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Supreme Court 9-Judge Bench Clarifies the "Industry" Test for Pending and New Labour Disputes

21 August 2026 ·

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Supreme Court 9-Judge Bench Clarifies the "Industry" Test for Pending and New Labour Disputes

21 August 2026 · 2 min read ·

✓ Every fact web-verified against primary sources

*A 9-judge Constitution Bench of the Supreme Court, in State of Uttar Pradesh v. Jai Bir Singh (2026 INSC 897, decided **August 20, 2026**, by a **5:4 majority**), clarified how the term “industry” should be interpreted for pending and future labour disputes.*

What the Court Held

The Bench held that the “triple test” laid down in **Bangalore Water Supply and Sewerage Board v. A. Rajappa** (1978, a 7-judge Bench) continues to govern the definition of “industry” under **Section 2(j)** of the repealed **Industrial Disputes Act, 1947**, for all disputes pending under that Act, applied prospectively. However, the definition of “industry” under **Section 2(p)** of the **Industrial Relations Code, 2020** (background: enacted in 2020, brought into force November 21, 2025) must be construed independently on its own statutory text, not anchored to the 1978 ratio.

Why This Matters

This ruling provides legal certainty for the large volume of disputes still pending under the now-repealed 1947 Act, while preserving Parliament’s intent in enacting a fresh, codified definition under the new labour code. A 9-judge Bench was constituted given the scale of precedent revisitation involved, consistent with Article 145(3)’s requirement of a minimum 5-judge Bench for cases raising substantial questions of constitutional law interpretation.

UPSC Relevance

This is a high-value GS2 topic combining judiciary functioning (Article 145(3), Constitution Bench composition) with India’s ongoing labour-law codification into four consolidated labour codes. A useful Mains angle examines how courts balance legal continuity for pending litigation against giving full effect to a legislature’s fresh codified framework.

 FACTS CORNER, KNOWLEDGE PEDIA**STATE OF UTTAR PRADESH V. JAI BIR SINGH:**

Citation: 2026 INSC 897; Bench: 9 judges; verdict: 5:4 majority

Original precedent: *Bangalore Water Supply v. A. Rajappa* (1978), 7-judge Bench

Industrial Relations Code, 2020: background, enacted 2020, in force since November 21, 2025

OTHER RELEVANT FACTS:

Article 145(3) mandates a minimum 5-judge Bench for cases involving substantial constitutional law questions

Sources: *Verdictum*, *The Leaflet*

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