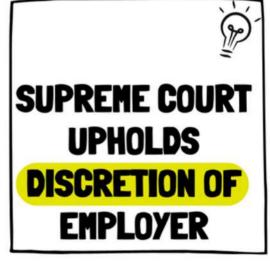


TALKING POINT

















Supreme Court Upholds Employer Discretion: Employee cannot dictate terms

ave you ever faced a situation where a former employee after resigning from the employment claims that the resignation was obtained forcefully by the employer? Such allegations are concerning and potentially damaging for an employer.

employee and discretion of an employer was dealt with by the Supreme Court ("SC") in the case of M/s Bharti Airtel Limited vs. A.S. Raghavendra[1]. The workman contended that his resignation was not voluntary, but he was forced to tender his resignation because of discontentment with the performance appraisal rating given to him and non-recognition of his work.

After nearly 2 years of resignation, the workman raised a dispute regarding resignation being forceful and not out of free will.

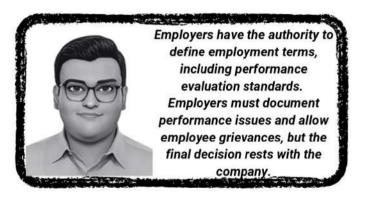
the issue of resignation by an The SC held that resignation was not forced upon by the employer. The Court underlined that mere dissatisfaction with working conditions, particularly regarding performance and ratings, did not amount to coercion. It is important to note that resignation letter written by the employee, despite complaints of personal and professional frustrations, lacked any evidence that might point to undue pressure and arbitrary acts of the company.

[1] 2024 LLR 714 (SC).



The SC has categorically observed that the employees cannot dictate their terms of employment to the employer and set the evaluation standards.

The judgment is welcome for the employers, as it reinstates the authority of the employers in defining the terms of employment, mainly with regard to performance appraisal and ratings. It also sends out a strong message that while the employees can complain about these issues, the final decision on such issues would be decided by the competent authority of the organization. The ruling underlines that in cases dissatisfaction on the part of an employee about the appraisal or non-promotion, it cannot be said straightaway that whatever is done by the employer is unfair or coercive.



SC also specified the guidelines that an employer should follow while dealing with cases of non-performance. This judgment again highlights to the employers the need for clear communication and documentation concerning the performance and rating of employees.

It also reminds the employer that while listening to the employee's grievance is critical, the final decision-making authority rests with the employer, as long as it is exercised bona fide and not maliciously.



The decision of the SC has given both employers and employees a better view of the limits of their respective rights and responsibilities in the work environment. It recommends a balanced approach to workplace relations, allowing complaints to be voiced while maintaining respect for the employer's authority.





At Samagra Law, we strongly believe in empowering our clients to achieve their goals. We employ a multifaceted approach, utilizing a wide range of legal tools to offer tailored solutions and strategic guidance that address each client's unique needs.

PRACTICE AREAS









Aviation

Banking

Corporate Commercial

Competition Law











Insolvency & Bankruptcy

Litigation & Arbitration

Mergers & Acquisitions









Privacy & Data Protection

Technology Law

Real Estate

White Collar Crimes

Disclaimer:

The content in the Samagra Law (the "Firm") newsletter (Talking Point) is not designed to in any way promote our services or capabilities or an advertisement or any form of solicitation and should not be construed as such. It has been prepared for general information purposes only. Nothing in this constitutes professional advice or a legal opinion. You should obtain appropriate professional advice before making any business, legal or other decisions. The information in this newsletter is only intended to inform readers who are interested in the latest news, opinions, and general information on a variety of topics governed by Indian law. All information given in this newsletter has been compiled from credible, reliable sources. Although reasonable care has been taken to ensure that the information contained in this newsletter is true and accurate, such information is provided 'as is', without any warranty, express or implied as to the accuracy or completeness of any such information. The Firm does not assume any responsibility whatsoever for any unauthorized distribution or dissemination of this newsletter or part thereof in any form, or any consequences thereof. The contents of this newsletter are proprietary and are intellectual property of the Firm.





AJITH C R Senior Partner ajith@samagralaw.com



ALOK TEWARI Senior Partner alok@samagralaw.com



NISHANT MENON Senior Partner nishant@samagralaw.com



VIJAY B RAVI Senior Partner vijay@samagralaw.com



RODNEY D. RYDER Senior Partner legal@samagralaw.com



P.V. Aruna Kumari Senior Partner aruna@samagralaw.com



JHUM JHUM SARKAR
Partner

jjsarkar@samagralaw.com



BRIJESH VERMA
Partner
brijesh.verma@samagralaw.com



POONAM DAS
Partner
poonam.das@samagralaw.com

New Delhi

38, Okhla Phase III, New Delhi 110 020 +91 9818114387 | +91 6383435195

Chenna

2nd Floor, Cinthamani House, No. 48, Rajabather Street, T.Nagar, Chennai - 600 017. +91 9818114387 | +91 6383435195

Hyderabad

Flat No.402, Fourth Floor, Apurupa Iris, Kakatiya Hills, Madhapur, Hyderabad- 500081 +91 9818114387 | +91 9810183995