

# Labour & Employment Update

March 2026; Issue No. 32

The 'Labour & Employment Update – March 2026' comprises latest judicial decisions of the Supreme Court of India, various High Courts, Labour Tribunals and Circulars/Notification issued under Indian Labour Law.

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## 1. Legal Updates

### **The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (“EPF Act”)**

#### **1. Central Government Industrial Tribunal-cum-Labor Court – II (“Tribunal”) has no power to condone delay beyond 120 days held Delhi HC.**

*The Regional Provident Fund Commissioner V. M/s. Apra Auto (India) Pvt. Ltd. [W.P.(C) - 3824/2022 2026: DHC:890; dt. January 22, 2026]*

Present petition is filed by the EPFO seeking to set aside the order passed by the Tribunal whereby it set aside the order passed by the Petitioner U/s 14B of the EPF Act.

Contention of the Petitioner is that Respondent had challenged the order passed U/s 14B after a lapse of more than one year from the date passing of the order; rule 7(2) of Tribunal (Procedure) Rules, 1997 provides a limitation period of 60 days and further period of 60 days, hence, the order passed by the Tribunal is bad in law.

Delhi HC relying on *Assistant Regional Provident Fund Commissioner Vs. Employees' Provident Appellate Tribunal & Ors*<sup>1</sup> and *Saint Soldier Modern Senior Secondary School Vs. Regional Provident Fund Commissioner*<sup>2</sup> held proviso to rule 7(2) prescribes restriction on the power of the appellate authority to extend the period beyond the period of 60 days after the expiry of the initial period of limitation of 60 days prescribed for filing of an appeal under the EPF Act. It specifically states that if the appellant satisfies the appellate authority that he was prevented by sufficient cause from preferring the appeal within the prescribed period of 60 days, the period can be extended by further period of 60 days. Petition is allowed.

#### **2. Cause of action arising within the jurisdiction of the court would not itself constitute to be the determining factor to entertain the matter held Delhi HC.**

*Regional Provident Fund Commissioner, Gurgaon V. Artemis Medicare Services Ltd. [W.P.(C) - 14997/2023 2026: DHC:1076; dt. January 28, 2026]*

Petitioner invoked the writ jurisdiction challenging the impugned order passed by the Tribunal in setting aside the order passed U/s 7A of the EPF Act. Respondent challenged the maintainability of the petition contending that both parties situated outside the jurisdiction of the Delhi HC.

<sup>1</sup> 2005 SCC OnLine Del 799

<sup>2</sup> 2014 SCC OnLine Del 4496

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Petitioner, RPFC Gurgaon East, passed an order against the Respondent U/s 7A of the EPF Act directing the establishment to deposit short remittances which were aroused due to splitting the minimum wages. Subsequent to the abolition of the EPF Tribunal, CGIT – New Delhi II has jurisdiction over Gurgaon and Faridabad district of Haryana where the establishment of the Respondent situated.

Delhi HC while dismissing the petition *held*, in the instant case, both the parties are situated in Gurgaon. The only basis for invoking the jurisdiction of this Court is that since the impugned order passed by the Tribunal situated in Delhi, a part of the cause of action has arisen in Delhi. However, that would not make Delhi HC the *forum conveniens*.

## Service Matters

### 3. Casual workers, in Income tax department entitled to regularisation held SC.

*Pawan Kumar And Ors. V. Union of India and Ors. [C.A. No.-001610-001610 – 2026; dt, February 13, 2026]*

Background of the case is Appellants were engaged as casual workers (*Sweepers, Cooks, Watermen, etc.*) in the Office of second Respondent, Commissioner of Income Tax. Appellants gave a representation seeking regularisation of their service which was declined by the Income tax department. Petitioners approached the Central Administrative Tribunal, Jabalpur ("*CAT*"). CAT relying on *Secretary, State of Karnataka and Ors. Vs. Umadevi and Ors*<sup>3</sup> held that petitioners are not entitled to regularisation on the ground that they have not rendered service for a period of ten years which is a basic criterion to regularise the service of an employee. Aggrieved Appellants moved to the Madhya Pradesh High Court which declined to interfere with CAT order.

The SC relying on *Ravi Verma and Ors. Vs. Union of India and Ors*<sup>4</sup>, where similarly placed workers in the same department were regularised. *held* that the Respondent, Income Tax Department, could not have discriminated in the matter of regularising the services of similarly situated employees. Appellants also being similarly situated, they cannot be discriminated.

### 4. "Resignation" and "voluntary retirement" inherently different for seeking pension held Madras HC.

<sup>3</sup> 2006 INSC 216

<sup>4</sup> Civil Appeal Nos.2795-2796 of 2018

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## ***D. Kaliyamoorthy V. State of Tamil Nadu [WP No. 39583 of 2015; dt. February 03, 2026]***

Petitioner invoked the writ jurisdiction to direct the Respondents to treat discharge from service as that of voluntary retirement and to consider and sanction pension to the petitioner w.e.f. 01/03/1997. and other benefits within a stipulated time.

### **Background:**

Rule 23 the Tamil Nadu Pension Rules, 1978 provides for forfeiture of service on resignation from the service. However, as per the proviso when resignation is with proper permission to take up another temporary or permanent appointment under the Government of Tamil Nadu where service qualifies, then such resignation does not entail forfeiture of service. Rule 23 is silent on resignation due to ill health.

The issue before the Madras HC is *whether an employee of the Tamil Nadu Government who resigns from the service on medical ground entailed to claim pensionary benefit by counting the past service.*

### **It held:**

- a) A clear distinction drawn between resignation and voluntary retirement. Both are disparate in terms of its operation and consequence, thereby, unlikely to hold an equivalent character.
- b) 'Resignation' from a service or post as per Rule 23 of The Tamil Nadu Pension Rules, 1978 entails forfeiture of past service. Therefore, resignation from service even on medical or health grounds entails forfeiture of past service.
- c) The grounds based on which resignation is sought is immaterial and resignation shall only mean forfeiture of past service.
- d) There is a valid distinction between 'resignation' and 'voluntary retirement' as held by the Three Judge Bench of the Hon'ble Supreme Court in ***Senior Divisional Manager LIC and Ors vs Shree Lal Meena***<sup>5</sup>. Therefore, resignation from service cannot be treated as voluntary retirement.

## **5. Dearness Allowance is an enforceable right held SC**

### ***The state of West Bengal V. Confederation of State Government Employees, West Bengal [C.A. No.-000792-000794 – 2026; dt. February 05, 2026]***

Issue before the apex court is whether the demand made by the employees of West Bengal Government seeking Dearness Allowance (“DA”) at par with the employees of the Central Government for the period 2008-2019 is tenable.

### **Held:**

- a) DA is a balanced and pragmatic instrument of wage policy, aimed at mitigating the impact of inflation while respecting regional diversity and economic feasibility.

<sup>5</sup> (2019) 4 SCC 479

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b) Employees are not entitled to DA twice a year and held that the All-India Consumer Price Index (AICPI) must be the standard for determining emoluments under the West Bengal Services (Revision of Pay and Allowance) Rules, 2009 (“**ROPA Rules**”).

c) Receiving DA is a legally enforceable fact that has accrued in favour of the resplendent employees of the State of West Bengal. Given its incorporation in ROPA rules, the AICPI is the standard to be followed by the Appellant for determining of existing emoluments.

d) The employees of the Appellant state shall be entitled to receive the arrears in accordance with this judgment for them from the 2008 till 2019.

e) To balance the employees' statutory rights with the State's financial autonomy, the Court mandated the payment of arrears from 2008 to 2019 and constituted a high-level committee, chaired by former Supreme Court Judge Justice Indu Malhotra.

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