



2026 INSC 1019

REPORTABLE

IN THE SUPREME COURT OF INDIA

CIVIL APPELLATE JURISDICTIONCIVIL APPEAL NO. OF 2026

(Arising out of SLP (C) No. 498/2024)

M/S OIL AND NATURAL GAS CORPORATION LTD

Appellant(s)

VERSUS

SURYAKAND D. LAD & ORS.

R-1: Suryakand D. Lad

R-2: Krishna V. Patil

R-3: Rahul A. Jadhav

R-4: M. Kashilingam

R-5: Padma Vilas Shinde

R-6: Gurunath B. Apankar

R-7: Kamlabai S. Joglekar (Deceased) Through her Legal
Representative Rekha Ashok Darvesh

R-8: M/s. Noble Enterprises

Respondent(s)

WITH

CIVIL APPEAL NO. OF 2026

(Arising out of SLP (C) No. 27228/2023)

M/S OIL AND NATURAL GAS CORPORATION LTD

Appellant(s)

VERSUS

SUBRAMANIAM S. ARJUN AND ORS.

Signature Not Verified

Digital Signed by
SACHIN KUMAR
SRIVASTAVA
Date: 2026-11-19
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Reason: I am the author of this document.

R-1: Subramaniam S. Arjun

R-2: Mohammed Ahmed Mirza

R-3: Llyas. Yakub. Shaikh

R-4: Eknath Vitthal Kamble

R-5: V. Thagavell Nadar
R-6: Sultan Ismail Machiwala
R-7: Shivaji Shanker Khandagale
R-8: Subhash. Dattaram Dalvi
R-9: Bhaskar, L. Suryavanshi
R-10: Mohammed Tamil Abdul Masjit
R-11: Shantaram. G. Dawal
R-12: Vilas. Balavant Chavan
R-13: Dashrath. C. Aroskar
R-14: Baliram. Rajaram. Patekar
R-15: Isravell. M. Nadar
R-16: Kashinath. Y. Walande
R-17: M/s G.B. Mhatre

Respondent (s)

WITH

CIVIL APPEAL NO. OF 2026

(Arising out of SLP (C) No. 27407/2023)

M/S OIL AND NATURAL GAS CORPORATION LTD

Appellant(s)

VERSUS

RAMANATHAN A. YOGISHWARAN AND ORS.

R-1: Ramanathan A. Yogishwaran
R-2: M/s G. B. Mhatre
R-3: M/s A. R. Naim and Sons
Through Shri Ibrahim Patel

Respondent (s)

WITH

CIVIL APPEAL NO. OF 2026

(Arising out of SLP (C) No. 499/2024)

M/S OIL AND NATURAL GAS CORPORATION LTD

Appellant(s)

VERSUS

MOHD. HANIF ISMAIL HAKAM AND ORS.

R-1: Mohd. Hanif Ismail Hakam
R-2: Ramswamy V. Dever
R-3: Shunmugham M. Devar
R-4: Muttupandi. S. Devar
R-5: Paneersel. A. Pariyar
R-6: Samuvell. B. Nadar
R-7: Pushparaj. G. Pariyar
R-8: Raman A. Yageshwaran
R-9: Essay N. Padayachi
R-10: Prafulla Shankar Salunke
R-11: Vijay Bapu Ambekar
R-12: C. H. Durai
R-13: Murugam A. Yogeshwaran
R-14: Gopalan G. Yogeshwaran
R-15: Uchamani T. Devar
R-16: Gopi Kasi Nadar
R-17: G. Raja Singh
R-18: Prakash D. Pawal
R-19: Ashok Gurunath Malwade
R-20: Akhtar N. Girnari
R-21: Essay Mutthu S. Murathuver
R-22: Suyambuturai T. Nadar
R-23: Bharatlal Harishchandra
R-24: Girish Bhailal Patel
R-25: Chellapandi S. Nadar
R-26: Bhanuj T. Bhattacharya
R-27: Muthu Arumugaam Devar
R-28: Jairaj Kondanna Indrollu
R-29: Noorallah S. Sayyad
R-30: Ram Parvesh Ram Kurmi
R-31: Vell R. Chettiyar
R-32: Thangavelli K. Nadar
R-33: Tirumalai S. Subbaiah
R-34: M/s. G. B. Mhatre
R-35: M/s. A. R. Naim and Sons

Respondent (s)

O R D E R

Heard Mr. Tushar Mehta, learned Solicitor General for the appellant and Mr. Riwaj Rai, learned counsel for the respondent No.8 in SLP© No. 498/2024.

2. Despite service of notice being complete on all the remaining respondents, only respondent Nos. 1 to 8 in SLP (C) No. 498/2024, respondent No. 1 in SLP (C) No. 27407/2023, Respondent No. 16 in SLP (C) No. 27228/2023 and Respondent No. 20 in SLP(C) No. 499/2024 have entered appearance; however, nobody is present on behalf of any of the respondents, except respondent No. 8 in SLP© No. 498/2024 when the matter is taken up and heard.

3. Leave granted.

4. The present appeals arising out of the common order dated 23.08.2023 passed by the High Court of Bombay in W.P.(C) Nos. 2443 of 2022, 1724, 1826 and 2355 of 2021 by which the liability to pay gratuity to the private respondents has been fastened on the appellant.

5. Learned Solicitor General submits that the Controlling Authority before whom the matters were initially agitated held the appellant liable to pay the gratuity despite being informed of the fact that the appellant is not liable to pay the same and further that it has no jurisdiction to decide the liability with regard to the appellant.

6. He submits that as per Section 4 of the Gratuity Act, payment

of gratuity has to be made only to an "employee", and the private respondents who claim payment of gratuity were not "employees" of the appellant. He contends that there is no employer-employee relationship between the parties, and thus, the provisions of the Gratuity Act are not applicable in the facts and circumstances of the present cases. He further contends that, under Section 21(4) of the Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA Act", for short), the responsibility for payment of wages would not be on the appellant for the reason that it only talks about the wages and not gratuity which is a separate component as per Clause (vi) of Section 2 of the Payment of Wages Act, 1936.

7. Learned Solicitor General submitted that in the same Section, it has been clarified that any gratuity payable on the termination of an employee in cases other than those specified in sub-clause (d) would not come under the definition of wages. He drew the attention of the Court to Clause 12.4 of the contract between the appellant and the contractor, which relates to the terms and conditions, specifically Clause 12.4.1, which clearly stipulates that the said agreement is a job contract and does not create any employer-employee relationship between the appellant and the employees of the contractor and further that this is a contract at arm's length.

8. He further submits that even in law, the jurisdiction of the Controlling Authority is limited to a dispute with regard to the amount of gratuity payable under the Gratuity Act and thus, the

question of deciding the liability and fastening it on the appellant was totally beyond its jurisdiction.

9. Learned Solicitor General refers to a recent decision of a coordinate Bench of this Court in the case of the **Municipal Council, represented by its Commissioner, Nandyal Municipality, Kurnool District, A.P. versus K. Jayaram and Ors.** dated 16.12.2025, which has clearly held that a person working under any establishment, being sent there through a contractor, cannot claim an employer-employee relationship with the principal employer for whom he works, having been sent by the contractor.

10. Learned counsel for the respondent No. 8-Contractor, submits that the liability does not rest on him, as whatever amount is payable, ultimately has to come from the principal employer, which in the present case is the appellant.

11. Though there is no representation today before the Court, on behalf of the other private respondents, but a counter affidavit on behalf of respondents Nos. 1 to 7 is on record. The stand taken in the same is basically harping on the fact that they had worked for the appellant for a long period. However, on the issue which has been discussed above, there is nothing to counter the submissions of the learned Solicitor General.

12. Having considered the matters in their entirety and in the facts and circumstances of the present cases, in our considered opinion, the order impugned cannot be sustained. We are in agreement with the submissions of the learned Solicitor General

that the very maintainability of the proceeding in view of the relief claimed before the Controlling Authority was not permissible. The adjudication by the Controlling Authority with regard to the liability was beyond its jurisdiction, as the only power conferred on the Controlling Authority under the statute was to compute the amount which may be payable to the concerned "employee". The Appellate Authority, before whom the appellant succeeded, had rightly interfered in the matters and we find that the reversal of the order of the Appellate Authority by the High Court vide the impugned order was not justified.

13. Further, we find that under the Payment of Wages Act, 1936 as also the CLRA Act, the contentions of the learned Solicitor General are sustainable. Though the judgment in the case of **The Municipal Council represented by Commissioner, Nandyal Municipality, Kurnool District, A.P** (supra) has been referred and relied upon by the learned Solicitor General but we do not find any purpose will be served by referring to the same at this juncture, in view of the order we propose to pass.

14. Accordingly, for the reasons aforesaid, on the short point of the Controlling Authority not being competent to go into the *lis*, as was raised before it by the private respondents who had worked through the contractor under the appellant, the appeal is allowed. The order of the High Court is set aside and the order passed by the Appellate Authority stands revived.

15. However, before we part, we observe that in the present

proceedings, the amount of gratuity claimed by the so-called employees has already been paid to them by the appellant in terms of the order of this Court dated 15.12.2023. Accordingly, there shall be no recovery made from them. After, clarifying the aforesaid position in law, the appeals stand disposed of.

16. Pending applications, if any, also stand disposed of.

.....J.
(AHSANUDDIN AMANULLAH)

.....J.
(MANMOHAN)

NEW DELHI
SEPTEMBER 9th, 2026