



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

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 wageer 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

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

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

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

This judgment matters 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

Reference

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

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