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**IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION**

ARAVIND KUMAR; J., PRASANNA B. VARALE; J.
CIVIL APPEAL NO.7549 OF 2011; 29 JANUARY, 2026

INDRAVADAN N. ADHVARYU PIPALA FALI MODHVADA versus LAXMINARAYAN DEV TRUST

Industrial Disputes Act, 1947; Section 2(j) – Definition of "Industry" – Temple/Charitable Trust – The Supreme Court declined to interfere with the findings of the Labour Court and High Court which held that the respondent-Trust, being a temple and a charity-based institution with no object of earning profit or manufacturing activity, does not fall within the definition of "industry".

Industrial Disputes Act, 1947 – Termination – Grant of Monetary Compensation – Where a permanent employee (Accountant) was orally terminated after twelve years of unblemished service without an inquiry, the Court directed the payment of a lump-sum compensation of ₹12,00,000/- in full and final settlement, even without deciding on the merits of the "industry" status, to lay the entire issue to rest. [Relied on Bangalore Water Supply & Sewerage Board vs. A. Rajappa and Others (1978) 2 SCC 213; Paras 2-5]

For Appellant(s) Mr. Nachiketa Joshi, Sr. Adv. Dr. P. V. Saravanaraja, AOR Mr. P. Veerappan, Adv. Mr. Shaikh Farukpasha Bashumiya, Adv. Mr. Dikshit, Adv. Mr. Sanjay Akumar Upadhyay, Adv. Mr. M.J. Riaz Ahamed, Adv. Mrs. Muskan, Adv. Mrs. Bachita Baruah, Adv. Mr. Vikash Kumar, Adv. Mrs. Monika Shrivastava, Adv. Mr. Satyendar Saxena, Adv. Mr. Krishna Kumar Yadav, Adv. Mr. Bhushan Mahendra Oza, AOR

For Respondent(s) Mr. Anil Kumar Mishra-I, AOR Mr. Supantha Sinha, Adv. Mr. Navneet Jha, Adv. Mr. Rahul Singh, Adv.

ORDER

1. Heard learned counsels appearing for the parties.
2. The factual matrix that has led to the filing of this appeal can be crystalised as under:-

The appellant was appointed in the respondent-Trust as a permanent employee to the post of Accountant in the year 1977 and after a period of twelve years, he is said to have been orally terminated on 01.11.1999. Repeated representations submitted by the appellant for his reinstatement did not yield any result and as such, complaint came to be filed before the Labour Conciliation Officer. At that point of time namely, the respondent-Trust forwarded a communication to the appellant on 12.03.1990 calling upon him to report to the transferred post at Vadtal or face termination proceedings. The reference came to be adjudicated and by award dated 03.12.2009, the reference came to be rejected by arriving at a conclusion that the respondent-Trust, being a temple, is neither an organisation carrying on any manufacturing activity nor a profit-making institution and does not fall within the definition of Section 2(j)-"industry" of the Industrial Disputes Act, 1947 (for short, the "I.D. Act"). It was further held that respondent-Trust is absolutely a charity based institution with no object of earning profit or in other words, it was not an industry. Being aggrieved, the workman pursued his grievance before the High Court by filing a Special Civil Application No.5792 of 2010 which came to be dismissed on 27.07.2010 by affirming the finding recorded by the Labour Court. The Division Bench in the Intra Court Appeal LPA No.2386 of 2010 upheld the order of the learned Single Judge and dismissed the appeal. Hence, this appeal.

3. The learned Advocates have made attempt to buttress their arguments as canvassed before the learned High Court namely, the learned senior counsel for the appellant has contended that the respondent-Trust is an industry as defined under Section 2(j) of the I.D. Act as it carries on a systematic activity organised by co-operation between

employer and employee for production and/or distribution of goods and services to satisfy the human wants and wishes, which activity partake the character of industry and as such, the respondent-Trust cannot stave off appellant's claim. By placing heavy reliance in the case of *Bangalore Water Supply & Sewerage Board vs. A. Rajappa and Others* (1978) 2 SCC 213 and contending the essence of profit or gainful object, the objective is irrelevant. The appellant has sought for setting aside the impugned order.

4. Though the argument of the learned senior counsel for the appellant at the first blush looks attractive, we are not inclined to entertain the same as the reasons assigned by the Labour Court is to the effect that the respondent-Trust is a temple and as such, it would not fall within the four corners of the expression "industry". However, the oral termination in the instant case at the first instance being without holding any inquiry and thereafter, transferring the appellant to a far-off place not being warranted and as a result of the same, the disciplinary proceedings having been initiated, we are of the considered view that the entire issue can be laid to rest by directing the respondent-Trust to pay a lump-sum compensation of Rs.12,00,000/- (Rupees Twelve Lakhs) since the appellant had worked for twelve years in the said Trust continuously, uninterruptedly and without any blemish.

5. Hence, without going into the merits of the matter, we dispose of this appeal by directing the respondent-Trust to pay a sum of Rs.12,00,000/- (Rupees Twelve Lakhs) in all and in full and final settlement of all claims, inclusive of interest within four weeks failing which, the said amount would carry interest @9% per annum and we also make it clear that said amount would be recoverable from the respondent by the appellant by filing an execution petition or an application under Section 33(C)(2) of the I.D. Act before the Labour Court.

6. Pending application(s), if any, shall also stand disposed of.

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