



**NON-REPORTABLE**

**IN THE SUPREME COURT OF INDIA  
CIVIL APPELLATE JURISDICTION**

**CIVIL APPEAL NOS. OF 2026**  
(Arising out of SLP(Civil) Nos.32852-32853 of 2025)

IPCA LABORATORIES LIMITED ...APPELLANT(S)

VERSUS

LAGHU UDYOG MAZDOOR  
UNION (CITU) & ORS ...RESPONDENT(S)

WITH

**CIVIL APPEAL NOS..... of 2026**  
(Arising out of SLP(C) Nos. 32854-32855/2025)

**CIVIL APPEAL NOS..... of 2026**  
(Arising out of SLP(C) Nos. 32856-32857/2025)

**CIVIL APPEAL NOS..... of 2026**  
(Arising out of SLP(C) Nos. 32858-32859/2025)

**CIVIL APPEAL NOS..... of 2026**  
(Arising out of SLP(C) Nos. 32860-32861/2025)

**CIVIL APPEAL NOS..... of 2026**  
(Arising out of SLP(C) Nos. 32862-32863/2025)

**CIVIL APPEAL NOS..... of 2026**  
(Arising out of SLP(C) Nos. 32864-32865/2025)

**CIVIL APPEAL NOS..... of 2026**  
(Arising out of SLP(C) Nos. 32883-32884/2025)

**CIVIL APPEAL NOS..... of 2026**  
(Arising out of SLP(C) Nos. 32866-32867/2025)

**CIVIL APPEAL NOS..... of 2026**  
(arising out of SLP(C) Nos. 32870-32871/2025)

**CIVIL APPEAL NOS..... of 2026**  
(Arising out of SLP(C) Nos. 32872-32873/2025)

**CIVIL APPEAL NOS..... of 2026**  
(arising out of SLP(C) Nos. 32874-32875/2025)

**CIVIL APPEAL NOS..... of 2026**  
(Arising out of SLP(C) Nos. 32876-32877/2025)

**CIVIL APPEAL NOS..... of 2026**  
(Arising out of SLP(C) Nos. 32878-32879/2025)

**CIVIL APPEAL NOS..... of 2026**  
(Arising out of SLP(C) Nos. 32880-32881/2025)

## ORDER

### SANJAY KAROL J.,

Leave Granted.

2. These appeals arise out of common judgment and order dated 18<sup>th</sup> December 2024 in WP No.5469 of 2016 and other connected matters as also RP No.12 of 2025 dated 16<sup>th</sup> May 2025 passed by the High Court of Madhya Pradesh at Indore. In essence, the dispute pertains to reinstatement of the respondent-employees and payment of back-wages by the appellant-employer.

3. The appellant-employer is a bulk drugs manufacturer located at Indore. The respondent-employees were '*for many years*' under their employment but were shown the door as of 1<sup>st</sup> April 2006, allegedly at the end of the contract on the basis of which they had been employed. Aggrieved by thus being shunted out, the respondent-employees took recourse to the law. Multiple rounds of litigation ensued first with the Labour Court, Indore in terms of C.No. 55/05 M.P.I.R. which came to be dismissed as per order dated 10<sup>th</sup> September 2009. An appeal thereagainst was filed before the Industrial Court, Indore in C.A.No.169 of 2009 and connected matters. The Industrial Court observed that the appellant-employer

herein, upon having submitted that the respondent-employees were hired by it through a contractor, had to disclose the particulars in pleadings or in evidence, as to who the contractor was which they have not been able to do. That being the case, it was established that the appellant-employer had directly engaged the respondent-employees and the attempt to show them to be hired through a contractor was a '*camouflage and sham*', and termination of their services would amount to illegal retrenchment which is not permitted as per law. As such, reinstatement was ordered along with payment of 50% back wages. The High Court, on appeal, disagreed with the findings of the Industrial Court, and remanded the matter for fresh consideration observing that placing the onus of proof in establishing that the services of the respondent-employees were engaged through a contractor was erroneous in law.

4. The Industrial Court on remand by order dated 27<sup>th</sup> June 2016, after re-appreciating the evidence on record arrived at the same finding as it did in the first round. On further appeal to the High Court by the appellant-employer, which is the judgment impugned before us, the High Court agreed with the findings returned by the Industrial Court, while observing that crucial documents such as the muster roll and attendance register were in the custody of the appellant-employer and that the contention of the respondent-employees being hired through a contractor is unacceptable, given

that the contributions to the Employee Provident Fund and State Insurance were being made by the appellant-employer itself and not the *alleged* contractor. Further it was observed that the matter remained pending at one level or another for almost eighteen years and in this time many employees have reached the age of superannuation or are close to it and much of the machinery which they were used to would have undergone a change and as such instead of reinstatement it was directed that Rs.15 lakhs be paid to each of the respondent-employees within six weeks failing which the same shall carry 6% rate of interest.

5. In *Harjinder Singh v. Punjab State Warehousing Corpn.*<sup>1</sup>, this Court had observed that Industrial Disputes Act and other similarly situated legislations are social welfare oriented and have to be interpreted in the light of the values enshrined in the Preamble and the provisions of Part IV of the Constitution of India, more particularly Article 38, 39(a) to (e), 43 and 43-A. Recently as well in *Lenin Kumar Ray v. Express Publications (Madurai) Ltd.*<sup>2</sup>, this Court highlighted that the objective of the Industrial Disputes Act, was to ensure social justice to both the employer and employee while advancing industry in general.

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<sup>1</sup> (2010) 3 SCC 192

<sup>2</sup> 2024 SCC OnLine SC 2987

6. Keeping this in view, when the matter came up before us, in an attempt to keep both the interests of the appellant-employer and the respondent-employees balanced, we implored upon the parties not to drag this dispute on further and instead try to settle the matter. It is only as such that we asked the respondent-employees to be present in Court by order dated 8<sup>th</sup> December 2025. We interacted with them on 16<sup>th</sup> December 2025.

7. While initially hesitant, we are happy to record that with the intervention of the counsel for the parties, the respondent-employees have agreed to settle the matter. The appellant-employer shall no longer be required to reinstate the employees or pay any back wages, instead, it shall make a one-time payment of Rs. 15 lakhs to each of the respondent-employees, and the same shall be paid by the appellant-employer within a period of four weeks from today, failing which they shall be entitled to an interest of 6% per annum. However, the amount, if any, already paid/deposited under Section 17B of the Industrial Disputes Act 1947 with respect to each one of the respondent-employees, shall be deducted from the said amount, which the respondent-employees shall be entitled to withdraw by taking steps before the appropriate authorities. The appellant-employer shall facilitate such withdrawal by the respondent-employees. In addition, the respondent-employees shall also be entitled for a sum of Rs.2 lakhs each (lump sum) to be paid by the

appellant-employer within a period of four weeks from today, failing which it shall yield an interest @ 6% per annum. It further stands clarified that the respondent-employees shall also be entitled to all the benefits statutorily mandated including gratuity, provident fund etc. The amount towards the same, if any, lying deposited with the authorities shall be disbursed to the respondent-employees at the earliest. The order of the High Court impugned before us is modified to the above extent. The appeals are disposed of in terms as above.

Pending application(s), if any, shall stand disposed of.

.....**J.**  
**SANJAY KAROL**

.....**J.**  
**(AUGUSTINE GEORGE MASIH)**

**New Delhi;**  
**April 10, 2026**