

# Industrial Disputes Act 1947

## Objectives of the Act

- Investigation and settlement of Industrial Disputes.
- Smooth working of the Industries.
- Well being of workers.
- Promotion of the growth of industries.
- Promotion of cordial relationship between

Ø Employer – Employee

Ø Employee – Employee and

Ø Employer – Employer

## Definitions

**Award** means an interim or final determination of an industrial Dispute by Labour court or Industrial Tribunal or National Tribunal. In other words it means decision of the third party whom dispute is referred.

**Industry** means a systematic activity carried on by the cooperation between the employer and the workmen for the production, supply or distribution of goods or services with a view to satisfy human needs whether with profit motive or not or whether capital is invested or not. But it does not include agricultural operations, hospitals, educational institutions, social or philanthropic institutions, sovereign functions, club, cooperative societies etc.

**Industrial disputes** means a dispute or a difference between

- Employer – Employee
- Employee – Employee and
- Employer – Employer

## Connected with

- Employment or non employment or
- Terms of employment or
- The condition of labour.

**Lockout** means temporary closing of a place of work or suspension of work or refusal by an employer to continue to employ any number of persons employed by him.

**Retrenchment** means termination of the services of the workmen by the employer for any reason what so ever otherwise than as a punishment excluding voluntary retirement, superannuation, total unfitness etc.

**Lay off** means failure or inability or refusal of an employer on account of shortage of fuel or power or raw materials or accumulation of stock or breakdown or natural calamity or for any other connected reason to give employment to a workman whose name is borne on the muster roll of this establishment.

**Strike** means cessation of work by a body of persons employed in an industry acting in combination or concerted refusal or refusal under common understanding of any number of persons who are or have been so employed, to continue to work or accept employments.

**Wages** means all remunerations capable of being expressed in terms of money which would be paid as per the conditions of employment whether expressed or implied, including DA, HRA, TA incentives, supply of light and water, medical attendance, concessional supplies etc. It excludes bonus, pension, contribution to PF, gratuity etc.

**Workmen** means any person including an apprentice employed in an industry to do any skilled, unskilled, supervisory, clerical, technical, manual work for hire or reward excluding persons employed in army, Navy, Air force, Police and those in managerial and administrative capacity.

**Public Utility Services** means Railways, Roadways, Airways used for carriage of passenger, port and dock, safety organization in an industry, Post, Telegraph and Telephone services, industry which supply power, water and light, public conservancy and sanitary system etc.

**Appropriate Government** means the Central Government for an industry owned by the Central Government and in all other cases it is the State Government.

### **Authorities Constituted to Resolve Dispute**

#### **Grievance Settling Authority**

Every employer is at the obligation under the Act to set up a grievance settling authority. These authorities will receive grievances from workers, Trade Unions and Associations for follow up and redressal of grievances.

#### **Works Committee**

Equal number of representatives of employer and employee will constitute the committee. They deal on matters of common interest and resolve the difference of opinion especially regarding amenities and promote good relations.

#### **Conciliation Officer**

He is nominated by a notification in the official gazette by the Government for mediation and settlement of industrial disputes. The notification will specify the jurisdiction and period of operation.

## **Board of Conciliation**

The appropriate Government by notification constitute board of conciliation for settlement of Industrial dispute. The board consists of a neutral Chairman and 2 or 4 members from both worker and management side.

## **Court of Enquiry**

The appropriate Government by notification constitute Court of Enquiry with a Chairman and one or more independent numbers to investigate and resolve industrial disputes.

## **Labour Court**

The appropriate Government by notification constitute Labour Court for adjudication of industrial disputes relating to :

- Legality of an order passed by an employer
- Interpretation of the order
- Correctness of removal/ dismissal/ discharge
- Withdrawal of concession
- Legality of strike/ lockout

The Labour Court consists of a presiding officer who should be a judge of High court or District judge or Additional District judge for at least 3 years or held judicial office in India for at least 7 years or a presiding officer of a Labour court in India for at least 5 years.

## **Tribunal**

The appropriate Government by notification may appoint Tribunal to settle Industrial disputes. No person shall be appointed to the Tribunal unless he is or has been judge of High court or District judge or Additional District judge for at least 3 years. Tribunals normally consider disputes connected to wages, allowances, leave, working hours etc.

## **National Tribunal**

The Central Government by notification may appoint National Tribunals for adjudication on matters of national importance or on matters concerned to more than one state.

## **Prohibition of Strikes and Lockout**

- No strike or lockout should be done in breach of contract
- No strike or lockout should be done during the pendency of conciliation and seven days after the conciliation

- When a dispute is being dealt by Labour court, Tribunal, National Tribunal and 2 months after settlement.
- During the period in which settlement or award is in operation.
- No employee in public utility service shall go on strike without 6 weeks advance notice, or during pendency of conciliation.

### **Procedure of Retrenchment**

Retrenchment should be based on the guidelines given in section 25F of the Act. If an employee has served one year, one month notice or payment in lieu of notice should be given and no such notice is necessary in the terms of employment provides so. In addition, 15 days wages should be given for every completed year of service or any part thereof in excess of three months.

### **Penalty for Illegal Strikes and Lockouts**

- Commenced by workmen – One month imprisonment or a fine of Rs 500 or both
- Commenced by employer – One month imprisonment or a fine of Rs 1000 or both
- Instigation by an individual – six months imprisonment or a fine of Rs 1000 or both
- Willful extension – One month imprisonment or a fine of Rs. 1000 or both

### **Break in service in case of strike**

Those strikes which have been called after complying with the provisions of Industrial Disputes Act do not constitute a break in service and Railway administrations have to treat the period of absence as leave with or without allowances. (IREM Rule 504)