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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO.10551 OF 2025

Lokrajya Swayam Rojgar Seva Sahakari

Sanstha Limited, having its registered
office at Survey No.110/9B, Pawar
Heights-F4, Shankar Math, Hadapsar,
Pune 400 014, through its Chairman

... Petitioner

Vs.

1. Shramik Janata Sangh,

Office Address Room No.29-30,
“A” Wing, Haji Habib Building,
First Floor, 182, Naigaon Cross Road,
Dadar (West), Mumbai 400 014

2. Regional Mental Hospital,

Thane (West), District Thane
through its Medical Superintendent

... Respondents

WITH
INTERIM APPLICATION NO.2646 OF 2026
IN
WRIT PETITION NO.10551 OF 2025

Shramik Janta Sangh

... Applicant

In the matter between

Lokrajya Swayam Rojgar Seva
Sahakari Sanstha Limited

... Petitioner

Vs.

Shramik Janata Sangh & Anr.

... Respondents

WITH
WRIT PETITION (ST.) NO.4469 OF 2026

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Lokrajya Swayam Rojgar Seva Sahakari Sanstha Limited, having its registered office at Survey No.110/9B, Pawar Heights-F4, Shankar Math, Hadapsar, Pune 400 014, through its Chairman

... **Petitioner**

Vs.

- 1. Nandkumar Yashwant Gotarne & 67 others**, through Jagdish Khairalia, the General Secretary of Shramik Janata Sangh in the capacity of a registered trade Union), having its office at Room No.28/29, Haji Habib Building, Naigaon Cross Road, Dadar, Opposite Fire Brigade, Mumbai 400 014
- 2. Regional Mental Hospital**, Thane (West), District Thane through its Medical Superintendent
- 3. Chetan B. Jagtap**, Authority under the provisions of Minimum Wages Act, and the Assistant Labour Commissioner, Thane Office Complex Building, 6th Floor, Mulund Check Naka, Wagale Estate, Thane (West) 400 604

... **Respondents**

Dr. D.S. Hatle with Mr. Deepak Jamsandekar and Mr. Umesh Chavan for the petitioner in WP/10551/2025 & for the respondent in IA & for the petitioner in WPST/4469/2026.

Ms. Sudha Bharadwaj i/by Hamza Lakdawala for the applicant in IA & for respondent No.1 in WP/10551/2025.

Mrs. Neha Bhide, GP with Mrs. V.R. Raje, AGP for respondent No.2-State in WP/10551/2025.

Mr. A.C. Bhadang, AGP for respondent No.2-State in WPST/4469/2026.

CORAM : AMIT BORKAR, J.

RESERVED ON : APRIL 10, 2026.

PRONOUNCED ON : APRIL 16, 2026

JUDGMENT:

1. By the present Writ Petition No. 10551 of 2025 instituted under Articles 226 and 227 of the Constitution of India, the petitioner Union has assailed the Judgment and Order dated 11 June 2024 passed by the Industrial Court below Exhibit O-7 in Complaint (ULP) No. 126 of 2021, which complaint had been instituted by respondent No. 1 under Section 28 read with Item 9 of Schedule IV of the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971.

2. By Writ Petition (Stamp) No. 4469 of 2026, also preferred under Articles 226 and 227 of the Constitution of India, the petitioner Union has challenged the Judgment and Order dated 10 December 2025 passed by respondent No. 3 in Application No. MWA/20(2)/Recovery/01/2005 instituted by respondent No. 1 under Section 20(2) of the Minimum Wages Act, 1948, whereby the said application came to be allowed.

3. The facts and circumstances giving rise to the filing of the present writ petitions, as pleaded by the petitioner, are that the petitioner Union has been engaged by respondent No. 2 for

carrying out housekeeping and cleaning work at its establishment situated at Thane, and in pursuance thereof, the petitioner has been executing such work through employees engaged by it for the said purpose. It is the case of the petitioner that on 6 August 2021, the employees engaged by the petitioner formed a Union in the name and style of Shramik Janata Sangha, and thereafter the said Union instituted a complaint alleging unfair labour practices against the petitioner as well as respondent No. 2 under Section 28 read with Item 9 of Schedule IV of the MRTU and PULP Act, 1971. On 21 October 2021, the petitioner filed its reply below Exhibit CA-3 denying the allegations made in the complaint and prayed for dismissal thereof by contending that its engagement was governed by the provisions of the Contract Labour (Regulation and Abolition) Act, 1970. In the month of October 2021, respondent No. 2 also filed its reply denying any employer employee relationship with the workers engaged by the petitioner. However, respondent No. 2 admitted that the petitioner had been engaged by it under the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 and that the petitioner was holding a valid licence issued by the competent authority.

4. On 6 September 2023, respondent No. 1 adduced evidence of one Dinanath Keshav Desale by tendering his affidavit in lieu of examination in chief. The said witness was thereafter cross examined by the petitioner as well as respondent No. 2. Upon conclusion of evidence and hearing of arguments, the Industrial Court by its Order dated 11 June 2024 partly allowed the complaint. The said order is the subject matter of challenge in Writ

Petition No. 10551 of 2025.

5. It is stated that the certified copy of the said Judgment and Order was received by the petitioner on 10 February 2025. Thereafter, on 8 May 2025, a Board Resolution came to be passed authorising Shri Vijay Janaba Kamble to institute Writ Petition No. 10551 of 2025 on behalf of the petitioner. It is further the case of the petitioner that pursuant to the Order dated 11 June 2024, respondent No. 1 filed Application No. MWA/20(2)/Recovery/01/2025 on 12 February 2025 under Section 20(2) of the Minimum Wages Act, 1948 in prescribed Form No. IV, seeking compensation as well as recovery of the differential amount between the minimum wages fixed by the Government and the wages allegedly actually paid. The petitioner thereafter, by communication dated 28 March 2025, informed respondent No. 3 that the issue involved was already sub judice. On 10 February 2025, respondent No. 3 proceeded to pass an order in Application No. MWA/20(2)/Recovery/01/2025, which order has been impugned in Writ Petition (Stamp) No. 4469 of 2026.

6. Mr. Hatle, learned Advocate appearing for the petitioner, submitted that the direction issued by the Industrial Court requiring the petitioner to make payment of wages to the workers of the complainant Union in accordance with the applicable minimum wages notification, as contained in the order passed below Exhibit U-2, is wholly unsustainable in law and cannot be maintained. According to him, payment of minimum wages being in the nature of statutory wages earned by the workmen, the primary responsibility for ensuring such payment rests upon the

principal employer when the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 are applicable. It is, therefore, his submission that liability for payment of minimum wages cannot be fastened exclusively upon the contractor, but the principal employer is equally under a statutory obligation to ensure that wages are paid in accordance with the rates prescribed for the notified industry under the notifications issued by the Government of Maharashtra from time to time. He, therefore, contended that the direction issued only against the contractor, namely the petitioner, is erroneous and legally untenable.

7. Learned counsel further submitted that the Industrial Court failed to take into consideration the mandate of Section 21(4) of the Contract Labour (Regulation and Abolition) Act, 1970, which governs the responsibility for payment of wages and provides that where the contractor fails to make payment of wages within the prescribed period or makes short payment, the principal employer shall be liable to make payment of wages in full or of the unpaid balance due, as the case may be, to the contract labour employed by the contractor, and thereafter recover the amount so paid from the contractor by deduction from any amount payable under the contract or as a debt recoverable from the contractor. On the basis of the said statutory provision, it is contended that the Industrial Court could not have passed an order against the petitioner alone and, at the highest, respondent No. 2 ought to have first been directed to release the requisite amount to the petitioner, and upon failure of the petitioner to disburse the same, respondent No. 2 ought to have been directed to make payment directly. According

to the petitioner, the failure of the Industrial Court to adopt such course renders the impugned order legally flawed.

8. It is further submitted on behalf of the petitioner that unless corresponding payment is made by respondent No. 2 in its capacity as principal employer, it would be impossible for the petitioner to pay wages or enhanced wages to the employees, unless the requisite funds are first disbursed in favour of the petitioner for such purpose.

9. Per contra, Ms. Bharadwaj, learned Advocate appearing for respondent No. 1, submitted that the Maharashtra Civil Services Rules are not applicable to the concerned workmen since they are engaged through a contractor and their service conditions are governed by the labour legislations applicable to contract labour. It is submitted that respondent No. 2 is a registered contractor and falls within the ambit of an industrial establishment. Inviting attention to the provisions of Sections 12 and 21(4) of the Contract Labour (Regulation and Abolition) Act, 1970, learned counsel contended that the wages payable to the concerned workers are statutorily regulated thereunder. According to him, respondent No. 2 is responsible to pay wages at the prescribed rate within time and respondent No. 1 is also under an obligation to ensure proper regulation of such wages, and in the event of default on the part of respondent No. 2, respondent No. 1 would be liable to discharge such payment. By referring to the provisions of the Minimum Wages Act applicable to local authorities and categories such as sweepers and scavengers, learned counsel submitted that the workers are entitled to wages along with admissible

allowances and house rent allowance. It is further submitted that in absence of any rebuttal evidence adduced by the respondents, directions are required to be issued for payment of arrears recoverable by the complainant and the claim towards differential wages deserves to be allowed.

10. Mrs. Raje, learned Assistant Government Pleader appearing for the State submitted that wages are being paid in accordance with the rates applicable to the hospital industry and the governing rules and regulations in that regard, and there is no requirement to determine wages in accordance with the rates prescribed under the local authority minimum wages notifications. It is further submitted that the signatory to the complaint is a different person having no direct concern with the claim raised and that such person has not entered the witness box or adduced evidence in support of the complaint. It is pointed out that the witness examined on behalf of the complainant has admitted receipt of salary and benefits regularly from respondent No. 2 and, therefore, according to the State, no unfair labour practice can be said to have been committed by respondent No. 2 at any point of time.

REASONS AND ANALYSIS:

11. Having heard the learned Advocates for the parties and having gone through the material placed on record, this Court is of the view that the real question is about the responsibility for payment of wages to the workmen engaged through the contractor, and whether the Industrial Court committed any error

in directing payment of wages at the rate of minimum wages fixed by the competent authority.

12. For the purpose of adjudicating the issues involved in the present matter, it would be necessary to reproduce Section 21 of the Contract Labour (Regulation and Abolition) Act, 1970, as the same has direct bearing upon the controversy in question. Section 21, which deals with responsibility for payment of wages, reads thus:

“21. Responsibility for payment of wages.-

(1) A contractor shall be responsible for payment of wages to each worker employed by him as contract labour and such wages shall be paid before the expiry of such period as may be prescribed.

(2) Every principal employer shall nominate a representative duly authorised by him to be present at the time of disbursement of wages by the contractor and it shall be the duty of such representative to certify the amounts paid as wages in such manner as may be prescribed.

(3) It shall be the duty of the contractor to ensure the disbursement of wages in the presence of the authorised representative of the principal employer.

(4) In case the contractor fails to make payment of wages within the prescribed period or makes short payment, then the principal employer shall be liable to make payment of wages in full or the unpaid balance due, as the case may be, to the contract labour employed by the contractor and recover the amount so paid from the contractor either by deduction from any amount payable to the contractor any contract as a debt payable by the contractor.”

13. Section 21 of the Contract Labour (Regulation and Abolition) Act, 1970 deals with the statutory responsibility regarding payment of wages to contract labour and delineates the obligations of the contractor as well as the principal employer. Sub-section (1) provides that the contractor shall be responsible for payment of wages to each worker employed by him as contract labour and such wages are required to be paid within the prescribed period. Thus, the primary obligation to disburse wages is cast upon the contractor.

14. Sub-section (2) further mandates that every principal employer shall nominate an authorised representative to remain present at the time of disbursement of wages by the contractor, and such representative is required to certify the amounts paid as wages in the prescribed manner. The legislative intent behind this provision is to ensure supervision by the principal employer over the process of wage disbursement so that the contract labour is not deprived of wages.

15. Sub-section (3) casts a corresponding duty upon the contractor to ensure that wages are disbursed in the presence of the authorised representative of the principal employer. The conjoint reading of sub sections (2) and (3) makes it evident that though the contractor is the person obliged to pay wages, the statute imposes supervisory responsibility upon the principal employer to monitor such payment.

16. Most importantly sub-section (4) provides that in the event the contractor fails to make payment of wages within the

prescribed period or makes short payment, the principal employer shall become liable to make payment of the full wages or the unpaid balance, as the case may be, to the contract labour, and thereafter recover the amount so paid from the contractor either by deduction from amounts payable under the contract or as a debt recoverable from the contractor. This provision makes it clear that while the initial responsibility to pay wages lies upon the contractor, the statute creates a secondary liability upon the principal employer to safeguard the interests of the contract labour in cases of default by the contractor. Therefore the scheme of Section 21 demonstrates that the contractor bears the primary liability for payment, whereas the principal employer bears a secondary liability which arises upon failure of the contractor. The legislative object is to ensure that the contract labour does not suffer deprivation of wages merely because of inter se defaults between the contractor and the principal employer.

17. The petitioner has argued that the principal employer cannot wash away its hands because the workmen were engaged through a contractor. Section 21 of the Contract Labour Act shows that the contractor is the first person responsible to pay wages. At the same time, the principal employer must appoint an authorised representative to remain present at the time of disbursement. He has to certify the amount paid. These provisions show that the law expects supervision from the principal employer. Therefore, the contention of the petitioner that the principal employer has no role in the payment of wages is not correct. But the same provision also does not support the further argument that the Industrial Court

could not direct the contractor to pay wages. The statute plainly says that the contractor shall be responsible for payment of wages. That is the primary obligation. Only if the contractor fails, the liability of the principal employer steps in.

18. The petitioner has also submitted that the Labour Court did not properly apply Section 21(4) and therefore it ought to have first directed respondent No.2 to make payment to the petitioner, and only on default should the payment burden have shifted. Section 21(4) does not say that the principal employer must first pay the entire amount through the contractor. What it says is that if the contractor fails to make payment within the prescribed period or makes short payment, then the principal employer shall be liable to make payment of the wages or unpaid balance due to the contract labour. This cannot be turned into a protection for the contractor to escape the obligation which the statute itself places on it. The petitioner cannot insist that unless respondent No.2 first disburses the money to it, it is powerless to pay wages. Such a stand would defeat the plain object of the Act. A contractor who undertakes labour supply work does so under law and under contract. It must arrange its affairs so that statutory wages are paid in time. If the principal employer fails in its own duty under the Act, the workmen still cannot be left unpaid. Therefore, the petitioner's attempt to shift the entire burden onto respondent No.2 is not supported by the statutory language.

19. The petitioner argued that payment of minimum wages is the prime responsibility of the principal employer and therefore a direction only against the contractor is erroneous. The contractor

is the direct employer for the purpose of wage payment. The principal employer has a secondary liability. The contractor cannot be allowed to say that because the principal employer may be answerable, the contractor need not satisfy the wage claim. The whole purpose of the Act is to ensure that workmen receive wages regularly. If the contractor is allowed to delay payment on the plea that the principal employer has not released money, then the workmen would become the sufferers.

20. The respondent No.1 has rightly argued that the workmen were engaged through the contractor and therefore the service conditions are to be examined under the labour laws applicable to contract labour. The reliance on the Contract Labour Act is justified. Once the relationship of contract labour is admitted, the provisions relating to payment of wages cannot be ignored. The contention that the Minimum Wages Act applies and that the workers are entitled to wages according to the notified rates is also legally correct. If the wages actually paid are less than the minimum wages fixed by law, then the difference becomes recoverable. The petitioner has not shown any legal authority by which such entitlement can be denied merely because the work is being performed through a contractor.

21. When all these aspects are taken together, the conclusion becomes clear. The Industrial Court did not commit any jurisdictional error in holding the petitioner responsible for payment of wages in accordance with the minimum wage notification. The Industrial Court was justified in granting relief on the basis of the material before it and the claim for differential

wages was properly entertained. The objections raised by the petitioner do not disclose any perversity, illegality, or patent error requiring interference in writ jurisdiction.

22. Since the petition challenging the Judgment and Order dated 10 June 2024 passed in Complaint (ULP) No.126 of 2021 has been considered and the said judgment has been upheld by this Court, it follows that the proceedings culminating in the Judgment and Order dated 10 December 2025 arise merely in execution and implementation of the aforesaid substantive adjudication. Once the principal order forming the basis of the recovery proceedings is sustained, the consequential proceedings initiated for enforcement thereof cannot independently survive for separate challenge on the same grounds. In such circumstances, no separate interference is warranted with the Judgment and Order dated 10 December 2025, the same being consequential in nature and arising directly out of execution of the earlier adjudicatory order. Hence, the petition assailing the Judgment and Order dated 10 December 2025 also deserves to be dismissed.

23. In view of the foregoing discussion and for the reasons recorded hereinabove, the following order is passed:

- (i) Both the writ petitions being devoid of merits stand dismissed;
- (ii) The Judgment and Order dated 11 June 2024 passed by the Industrial Court below Exhibit O-7 in Complaint (ULP) No. 126 of 2021 is hereby upheld;

(iii) The Judgment and Order dated 10 December 2025 passed by respondent No. 3 in Application No. MWA/20(2)/Recovery/01/2025 is also hereby confirmed;

(iv) The petitioner shall comply with the directions issued under the aforesaid orders and shall make payment of the differential wages and consequential dues, if not already paid, to the concerned workmen within a period of four weeks from the date of this order;

(vi) Rule in both petitions stands discharged.

(vii) In the facts and circumstances of the case, there shall be no order as to costs.

24. All pending interim applications stand disposed of accordingly.

(AMIT BORKAR, J.)