



**Circular No – 021/2026**

Date: 14.04.2026

To  
All Members of The Association

**LEGAL UPDATE**

**1. Workers Cannot Resort to Strike During Pendency of Conciliation Proceedings.**

- The Hon'ble High Court of Karnataka, in the case of **Bharat Petroleum Corporation Ltd. vs. General Secretary, Karnataka Petroleum and Gas Workers Union (2026 LLR 378)**, has held that under Section 22 of the *Industrial Disputes Act, 1947*, read with Section 62 of the *Industrial Relations Code, 2020*, workmen in Public Utility Services cannot go on strike during the pendency of conciliation proceedings.
- The above observation was based on Section 22 of the ID Act, which specifically relates to strikes in public utility services. This provision has been replaced by Section 62 of the IR Code (not Section 60, which deals with the commencement/conclusion of proceedings). Section 62 of the IR Code is applicable to all industrial establishments, including public utility services and other industries. It mandates that no person employed in an industrial establishment shall go on strike in breach of contract

during the pendency of any conciliation proceedings before a conciliation officer and for seven days after the conclusion of such proceedings.

- As this provision applies to both public utility services and other industries, the scope of Section 62 of the IR Code is significantly wider than the original provisions contained in Section 22 of the ID Act.
- Mr. C.K. Subramanya Advocate at the office of the President appeared for the Management and addressed arguments.

## 2. **Forfeiture of Gratuity Legal When the Employee Was Found Guilty of Financial Misconduct After Retirement Age.**

- High Court of Kolkata in the case of **MSTC Ltd Vs. Malaisen Gupta 2026 LLR 393 (Division Bench)** held that if the service rules provide for withholding of the gratuity during the pendency of the disciplinary proceedings, the gratuity can be forfeited, if the employee is found to be guilty of passing pecuniary loss to the employees.

## 3. **Wages Under Section 17B of the ID Act Are Not Payable During the Pendency of the Matter Before the Court After the Employee Completes the Age of Superannuation.**

Delhi High Court in the case of **Life Insurance Corporation of India Vs. JK Nijhawan 2026 LLR 408**. The Court held that the entitlement under section 17-B is confined to the period during which workmen is entitled to continue in service and that once the workmen ceases to be





entitled to reinstatement on account of superannuation, no liability to pay wages under section 17B survives thereafter – this judgment is relevant even after the notification of the Labour Court as section 17-B of the Industrial Disputes Act 1947 is similar to section 56 of the Industrial Relation Code 2020

**For KARNATAKA EMPLOYERS' ASSOCIATION**

**Sd/**

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