



IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 27TH DAY OF APRIL, 2026

BEFORE

THE HON'BLE MR. JUSTICE ANANT RAMANATH HEGDE

WRIT PETITION NO. 15072 OF 2020 (L-RES)

BETWEEN:

MYLAN LABORATORIES LTD.,
HAVING ITS REGISTERED OFFICE AT
PLOT NO.564/A/22, ROAD NO.92
JUBILEE HILLS, HYDERABAD,
TELANGANA - 500096,
REP. BY ITS GENERAL MANAGER,
LEGAL MR ASHWINI KANDILKAR.

...PETITIONER

(BY SRI P K SHRIKARA, ADVOCATE FOR
SRI GEORGE JOSEPH, ADVOCATE)

AND:

ENGINEERING AND GENERAL WORKERS UNION
THE GENERAL SECRETARY GHATE BHAVAN
GAYATHRI DEVI PARK EXTENSION VAYALIKAVAL
BENGALURU - 560003

...RESPONDENT

(BY SRI K B NARAYANA SWAMY, ADVOCATE)

THIS WRIT PETITION IS FILED UNDER ARTICLES 226
AND 227 OF THE CONSTITUTION OF INDIA PRAYING TO
QUASH THE AWARD DTD 20.10.2020 PASSED BY THE
PRESIDING OFFICER, PRINCIPAL LABOUR COURT, BENGALURU
IN REFERENCE NO.28/2017 VIDE ANNEX-A.

THIS PETITION, COMING ON FOR REPORTING
SETTLEMENT, THIS DAY, ORDER WAS MADE THEREIN AS
UNDER:

CORAM: HON'BLE MR. JUSTICE ANANT RAMANATH HEGDE

Digitally signed
by BELUR
RANGADHAMA
NANDINI

Location: HIGH
COURT OF
KARNATAKA



ORAL ORDER

This petition is filed assailing the award dated 20.10.2020 in Reference No.28/2017 on the file of the Principal Labour Court at Bengaluru.

2. In terms of the award dated 20.10.2020, the claim petition filed by the Union/two workmen namely Suneel and Parashuram BudihaI is allowed-in-part and the petitioner-Management is directed to reinstate the workmen to their original posts with continuity of service, 50% back wages and other consequential benefits. Consequently, the order of termination dated 14.02.2017 is set-aside.

3. Aggrieved by the aforementioned award, the petitioner-Management is before this Court.

4. Mr. Suneel joined the petitioner/Company as an Operator on 31.07.2014 and Parashuram BudihaI joined as an Operator on 26.06.2014.

5. On 19.12.2015 Suneel applied for a leave. According to the petitioner, it is noticed that Suneel had forged the signature of his reporting Manager on his leave card



indicating that the leave has been sanctioned. On 16.01.2016, Company issued show cause notice to Suneel. On 25.01.2016, Suneel replied to the show cause notice and domestic enquiry was initiated against Sunil.

6. In April, 2016, Parashuram Budihal submitted the leave application along with printed marriage invitation to avail marriage gift of Rs.15,000/- and claimed that he got married on 15.04.2016. The petitioner-Company alleges that Parashuram Budihal has given false information and made a fraudulent claim and issued show cause notice to Parashuram Budihal on 18.08.2016 and Parashuram Budihal replied to the show cause notice on 22.08.2016 denying the charges.

7. Domestic enquiry was also held against Parashuram Budihal. In both enquiries, the Enquiry Officer held that the charges are proved. In both the cases, second show cause notice was issued to the delinquent employees. Both Suneel and Parashuram Budihal were dismissed from service.

8. The respondent-Union addressed a letter to the Deputy Commissioner and conciliation proceedings were initiated. The Conciliation Officer submitted a failure report. The



proceeding started before the Labour Court on a claim petition filed by the Union.

9. The Labour Court recorded a finding that the domestic inquiry against both employees were fair and proper. Later, on the plea of victimization, the Labour Court held that the penalty of dismissal is disproportionate to the misconduct alleged and proved and passed the aforementioned award which is under challenge. The employees have accepted the award which denied 50% backwages.

10. Learned counsel appearing for the petitioner-Company who urged that Suneel was charged under clause 23.13 of the Certified Standing Order of the Company (CSO) on the allegation of falsifying records and giving false evidence and under clause 23.41 on the allegation of falsifying and tampering with the official records.

11. Parashuram Budihal was charged under clause 23.13, 23.14, 23.41 of the CSO on the allegation of falsifying the records, making false statements in the application made to the Management and tampering with the official records.



12. Learned counsel for the petitioner would urge that the petitioner-Company is involved in manufacturing the medicine. The products of the petitioner-Company involves life saving drugs both in India and outside and data integrity is one of the most fundamental principles of the manufacture of drugs. After having recorded that the charges are proved where the charges relate to the integrity of the delinquent employees, the Labour Court could not have directed the instatement.

13. Learned counsel would also urge that the Labour Court exercised the jurisdiction under Section 11A of the Industrial Disputes Act, 1947, (Act, 1947) without there being justifiable reasons. In addition, it is also urged that the award directing 50% back wages is also untenable.

14. Learned counsel for the respondent-Union would urge that the Labour Court is justified in exercising jurisdiction under Section 11A of the Act of 1947 and for the misconduct alleged and proved, the penalty of dismissal is shockingly disproportionate.



15. It is also urged that, though the Labour Court has denied 50% back wages to the workmen, the Union has not challenged the said award and there is no reason to interfere with the impugned award.

16. The Court has considered the contentions raised at the Bar and perused the records.

17. Admittedly, the petitioner-Company is involved in manufacture and sale of life saving drugs both in India and abroad. The workmen are found guilty of charges relating to falsification of records and tampering the official records. Both the Inquiry Officer and the Labour Court have held that the charges are proved. The Labour Court while passing the award for reinstatement, has come to the conclusion that the penalty of dismissal is disproportionate to the misconduct alleged.

18. As rightly urged by the learned counsel for the petitioner-Company that, the data integrity of a Company involved in life saving drugs is a very crucial aspect and that cannot be compromised. From the records, it is evident that the two employees against whom the domestic inquiries were held



are guilty of misconduct wherein, they have falsified the records and made a false claim.

19. This being the position, the Court is of the view that, direction to reinstate the workmen to the original position in a Company which is involved in manufacturing and sale of life saving drugs was not warranted. That being the position, the Court is of the view that the award for reinstatement has to be set aside.

20. Next question is, "whether the Court can award any other lesser punishment or would award compensation in lieu of the penalty of dismissal?."

21. During the course of hearing, the learned counsel for the petitioner-Company and the respondent-Union jointly submitted that there was a proposal to settle the dispute. The petitioner-Company without prejudice to its contentions that in a case of this nature, the workmen are not entitled for reinstatement as well as not entitled to any compensation, offered a reasonable sum towards compensation. However, the respondent-Union did not accept the offer and made a demand for unreasonably high compensation.



22. The learned counsel for the respondent-Union would submit that an offer was made by the petitioner-Company. However, it was too meagre and the compensation demanded by the respondent-Union was reasonable.

23. In the aforementioned background of facts and circumstances of the case, the Court is of the view that without getting into the merits, the workmen are entitled to compensation of Rs.10,00,000/- as *ex-gratia* to each of the workmen.

24. It is also noticed that the respondent-Union has espoused the cause of the workmen right from the beginning after the order of termination and Rs.2,00,000/- shall also be paid as cost of litigation to the respondent-Union.

25. It is also made clear that this order is passed in the peculiar facts and circumstances of this case and this would not be treated as a precedent.

26. Hence, the following:



ORDER

- (i) The Writ Petition is ***allowed.***
- (ii) The impugned award dated 20.10.2020 in Reference No.28/2017 on the file of the Principal Labour Court, Bengaluru is set-aside.
- (iii) The petitioner-Company shall pay Rs.10,00,000/- (Rupees Ten Lakhs) to each of the workmen named above as one time ex-gratia towards discharge of all claims of the workmen against the petitioner.
- (iv) The petitioner shall also pay Rs.2,00,000/- (Rupees Two Lakhs) as the litigation expenses to the respondent-Union.
- (iv) The order shall be complied within 30 days from the date of receipt of the copy of this order.

Sd/-

**(ANANT RAMANATH HEGDE)
JUDGE**