



LABOUR

# The Gavel Falls On “Unequal Bargaining”: Justice For The Decades-long Battle Of A Daily Wager

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In a poignant reminder that the “dotted line” of an employment contract is not a shield for corporate overreach, the Supreme Court of India has delivered a **landmark victory for labor rights**. The case of *Balaji Madhukar Konkanwar v. Maharashtra State Road Transport Corporation (2026)*, penned by Justice Sanjay Karol, dismantles the defense of estoppel in the face of unequal bargaining power and rewards a workman’s thirty-year odyssey for dignity.

## A Thirty-Year Legal Odyssey: From Cleaner to Litigant

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The story began on April 1, 1993, when Balaji Madhukar Konkanwar was appointed as a cleaner on a meagre monthly salary of **₹500**. Despite completing the statutory 180 days of service — a milestone that, under the Settlement of 1985, entitled him to regularization — his services were abruptly terminated orally in 1994.

What followed was a masterclass in perseverance. For over three decades, Konkanwar traversed every tier of the Indian judiciary:

- **The 1990s:** The Labour Court initially ruled his termination illegal, ordering reinstatement.
- **The 2000s:** While the Corporation fought the reinstatement in the High Court, Konkanwar was finally taken back as a daily wager in 2003. In 2007, an Industrial Court order explicitly directed his regularization effective from 1993.
- **The 2010s:** The Corporation ignored these mandates until 2011, when they forced him to sign a new appointment letter that treated him as a fresh recruit, effectively erasing 18 years of service.

## The Myth of Consent: Dismantling Unequal Bargaining Power

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The core of the Corporation’s defense was a technicality: because Konkanwar signed on a dotted line accepting regular employment from a particular date — which stipulated he would only be regularized after a further five years of satisfactory service — he had waived his right to claim benefits from 1993. They argued the “**Doctrine of Estoppel**” prevented him from back-tracking on that signed agreement.

The Supreme Court, however, saw through this “choice.” The bench noted:

*“If this is not a use of **unequal bargaining power** that the respondent, as the employer had over the former then, we do not know what may qualify as such.”*

The Court recognized that a daily wage worker, desperate for job security after nearly two decades of litigation, does not “consent” to unfair terms in a vacuum. Signing a dotted line to secure a livelihood does not mean the employee **forfeits the fruit of prior court victories**.

## Reversing the High Court: Substantive Justice Over Formality

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The High Court of Bombay had previously sided with the Corporation, setting aside the back wages. The Supreme Court found this to be a **grave error**.

It highlighted that the 2007 Industrial Court order — which granted him regularization from 1993 — had never been challenged by the Corporation and had thus attained finality. By attempting to reset the clock in 2011, the Corporation was not just being bureaucratic; it was acting in **contempt of a settled judicial mandate**.

## The Verdict: A Costly Lesson in Corporate Accountability

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In a decisive conclusion, the Supreme Court set aside the High Court’s order and reinstated the Labour Court’s award. The implications are significant:

1. **Back Wages Realized:** Konkanwar is entitled to **₹8,09,218** in back wages covering the period from October 1993 to January 2011.
2. **Balanced Interest:** While the Court reduced the interest rate from 12% to **8%** to acknowledge financial implications, it added a “sting” operation — if the amount is not paid within eight weeks, the interest reverts to 12%.
3. **Litigation Costs:** In a rare move reflecting the hardship endured, the Court awarded **₹1,00,000** in litigation costs to the appellant.

## Why This Matters

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This judgment serves as a beacon for the “invisible” workforce of daily wagers and contractual employees. It reinforces three vital legal principles:

- **Finality of Orders:** State corporations cannot “contract out” of judicial mandates through lopsided fresh appointments.
- **Estoppel Has Limits:** The law of estoppel cannot be used to validate the exploitation of an individual’s economic vulnerability.
- **The Human Cost of Delay:** By awarding litigation costs, the Court acknowledged that for a workman, the process is often the punishment.

Balaji Madhukar Konkanwar’s journey from a ₹500-a-month cleaner to a victorious Supreme Court appellant proves that while the **wheels of justice grind slowly**, they can eventually crush even the most persistent corporate institutional apathy.

For more details, write to us at: [contact@indialaw.in](mailto:contact@indialaw.in)

## Reference

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[\[2026 INSC 392\] BALAJI MADHUKAR KONKANWAR Vs. MAHARASHTRA STATE ROAD TRANSPORT CORPORATION](#)

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Labour And Employment