clear that contract workers are engaged to perform duties of Driver, *Up Kendra Sahayyak*, *Vidyut Sahayyak*, Office Assistant, Peon, etc. Thus, whenever regular employees of MSEDCL retire or get promoted, the post vacated by him/her is manned by contract workers. The Petitioner has itself admitted in the

Petition that the contract workers are engaged in view of recruitment ban imposed by the State Government. There is ample material on record which is relied upon by the Respondent-Union to infer that there is similarity of work performed by regular and contract workers. In view of the above position, though a contention is raised before me that there is failure on the part of Respondent-Union to prove similarity in work, I am not inclined to accept the said contention or to interfere in the findings of fact recorded by the Industrial Tribunal. I accordingly uphold the finding that the contract workers are engaged to perform work of permanent employees of the Petitioner.

19) Thus, provisions of Rule 25 (2)(iv)(b) of the Maharashtra Rules would apply with full force in the present case and it is a statutory duty to pay same wages to contract workers as are paid to the regular employees of the Petitioner. Thus, the ratio of the judgment of the Apex Court in ***Jagjit Singh*** is just an additional facet to be considered in the present case. Otherwise, there is a statutory right of contract workers to receive same wages as are paid to the regular employees. Here it must be observed that the judgment of the Apex Court in ***Jagjit Singh*** makes a slight departure in favour of the employers in that it directs payment of wages in the minimum of the pay scale. Thus, an Office Assistant working with the Petitioner for 10 years may draw higher salary on account of grant of 10 increments. However, his counterpart working on contract basis would receive wages only in the minimum of the pay-scale. To this extent, there would be some difference in the wages drawn by the two employees on account of difference in length of service. Be

that as it may. The minimum that needs to be paid to the contract workers performing duties of regular employees is the wages in the minimum of the pay scale.

20) Mr. Chavan has strenuously relied upon judgment of the Apex Court in ***Municipal Council, Nandyal Municipality*** in support of contention that the principle of equal pay for equal work and payment of salary in the minimum of pay scale cannot be made applicable to the workers of the contractor. The Apex Court has held in paragraphs 7, 8 and 9 of the judgment as under:

> 7. Having considered the matter, we find substance in the contention of learned counsel for the appellant. The moot point on which the issue revolves is the nature of employment/ relationship of the appellant with the respondents. It is not in dispute that the appellant had engaged the respondents and other similarly situated persons through a contractor, which also had changed periodically. However, at the same time, the respondents may have continued to work for the appellant, though through some other contractor. Further, the respondents may have also continued for long periods. **Thus, at first blush the reasoning may seem to be attractive that there was discrimination as they were also performing the duties as was being performed by other regular employees and were required to be suitably paid and, at least, the minimum time scale of the pay attached to the regular post, however, a deeper probe would reveal that the matter cannot be dealt with in such a simplistic way. The test which would actually throw light and would be relevant in the facts and circumstances of the present case is to whether the relationship, which is direct between two parties in whatever manner, can be differentiated with a relationship which had no direct connection with the two parties who are contesting, but rather the relationship is through a third-party which in the present case is the contractor.**
>
> 8. From the facts discussed above, it is clear that the appellant had no direct connection with the actual persons who were employed by the contractor, i.e., the respondents. The obligation and responsibility of the appellant was to pay to the contractor the amount which had been

contracted and agreed to between the appellant and the contractor, and the responsibility then was that of the contractor to ensure payment of wages and other emoluments as per the terms of the contract to the persons who were actually sent by the contractor to the appellant for performing various types of job.

9. The Court would pause here to indicate that it is not anybody's case that the mode of employment through a contractor itself was illegal or there was any illegality in the terms and conditions of the contract so as to make it ultra vires any constitutional provision or to make it discriminatory, and further there has been no challenge to such contract or any of the terms stipulated in the contract. Another issue on facts, which has been addressed by learned counsel for the respondents is that the respondents could not have been exploited by the parties and the fact that they were the same persons being sent, though through different contractors itself shows that the relationship was direct and only a sham camouflage was created; that of a contractor being the intermediary. To this, in our considered view, the answer may not be in clear black and white terms and is still a grey area for the reason that even if the respondents were the same persons who actually worked for the appellant, there can be instances where the new contractor, to maintain continuity and to ensure that there is no complaint from the employer, the appellant in the present case, continues with the same persons who were already employed and were working with the appellant. Thus, there is argument for and against such stand, which we will not dwell on any further. Another issue which has been flagged by learned senior counsel for the respondents is that the respondents being in the position they are, and the relief given being the minimum of the time scale of the pay attached to the regular post cannot be termed as giving them something which was not due or something excessive, for ultimately they also have a family to support and they are also performing the job which is performed by people on the regular establishment. We have absolutely no doubt in our mind that such issue raised by learned senior counsel is of relevance, but the Court feels that the mode of contractual employment, that too, by a contractor and not directly by the employer will have to be seen in a different light in the eyes of law. If all such distinctions between a regular employee and such contractual employees is not made, then the basic concept of hiring through various modes and in different capacity would lose its purpose and sanctity and ultimately everybody would be getting exactly the same benefit. This cannot be permitted in law for the reason that employment under a State entity is a public asset and every citizen of the country has a right to apply for it. In a regular employment, directly made by the said State entity, there are safeguards to ensure that the system of employment/engagement is transparent and fulfills a minimum criterion and is open to all eligible

> persons and a mode/procedure is adopted for ultimately choosing the right person. When employees/workmen are taken through a contractor, it is the absolute discretion of the contractor as to whom and through which mode he would choose such persons to be sent to the principal. This is where the difference lies, which is a very valid distinction in law. The reason why there are safeguards in regular appointment is that there should not be any favoritism or other extraneous consideration where persons, only on merit, are recruited through a fully transparent procedure known in law. **If the persons who are employed through a contractor, and have come to work, are given equal benefit and status as a regular employee, it would amount to giving premium and sanction to a process which is totally arbitrary as there is no mode prescribed in any contract as to how the contractor would employ or choose the persons who are to be sent, except for the basic qualification, i.e., knowledge in the field for which they are required.** The judgment/ order relied upon by learned counsel for the appellant aptly covers the field in the present case. The judgment cited by learned senior counsel for the respondents is basically different on facts for the reason that there the contractual employment was directly by the principal and in that background contractual workers have been regularized.
>
> *(emphasis added)*

21) Thus, in its judgment in the ***Municipal Council, Nandyal Municipality,*** the Apex Court has drawn distinction between the employees who were directly employed by the employer and workers engaged through the contractor. The Apex Court has held that even if the workers have worked for a considerable time on contract basis, in absence of employer-employee relationship, the principle of payment of wages in the minimum of pay scale cannot be extended to contract workers. Thus, the judgment of the Apex Court in the ***Municipal Council, Nandyal Municipality***, does seem to suggest that the principle of equal pay for equal work and payment of wages in the minimum of pay scale cannot be made applicable where workers are engaged through a contractor.

22) However, it appears that in ***Municipal Council, Nandyal Municipality,*** the prayer was for regularization since the employees were continued for a long time by change of contractors. The High Court had granted not just the wages in time scale of pay but also the annual increments, which is clear from the opening part of the judgment, which reads thus:

> **2**. The present appeals arise out of a common order dated 23.08.2018 passed by the High Court of Judicature at Hyderabad for the State of Telangana and the State of Andhra Pradesh, by which the appellant has been directed to grant minimum time scale of pay to 1the respondents and also to add annual grade increments as and when they fell due from time to time.
>
> **3.** The appellant had engaged the respondents not directly, but through a third-party contractor starting from the year 1994. However, upon the change of contractors also, they continued to perform their duties and work for the appellant. They approached the A.P. Administrative Tribunal, Hyderabad1 seeking regularization and for payment of the minimum of the scale of that post which was given to the regular employees. The Tribunal ruled against them and they approached the High Court. The High Court vide the impugned order has reversed the order of the Tribunal and has directed the appellant in the terms as indicated above.

23) Also, the Apex Court, though set aside the order of the High Court directing payment of wages in the minimum of pay-scale and increments, ultimately directed consideration of cases of casual workers for regularization by issuing following directions, with the caveat that the same shall not be treated as precedent:

> Having passed the order, we feel that sometimes justice is required to be tempered with mercy as human factors cannot be totally lost sight of. In such view of the matter, we would require the appellant to look into whether the jobs which were being done by the respondents, in the background that they have not been disengaged or returned to the contractor on the ground of being unsatisfactory, having uninterrupted service under the appellant for decades can be regularized on posts,

> which prima facie appears to be perpetual in nature. We make it clear that this direction is limited for the purposes of the present case only as it has been passed in the special facts and circumstances of the present case and shall not be treated as a precedent in any other case. We expect the appellant to take a compassionate and sympathetic view in the matter.

24) Thus, the judgment in ***Municipal Council, Nandyal Municipality*** is rendered in the peculiar facts and circumstances of the case. Also, the Apex Court did not have an occasion to consider applicability of Rules made under CLRA Act which required payment of same wages. In the present case, Petitioner is registered under CLRA Act and has been issued a license to engage contract workers. The grant of such license is subject to a condition under Rule 25 (2)(iv)(b) to pay same wages to the contract workers as are paid to the regular employees when contract workers perform same work. Thus, there is a statutory duty to pay equal wages to the contract workers. Under the provisions of CLRA Act if the contractor fails to pay wages payable under Act or the Rules to its workers, it becomes the responsibility of the principal employer to pay the same. In my view, therefore, there is no warrant for interference in the direction made by the Tribunal for payment of equal pay for equal work.

25) However, it needs to be clarified here that this Court is upholding the Awards for payment of wages in the minimum of pay scales only on account of establishment of similarity in works in the peculiar facts of the present case. The present case involves a peculiar circumstance where the Petitioner is unable to recruit regular employees and is forced to recruit contract workers to perform jobs of regular

employees. The judgment therefore cannot be read to mean as if laying down an abstract proposition that every worker of a contractor would always be entitled to payment of wages in the minimum of pay scales. The direction of the Industrial Court is upheld mainly in the light of provisions of Rule 25 of the Maharashtra Rules.

26) The Tribunal has directed payment of difference of wages from May 2016/December 2016 till the time the members of the Respondent-Union remain engaged on contract basis. It is however, seen that the demand for payment of wages in the minimum of the pay scale was made vide notice dated 5 April 2017. In pursuance of the said demand, two References appear to have been made by the Additional Commissioner of Labour. Reference (IT) No. 12 of 2018 was made by order dated 16 March 2018 in respect of 49 workmen whereas Reference (IT) No. 16 of 2020 was made by order dated 18 March 2020 in respect of 40 workmen. The Tribunal has however directed payment of difference of wages from May 2016/December 2016. There is absolutely no basis for seeking wages in minimum of pay scale from May 2016/December 2016. It is also seen that Reference (IT) No. 16 of 2020 was made after considerable delay. In such circumstances directing Petitioner to pay difference of wages since May 2016 would put substantial financial burden on the Petitioner. It is well settled position, that though payment of less salary or wages is a continuous cause of action, limitation would apply to the relief of payment of arrears. The law in this regard is well settled by the judgment of the Apex Court in ***Union of India & Ors. Vs. Tarsem Singh***[4].

[4] (2008) 8 SCC 648

27) In my view, therefore, it would be appropriate to restrict the arrears from the date of which References were made to the Industrial Tribunal. Accordingly, the difference of wages needs to be paid from 16 March 2018 to the members of Respondent-Union in Reference (IT) No. 12 of 2018 and the same needs to paid w.e.f 18 March 2020 to the members of Respondent-Union in Reference (IT) No. 16 of 2020. To this limited extent, some modification in the impugned Awards would be apt.

28) Accordingly, I proceed to pass the following order:

(i) The impugned Awards are upheld to the extent of declaration made by the Industrial Tribunal for payment of wages to the members of Respondent-Union in the minimum of pay scale (at the lowest grade in the regular pay scale) as that of permanent employees of the Petitioner.

(ii) However, direction for payment of difference of wages from December 2016 in case Reference (IT) No. 12 of 2018 and from May 2016 in case of Reference (IT) No. 16 of 2020 is modified by directing that the difference of wages shall be payable to the members of Respondent-Union forming part of Reference (IT) No. 12 of 2018 w.e.f. 16 March 2018 and to the members of Respondent-Union forming the part of Reference (IT) No. 16 of 2020 w.e.f. 18 March 2020.

(iii) The difference of wages shall be payable only till the time members of the Respondent remain/remained to be employed by the contractors with the Petitioner.

29) With the above directions, both the Petitions are partly allowed and **disposed of.** There shall be no order as to costs.

[SANDEEP V. MARNE, J.]

30) After the judgment is pronounced the learned counsel appearing for the Petitioner prays for stay of the judgment for a period of 4 weeks. The learned counsel appearing for Respondent No.4 opposes for stay of the judgment. Considering the reasons recorded in the judgment, I deem it appropriate not to grant stay as requested. The request for stay is accordingly rejected.

[SANDEEP V. MARNE, J.]

Signed by: Renuka S Thakur
Designation: PA To Honourable Judge
Date: 21/07/2026 20:24:44