# Labour Law 1st Sem

- ➤ Avoid mentioning old syllabus sections/Act like the Industrial Dispute Act, 1947. Instead, refer only to the Industrial Relations Code, 2020.
- ➤ **Due to recent changes in the syllabus**, there might be errors in certain sections. Please make sure to **recheck the sections** for accuracy.
- **Ensure you do not write the wrong section**, as it will lead to incorrect answers.

**NOTE:** The Industrial Relations Code, 2020, aims to simplify and modernize India's industrial relations system. It consolidates three major laws: the Trade Unions Act, 1926; the Industrial Disputes Act, 1947; and the Industrial Employment (Standing Orders) Act, 1946. **So avoid mentioning old syllabus sections/Act.** 

# Q1) Two Sentences.

# 1) Two Objectives of the International Labour Organisation (ILO):

- Promote and realize standards and fundamental principles and rights at work.
- Provide opportunities for men and women to obtain decent and productive work in conditions of freedom, equity, security, and dignity.

# 2) Key Features of the Tripartite Structure of ILO:

- The ILO operates on a tripartite model comprising governments, employers, and workers as equal partners.
- This structure ensures equal representation and participation in the formulation of labour standards.
- Decisions are made collectively to promote fairness in addressing labour issues.

## 3) Two Fundamental ILO Conventions Ratified by India:

- Convention No. 138: Minimum Age for Admission to Employment (ratified in 2017).
- Convention No. 182: Prohibition and Elimination of the Worst Forms of Child Labour (ratified in 2017).

## 4) Arbitrator under Industrial Relations Code, 2020:

- An arbitrator is an independent individual appointed to settle industrial disputes.
- They are chosen by mutual agreement between the employer and workers.
- The arbitrator's role is to provide binding resolutions to disputes, ensuring impartiality.

# 5. What is the object of the Industrial Disputes Act, 1947?

The main objective of the Industrial Disputes Act, 1947, is to ensure industrial peace and harmony by providing a legal mechanism for the investigation and settlement of industrial disputes between employers and employees.

# 6. Write any two differences between lockout and layoff.

Aspect	Lockout	Layoff
Definition	A deliberate shutdown of the	Temporary inability to provide employment
	workplace by the employer to	due to reasons beyond the employer's control, like machinery breakdown or shortage of
	force employees to accept certain	like machinery breakdown or shortage of
	demands.	materials.
Intent	Coercive action by the employer.	Not intended to coerce employees.

# 7. What is meant by standing orders?

Standing orders are written rules of conduct for workers and employers in an establishment, ensuring uniformity and discipline in industrial operations, as required under the Industrial Employment (Standing Orders).

# 8. What is meant by unfair labour practices?

Unfair labour practices refer to actions by employers or unions that violate the legal rights of workers or employers, such as coercion, discrimination, or refusal to negotiate in good faith, as outlined in the Fifth Schedule of the Industrial Disputes Act, 1947.

# 9. What is the objective of collective bargaining?

The objective of collective bargaining is to establish fair terms of employment and resolve disputes through negotiation and mutual agreement between employers and employees or their representatives.

# 10. What is meant by retrenchment under the Industrial Relation Code 2020?

Retrenchment refers to the termination of a worker's employment by the employer for any reason other than disciplinary action. It excludes termination due to retirement, ill-health, or voluntary resignation.

# 11. How many members are required for making the application for registration of a trade union?

At least **seven members** of the trade union are required to apply for its registration under the Trade Unions Act, 1926.

# 12. Explain Conciliation Officer.

A Conciliation Officer is a government-appointed authority under the Industrial Disputes Act, 1947, responsible for mediating and facilitating the resolution of industrial disputes between employers and workers through amicable settlement.

# 13. What is the maximum number of workmen who can be given the status of "protected workmen" under the Industrial Disputes Act, 1947?

The maximum number of workmen who can be designated as "protected workmen" in an establishment is **1% of the total workforce**, subject to a minimum of **5** and a maximum of **100**.

# 14. What is the triple test as laid down in the case of Bangalore Water Supply v. A. Rajappa?

The triple test defines an "industry" under the Industrial Disputes Act, 1947. It includes:

- 1. **Systematic Activity:** There must be an organized structure.
- 2. Cooperation between Employer and Employee: Mutual cooperation for a common goal.
- 3. **Production of Goods/Services:** The activity should result in goods or services for satisfying human needs.

## 15. Define the term "Industrial Tribunal."

**An** Industrial Tribunal is a quasi-judicial body constituted under the Industrial Disputes Act, 1947, to adjudicate on industrial disputes related to issues like wages, hours of work, retrenchment, or conditions of service. It is presided over by a judicial officer or an experienced person appointed by the government.

## 16. Appropriate Government

The term "appropriate government" refers to the government (either the Central

Government or the State Government) that has the authority to enact and implement provisions under the Industrial Disputes Act, 1947. The appropriate government is responsible for enforcing labour laws, resolving industrial disputes, and regulating employment conditions in specific industries or establishments.

# 17. Mechanism for Dispute Resolution under the New Code on Industrial Relations, 2020.

The Code on Industrial Relations, 2020 integrates and consolidates various labour laws, including provisions from the Industrial Disputes Act, 1947, with the objective of simplifying the process for the resolution of industrial disputes. It introduces a clear, structured framework for resolving disputes in a timely and efficient manner, promoting industrial harmony and reducing litigation.

# Q2) Short Notes.

#### 1. Strike

Under Section 2(zk) of the Industrial relation code 2020, a strike is defined as:

"A cessation of work by a body of persons employed in any industry acting in combination, or a concerted refusal, or a refusal under a common understanding of any number of persons who are or have been so employed to continue to work or to accept employment."

Strike considered as a weapon for collective bargaining or to meet the demand of the workmen.

#### **Explanation:**

- A strike occurs when a group of workers collectively stop working as a form of protest or as a means to express dissatisfaction.
- It may also include cases where workers refuse to resume their duties or refuse to accept work assigned by the employer.

The key idea is **collective action**: a strike is not an individual effort but involves a body of workers acting together under a common understanding.

# **Types of Strikes**

There are various types of strikes based on their purpose and mode of execution.

## 1. Economic Strike

#### • Definition:

In an economic strike, workers demand improvements in their economic conditions,

such as higher wages, better allowances, improved benefits, bonuses, or changes in work policies.

# • Purpose:

- o The primary aim is to negotiate better terms for their economic welfare.
- o For instance, workers may demand wage increases to match inflation or better compensation for overtime work.

# • Example:

Factory workers may go on strike demanding an increase in their basic salary or provision of health insurance.

# 2. Sympathetic Strike

#### • Definition:

A sympathetic strike occurs when workers of one industry or sector strike to show solidarity with workers in another industry who are facing disputes or hardships.

#### • Purpose:

- o The aim is to lend moral and collective support to another group of workers.
- While the striking workers may not have direct grievances, they show unity with fellow workers.

#### • Example:

Transport workers striking in support of factory workers demanding better working conditions.

## • Significance:

Sympathetic strikes highlight unity within the labour movement but may lead to broader disruptions in industries.

#### 3. General Strike

## • Definition:

A general strike involves workers from multiple industries or sectors coming together to protest against broader social, political, or economic issues.

#### • Purpose:

- General strikes are often political in nature or address large-scale grievances affecting society at large.
- They are organized to bring widespread attention to national or regional issues.

## • Example:

A strike called by labour unions to protest against changes in labour laws or rising unemployment.

## • Impact:

General strikes can disrupt the economy significantly and often attract media and governmental attention.

## 4. Sit-Down Strike (Stay-In Strike)

#### • Definition:

In a sit-down strike, workers remain physically present at their workplace but refuse to perform their duties.

# • Purpose:

- The aim is to prevent the employer from hiring replacement workers or continuing operations.
- It's a way to assert pressure without vacating the premises.

# • Example:

Workers in a factory refusing to operate machines but occupying their workstations.

# • Legal Aspects:

While sit-down strikes are effective, they can sometimes be considered illegal trespass if the workers refuse to vacate after being asked.

#### 5. Wildcat Strike

#### • Definition:

A wildcat strike is initiated by workers without prior notice to the union or in violation of existing labour agreements.

## • Purpose:

- o It often arises spontaneously when workers feel an immediate need to protest.
- o These strikes may not have formal approval from labour unions.

## • Example:

Workers stopping work abruptly due to sudden dissatisfaction with working conditions, without following legal procedures.

## • Legal Aspects:

Wildcat strikes are usually deemed illegal as they violate procedures laid down by the law or the union's protocols.

## 6. Slowdown Strike

#### • Definition:

In a slowdown strike, workers deliberately reduce their productivity or work at a slower pace than normal.

#### • Purpose:

• The aim is to disrupt operations without completely halting work, making it harder for employers to take strict action.

## • Example:

Employees in a factory working at half their capacity or delaying processes intentionally.

## • Impact:

This type of strike reduces output while keeping operations technically running, making it harder for employers to prove intentional disruption.

# 7. Hunger Strike

#### • Definition:

Workers go on a hunger strike as a symbolic protest to draw attention to their demands.

#### • Purpose:

- Hunger strikes are often aimed at invoking public sympathy and pressuring employers to act.
- o They are non-violent and usually accompanied by peaceful demonstrations.

#### • Example:

Workers sitting outside the factory premises on a hunger strike demanding the reinstatement of terminated employees.

# • Significance:

Hunger strikes are often used as a last resort when other forms of protest fail.

# 2. Wages Code, 2020

#### **Introduction**:

The **Wages Code**, **2020** is a significant piece of labour legislation in India aimed at simplifying and consolidating existing laws related to wages and benefits. It replaces four major labour laws:

- 1. The Payment of Wages Act, 1936
- 2. The Minimum Wages Act, 1948
- 3. The Payment of Bonus Act, 1965
- 4. The Equal Remuneration Act, 1976

The Wages Code seeks to ensure timely and fair wages for workers, promote transparency, and address the modern-day complexities in wage management.

# Key Features of the Wages Code, 2020

#### 1. **Definition of Wages**:

- The Code provides a comprehensive definition of wages that includes basic pay, dearness allowance, and other allowances. However, it excludes some benefits like bonuses, gratuity, and provident fund contributions.
- The aim is to ensure that workers are paid a fair wage for the work they perform, while also defining exclusions clearly to avoid confusion.

# 2. **Minimum Wage**:

- The **central government** will set a **national minimum wage**, and state governments can also set their minimum wage within their jurisdiction.
- Minimum wages must be revised every five years, ensuring they reflect changing economic conditions.
- The Code mandates that the minimum wage should cover workers in all sectors, including unorganized sectors.

#### 3. Payment of Wages:

- The Wages Code ensures timely payment of wages to workers.
- Wages must be paid in **electronic form** or by any other mode agreed upon between the employer and employee.
- Workers should be paid within seven days after the end of the wage period in case of daily or weekly wages and within ten days for other cases.

#### 4. Equal Remuneration:

The Code mandates that employers pay **equal remuneration** to men and women workers for the same work or work of a similar nature.

 This is aimed at addressing the gender wage gap and ensuring fairness in remuneration.

#### 5. Bonus:

- The Code provides that a minimum bonus of 8.33% of wages should be paid to workers, ensuring that they get a share in the company's profit.
- The ceiling for calculating the bonus has been raised to **Rs. 7,000** per month or the minimum wage, whichever is higher.

# 6. **Deductions from Wages**:

- Deductions from wages can only be made for certain reasons, such as for the employee's absence, fines, or recovery of advances.
- o The total deductions should not exceed **50% of the wages** of the worker.

#### 7. Grievance Redressal Mechanism:

- The Code provides a clear framework for workers to raise grievances regarding wage-related issues.
- There are specific provisions for the formation of Wages Committees to address wage disputes.

## 8. Penalties for Non-Compliance:

- The Wages Code imposes penalties for non-compliance with wage payment provisions.
- Employers who fail to comply with the wage provisions can be penalized with fines or imprisonment.

#### 9. Wage Registers and Records:

- Employers are required to maintain a wage register and records for inspection by government authorities.
- The wage records should detail the wages paid, deductions made, and any other relevant information.

# Significance of the Wages Code, 2020

## 1. Simplification and Consolidation:

The Code simplifies the existing complex labour laws related to wages, making compliance easier for employers and workers alike.

#### 2. Enhanced Worker Protection:

It aims to enhance workers' rights by ensuring timely and fair payment of wages, addressing the gender wage gap, and providing clear grievance redressal mechanisms.

## 3. **Promotes Transparency**:

By defining wages clearly and requiring employers to maintain transparent records, the Code promotes greater accountability and reduces wage-related disputes.

#### 4. Boosts Economic Growth:

A fair and transparent wage structure improves worker morale and productivity, contributing positively to the economy.

## 3. Workman under the Industrial Relations Code, 2020

The term "workman" is defined under the **Industrial Relations Code**, **2020**. It refers to employees engaged in manual, skilled, unskilled, technical, operational, clerical, or supervisory work. The definition is significant because it determines who is entitled to the

protections and benefits provided by the Code, such as the right to raise disputes, participate in union activities, and benefit from dispute resolution processes.

## **Definition of Workman:**

A **workman** is any person (except for certain excluded categories) who is employed to do manual, unskilled, skilled, technical, operational, clerical, or supervisory work in an industry. However, the term excludes:

- 1. Managers and administrative staff with substantial powers of decision-making.
- 2. **Supervisory employees** drawing wages beyond a specified threshold (as per the Code's provisions).
- 3. **Persons employed in a managerial or administrative capacity** who exercise independent authority or substantial decision-making power.

# Rights of a Workman under the Industrial Relations Code, 2020:

## 1. Right to Form Unions:

 Workmen have the right to form or join trade unions to represent their interests and address grievances, as per the Code. This enables workmen to unite for collective action and negotiate effectively with employers.

## 2. Right to Collective Bargaining:

 Workmen are entitled to engage in collective bargaining with employers to negotiate terms of employment, wages, and working conditions. This right is essential for improving workers' living standards and ensuring fair treatment in the workplace.

# 3. Right to Industrial Peace:

 Workmen have the right to participate in the resolution of disputes through conciliation, adjudication, or arbitration. The **Industrial Relations Code, 2020** emphasizes a structured and time-bound approach to resolving industrial disputes to maintain industrial peace.

#### 4. Right to Legal Remedies:

 In cases of unfair treatment, workmen have the right to approach Labour Courts or Tribunals for adjudication. These bodies provide a platform to resolve disputes concerning employment, dismissal, or other grievances.

#### 5. Right Against Unfair Dismissal:

 The Industrial Relations Code, 2020 protects workmen from unlawful dismissal, retrenchment, or suspension, ensuring that employers follow due process and do not arbitrarily terminate employment. It sets specific conditions for retrenchment and ensures compensation for affected employees.

#### **Exclusions:**

While the term "workman" broadly includes various categories of employees, certain individuals are excluded from this definition, such as:

- 1. **Employees in managerial** or **administrative roles** who have substantial powers of decision-making or authority.
- 2. **Employees earning wages** above a specified limit set by the government (which can be revised periodically).

3. **Persons employed in a confidential or policy-making role**, where they are expected to maintain confidentiality or play a significant role in setting policies.

## 4. Conciliation Officer under the Industrial relation code 2020

A Conciliation Officer is a statutory authority appointed by the Appropriate Government to mediate and promote the settlement of industrial disputes. This mechanism aims to resolve conflicts amicably at an early stage, avoiding escalation into strikes, lock-outs, or legal proceedings. Conciliation officers play a pivotal role in maintaining industrial harmony and fostering effective communication between employers and employees.

# **Appointment**

- The **Appropriate Government** appoints conciliation officers through a notification.
- They may be appointed for a **specified area**, **industry**, or **dispute**.

## **Powers and Duties of Conciliation Officers**

#### 1. Mediation of Disputes:

- The primary role of a conciliation officer is to mediate between disputing parties to reach an amicable settlement.
- o They facilitate negotiations and promote fair agreements.

#### 2. Conduct of Conciliation Proceedings:

- They have the authority to summon parties, inspect records, and gather evidence to understand the nature of the dispute.
- o Proceedings are conducted in a neutral and impartial manner.

# 3. Submission of Reports:

- If a settlement is reached, the officer records the terms and submits a settlement report to the appropriate government.
- If no agreement is reached, the officer submits a failure report within 14 days, outlining the reasons for the impasse.

# 4. Prevention of Strikes and Lock-Outs:

 During conciliation proceedings, strikes and lock-outs are prohibited, ensuring industrial peace during mediation.

#### 5. Non-Binding Recommendations:

 Conciliation officers can make recommendations, but these are not binding on the parties.

## 6. **Duty to Act Expeditiously**:

 Conciliation officers must act promptly and try to resolve disputes as quickly as possible to avoid prolonged disruptions.

## 5. Advantages and Features of Collective Bargaining

**Collective Bargaining** is a process of negotiation between employers and employees (or their representatives, such as trade unions) to determine working conditions, wages, benefits, and other employment-related matters. It is a democratic and voluntary mechanism aimed at fostering industrial peace and improving the employer-employee relationship.

# **Features of Collective Bargaining**

#### 1. **Bipartite Process**:

It involves direct negotiation between employers and employees (or their representatives), without third-party intervention.

#### 2. Continuous Process:

Collective bargaining is ongoing, fostering long-term industrial harmony by addressing issues like wages, working conditions, and benefits over time.

# 3. Voluntary Nature:

Both parties participate willingly, aiming to reach mutually agreeable solutions rather than imposing decisions unilaterally.

## 4. Group Representation:

Employees negotiate as a collective unit, usually through unions, ensuring that all workers' concerns are addressed.

# 5. Flexibility:

Agreements can be tailored to the specific needs and conditions of the workplace, allowing customized solutions.

#### 6. Mutual Benefits:

The process benefits both employers (by ensuring productivity and industrial peace) and employees (by securing better wages and conditions).

# **Advantages of Collective Bargaining**

## 1. Improved Industrial Relations:

It fosters cooperation and reduces conflicts between employers and employees, promoting a stable work environment.

## 2. Fair Wage and Better Conditions:

Workers can achieve better wages, benefits, and working conditions through collective negotiations rather than individual bargaining.

## 3. Reduction in Strikes and Lockouts:

Effective collective bargaining helps prevent industrial action by providing a platform for resolving disputes peacefully.

## 4. Employee Empowerment:

Collective bargaining gives workers a voice in decision-making, improving morale and engagement in the workplace.

## 5. Encourages Dialogue and Understanding:

It builds trust and mutual respect between employers and employees, ensuring better communication and collaboration.

## 6. **Promotes Productivity**:

Agreements that meet workers' demands create a motivated workforce, improving productivity and reducing turnover.

## 7. Customizable Solutions:

Unlike statutory provisions, collective bargaining allows agreements to be tailored to the unique needs of a specific industry or organization.

#### 8. Legal Recognition:

Agreements reached through collective bargaining often have legal enforceability, ensuring compliance from both parties.

# 6. Rights and Obligations of Recognised Unions

Recognised unions are granted rights and responsibilities under laws such as the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971. Recognized unions are granted specific rights and responsibilities under labour laws to ensure effective representation of workers and maintain industrial harmony.

# **Rights of Recognised Unions**

## 1. Exclusive Representation:

Recognized unions act as the sole representative of workers in negotiations with employers. They handle disputes, collective bargaining, and grievances on behalf of all workers in the organization.

## 2. Right to Collect Contributions:

They are entitled to collect membership fees and subscriptions from workers, which fund union activities like welfare programs, legal assistance, and organizational functions.

## 3. Participation in Committees:

Recognized unions participate in joint management or welfare committees, contributing to decisions about employee welfare, workplace safety, and other shared concerns.

#### 4. Consultation and Negotiation:

Employers must consult the union before implementing policies that affect workers, such as changes in wages, work hours, or employment terms.

## 5. Right to Access Workplace:

Union representatives can visit the workplace to address workers or inspect working conditions, but this must comply with reasonable rules set by the employer.

## 6. Legal Protection:

Recognized unions are protected against employer interference, victimization, or restrictions in their lawful activities, ensuring they can function independently.

## 7. Right to Strike:

They have the legal right to organize strikes if negotiations fail, provided the procedure under the **Industrial Disputes Act** is followed, such as giving prior notice.

## **Obligations of Recognised Unions**

## 1. Representation of All Workers:

Recognized unions must fairly represent all employees in the workplace, regardless of whether they are union members, ensuring equal treatment and protection.

## 2. Avoidance of Illegal Activities:

They are expected to refrain from illegal strikes, violence, or coercion, and must resolve disputes using lawful and peaceful methods.

## 3. **Promoting Industrial Peace**:

The union should work collaboratively with employers to resolve conflicts amicably, aiming to avoid disruptions and maintain a harmonious work environment.

# 4. Compliance with Laws:

Recognized unions must adhere to all applicable labour laws and the rules specified in their constitution to ensure transparency and accountability.

## 5. Regular Elections:

To maintain democratic functioning, unions are obligated to hold regular elections for leadership positions and involve members in decision-making.

## 6. Maintenance of Accounts:

Accurate records of financial transactions, such as contributions and expenditures, must be maintained and submitted to authorities to ensure accountability.

## 7. Participation in Dispute Resolution:

Unions must actively participate in conciliation, arbitration, or adjudication processes to resolve disputes and protect the rights of workers effectively.

#### 7. Lock-out

A lockout is the employer's counterpart to a strike. It is defined under **Section 2(u)** of the **Industrial Relation code 2020**, as:

"The temporary closing of a place of employment, or the suspension of work, or the refusal by an employer to continue to employ any number of persons employed by him."

# **Key Features of a Lockout**

#### 1. Action by the Employer:

- Unlike a strike, which is initiated by workers, a lockout is a deliberate action by the employer.
- It involves stopping operations or preventing employees from performing their work.

#### 2. Temporary in Nature:

- A lockout is not permanent; it is a temporary measure taken during industrial disputes.
- o It aims to pressure workers to accept the employer's terms or resolve the dispute.

#### 3. **Industrial Dispute**:

 Lockouts usually occur in response to a conflict between workers and management, such as wage disputes, working conditions, or union demands.

## 4. Cessation of Employment:

o The employer either closes the workplace or refuses to allow employees to work, effectively suspending their employment.

## 5. Legal Recognition:

• For a lockout to be lawful, it must comply with the procedural requirements of the **Industrial Relation code 2020**.

# **Types of Lockouts**

#### 1. **Defensive Lockout**:

- When an employer declares a lockout in response to a strike or to prevent harm to the workplace due to labour unrest.
- **Example**: Workers plan a violent protest, and the employer locks the premises to protect property and staff.

## 2. Offensive Lockout:

- o When an employer initiates a lockout to force workers to agree to their terms.
- Example: An employer shuts down operations to pressure employees into accepting lower wages.

# Legal Provisions Related to Lockouts (Industrial Relations Code, 2020):

# 1. Section 62 – Prohibition of Lockouts in Public Utility Services:

- Employers in public utility services (e.g., water supply, electricity, transport) must:
  - Provide notice of at least 14 days before initiating a lockout.
  - Refrain from starting a lockout:
    - During the pendency of conciliation proceedings.
    - Within 14 days after the conclusion of conciliation proceedings.

#### 2. Section 63 – General Prohibition on Lockouts:

- Employers cannot declare a lockout:
  - During conciliation or adjudication proceedings.
  - Within 60 days after the conclusion of such proceedings.
  - In violation of existing agreements or settlements.

#### 3. Section 64 – Illegal Lockouts:

- A lockout is deemed illegal if it:
  - Violates Sections 62 or 63.
  - Contravenes orders, awards, or settlements in force.

## 4. Section 85 – Penalty for Illegal Lockouts:

- Employers engaging in illegal lockouts may face penalties, which include:
  - Fines up to ₹50,000 for individuals.
  - Higher penalties for repeated violations.

## **Conclusion**

1. A lockout is a strategic tool for employers to address disputes and maintain control during labour conflicts. The **Industrial Relations Code**, **2020**, ensures that the rights of both employers and employees are safeguarded while emphasizing peaceful and lawful resolution of disputes

# Q4) Answer the following.

1. Discuss in detail the registration of Trade Unions under the Trade Union Act, 1926.

The **Trade Union Act, 1926** was enacted to provide for the registration of trade unions and to protect the legal rights of trade unions. The Act outlines the procedures, requirements, and benefits associated with the registration process for trade unions in India. A trade union is defined as any combination of workers or employers formed to regulate the relations between employers and employees, or for other collective bargaining purposes.

# 1. Eligibility for Registration

Under **Section 4** of the Trade Union Act, 1926, any trade union consisting of at least **7** workers (in the case of a union of workers) or **2 employers** (in the case of an employers' union) can be registered. A trade union must fulfil certain conditions and criteria for registration:

- The trade union must be **formed for the purpose of regulating relations between employers and employees** or for other objectives such as mutual support and protection.
- The union must have a written constitution and rules that govern its functioning.

# 2. Application for Registration

Under **Section 5** of the Trade Union Act, 1926, the process for registration begins with the **submission of an application** to the **Registrar of Trade Unions**. The application must include the following:

- Name of the trade union: The name must not resemble any existing registered trade union's name, as it could lead to confusion.
- Address of the headquarters: The permanent address where the union's affairs will be conducted.
- **Objectives of the union**: The purpose of the union, which could include collective bargaining, improvement of working conditions, welfare of members, etc.
- **Constitution and rules of the trade union**: A copy of the rules and the constitution that govern the operation and activities of the union.
- **Details of office bearers**: The names and addresses of the office bearers or representatives of the union (e.g., president, secretary, treasurer).
- Names and addresses of the members: A list of at least **7 workers** (or **2 employers**) who have become members of the trade union.

# 3. Procedure for Registration

The Registrar of Trade Unions will process the application for registration, which involves:

#### 1. Examination of Documents:

The Registrar will verify the submitted documents (rules, constitution, list of office bearers and members) to ensure compliance with the requirements of the Act. If the documents are in order, the Registrar will proceed with the registration process.

## 2. **Publication of Application**:

The Registrar may call for public objections (if any) regarding the trade union's registration. Any person or organization can file objections, which will be considered by the Registrar.

## 3. Approval and Registration:

If the Registrar is satisfied with the application and there are no objections, the trade

union will be registered under the Act. The Registrar will then issue a **Certificate of Registration** that includes the name, registered address, and the trade union's identification number.

# 4. Certificate of Registration (Section 8)

Once the Registrar has approved the application, the trade union will be officially registered, and it will receive a **Certificate of Registration**. This certificate confers upon the union the following benefits:

- **Legal Recognition**: The trade union is legally recognized and can perform activities such as collective bargaining on behalf of its members.
- **Limited Liability**: The trade union gains the status of a legal entity. Therefore, the union's members are not personally liable for any legal actions taken by the union.
- **Legal Protection**: Registered unions are protected under the provisions of the Trade Union Act and are entitled to the various rights and privileges conferred upon them.

# 5. Effects of Registration

- **Legal Status**: A registered trade union is considered a **legal entity** with the power to sue and be sued in its own name.
- **Exemption from Taxation**: Registered trade unions are exempt from paying income tax on the subscriptions and contributions received from their members, provided the funds are used for the welfare of the members or for collective bargaining activities.
- **Protection under Laws**: Registered unions are entitled to protection under laws relating to industrial disputes, workers' rights, and dispute resolution mechanisms.

## 6. Amendment of Rules and Constitution (Section 10)

After registration, a trade union may wish to **amend its rules** or constitution. To do this, the union must:

- Hold a meeting where the proposed amendments are discussed and approved by the union members.
- Submit the amendments to the Registrar for approval.
- After the approval, the amendments are made official and will be recorded with the Registrar.

## 7. Annual Returns and Records (Section 28)

Every registered trade union is required to file **annual returns** with the Registrar. These returns should contain the following details:

- The number of members.
- The financial status of the union (income and expenditure).
- Changes in the constitution, rules, or office bearers, if any.
- Other relevant information as prescribed under the Act.

## 8. Deregistration of Trade Unions

If a registered trade union fails to comply with the requirements of the Trade Union Act, 1926, the Registrar may take action for its **deregistration**. A trade union may be deregistered for reasons such as:

- Failure to file annual returns for a continuous period.
- Violation of the provisions of the Trade Union Act.
- A request for voluntary deregistration by the union members.

## **Conclusion**

The registration of trade unions under the **Trade Union Act, 1926** provides legal recognition, protection, and rights to workers' organizations. By adhering to the procedures outlined in the Act, trade unions can gain a status that allows them to represent workers effectively, engage in collective bargaining, and ensure better working conditions for their members. The Act aims to protect both employers and employees by ensuring that trade unions operate within a legal framework and contribute to industrial peace and harmony.

# 2. Define retrenchment. What is the procedure for retrenchment under the Industrial relation code 2020?

#### **Definition of Retrenchment:**

As per Section 2(zh) of the Industrial Relation as per, retrenchment refers to the termination of a worker's service by an employer for reasons other than disciplinary action, retirement, voluntary resignation, or ill-health. Retrenchment typically occurs due to business downsizing, financial difficulties, or technological changes.

## Procedure for Retrenchment under the Industrial Relation code 2020.

The Act prescribes a specific procedure for retrenchment to ensure fairness and protect the rights of workers. The following steps must be followed:

## 1. Prior Notice or Payment in Lieu

• The employer must provide the worker with a **notice period of one month** before retrenchment or pay wages equivalent to one month's notice period.

## 2. Payment of Compensation

 The employer is required to pay retrenchment compensation equivalent to 15 days' average pay for every completed year of service or part thereof exceeding six months.

## 3. Retrenchment of Last-Joined Workers First

Retrenchment should follow the principle of "last in, first out", meaning the workers who
were most recently hired should be retrenched first.

• Exceptions can be made, but the employer must justify them and inform the appropriate government authority.

# 4. Notice to the Appropriate Government Authority

 A formal notice must be sent to the appropriate government authority providing details about the retrenchment.

#### 5. Prohibition of Retrenchment in Certain Circumstances

- In establishments employing **100 or more workers**, the employer must obtain **prior permission from the appropriate government** before retrenchment.
- If permission is denied, retrenchment cannot be carried out.

# 6. Re-Employment of Retrenched Workers

• If the employer decides to hire workers for the same work in the future, retrenched workers must be given **preference** for re-employment.

# **Exceptions to the Procedure**

The procedure for retrenchment does not apply in certain cases:

- When the worker has not completed 240 days of continuous service in the preceding 12 months.
- Termination due to misconduct or disciplinary action.

#### Conclusion

The procedure for retrenchment under the Industrial Relation code 2020, aims to ensure fairness and transparency while protecting the rights of workers. Employers must strictly adhere to the prescribed process to avoid penalties or disputes. The provisions also balance the employer's right to manage the workforce with the employee's right to security and compensation.

# 4. What are the different authorities under the Industrial Disputes? Explain their duties and powers.

The **Industrial Disputes** establishes various authorities to prevent and resolve industrial disputes effectively. These authorities play a critical role in maintaining industrial harmony and ensuring that disputes are resolved in a fair and timely manner.

#### 1. Works Committee

**Section 3** of the Act provides for the constitution of Works Committees in industrial establishments employing 100 or more workers.

#### • Composition:

o Equal representation of employers and workers.

#### • Duties and Powers:

- o Promote amity and good relations between the employer and workers.
- o Address and resolve day-to-day matters affecting workers.
- o Discuss and resolve minor grievances before they escalate into disputes.

## 2. Conciliation Officers

Appointed under **Section 4** of the Act by the government.

#### Duties:

- o Investigate and mediate in disputes to promote an amicable settlement.
- Submit a conciliation report to the appropriate government within the prescribed time.

#### • Powers:

- Call for meetings of the disputing parties.
- o Conduct inquiries and seek information relevant to the dispute.

## 3. Board of Conciliation

Constituted under **Section 5** by the government for specific disputes.

# • Composition:

 Consists of a chairman and members representing both employers and workers.

#### • Duties:

- Investigate disputes referred to it.
- o Encourage parties to reach a mutual settlement.
- o Submit a detailed report to the government if a settlement is not reached.

#### • Powers:

o Same as those of the Conciliation Officer, with a focus on collective disputes.

# 4. Court of Inquiry

Constituted under **Section 6** to inquire into matters of public importance.

## • Duties:

- o Investigate industrial disputes and ascertain the facts.
- o Submit a report to the government within six months.

#### • Powers:

o Summon witnesses, examine them under oath, and require documents.

## 5. Labour Courts

Established under **Section 7** to adjudicate industrial disputes relating to specific matters (e.g., dismissal, reinstatement).

#### • Duties:

Resolve disputes referred by the government regarding individual worker grievances.

#### Powers:

- Issue binding awards.
- Enforce attendance of witnesses and production of documents.

#### 6. Industrial Tribunals

Constituted under **Section 7A** for broader issues like wages, working conditions, and retrenchment.

#### • Duties:

- o Adjudicate disputes referred by the government.
- o Deliver awards that are binding on the parties.

#### Powers:

o Similar to those of Labour Courts but with wider jurisdiction.

#### 7. National Industrial Tribunal

Constituted under **Section 7B** for disputes of national importance or disputes affecting industries in more than one state.

#### • Duties:

- o Handle disputes referred by the Central Government.
- Address issues of national significance.

#### • Powers:

o Equivalent to Industrial Tribunals, with jurisdiction over multi-state disputes.

#### **Conclusion:**

The authorities under the Industrial Dispute are designed to address disputes at different levels of complexity. By providing both conciliatory and adjudicatory mechanisms, the Act ensures industrial peace and protects the rights of workers and employers.

# 5. Explain the object, scope, and features of the Industrial Employment (Standing Orders).

The **Industrial Employment (Standing Orders) Act** was enacted to regulate the employment conditions of industrial workers and bring uniformity, clarity, and fairness to the terms of employment in industrial establishments.

# 1. Object of the Act:

The main objectives of the Act are:

1. **Standardization**: To define and codify employment terms and conditions uniformly for workers in industrial establishments.

- 2. **Minimize Disputes**: To prevent misunderstandings between employers and workers by providing clear standing orders.
- 3. **Transparency**: To ensure workers are informed of their rights, duties, and obligations.
- 4. **Fair Employment Practices**: To promote fairness and consistency in dealing with disciplinary actions, leaves, working hours, and other matters.

# 2. Scope of the Act:

The Act applies to:

#### 1. Industries Covered:

All industrial establishments employing **100 or more workers** (the threshold may vary as per state notifications).

#### 2. Nature of Establishments:

o Factories, mines, plantations, railways, and other industrial establishments.

#### 3. Exclusions:

o It does not apply to workers covered under specific service laws or small establishments below the threshold.

## 3. Features of the Act:

#### 1. Standing Orders:

 Standing orders are written documents that define the conditions of employment and are binding on employers and employees.

## 2. Matters Covered in Standing Orders:

- Classification of workers (e.g., permanent, temporary, probationers, apprentices).
- o Work hours, shifts, and holidays.
- o Wage payment terms.
- o Leave policies.
- o Disciplinary procedures, termination, and suspension.
- o Grievance redressal mechanisms.

## 3. Submission and Certification:

- Employers must draft standing orders in consultation with workers or their representatives.
- The draft must be submitted to the **Certifying Officer**, usually the Labour Commissioner, for approval.

## 4. Certification Process:

- The Certifying Officer examines the draft, consults workers, and ensures compliance with the Act.
- o Once certified, the standing orders become binding on both parties.

## 5. Model Standing Orders:

The government provides a set of **model standing orders** that employers must follow if they fail to prepare their own.

## 6. Modification of Standing Orders:

 Employers can modify the standing orders by following the prescribed process, ensuring transparency and consultation with workers.

## 7. Penalties for Non-Compliance:

o Non-compliance with the Act's provisions may lead to fines and penalties.

#### 8. Role of Authorities:

• The Certifying Officer and Appellate Authority ensure compliance, fairness, and dispute resolution under the Act.

# 4. Importance of the Act:

- 1. Provides **legal protection** to workers by defining clear terms of employment.
- 2. Reduces the scope for **arbitrary decisions** by employers.
- 3. Promotes **industrial peace** by addressing grievances systematically.
- 4. Encourages **uniformity** in employment practices across industrial sectors.

## **Conclusion:**

The **Industrial Employment** (**Standing Orders**) plays a crucial role in regulating the relationship between employers and workers. By standardizing employment terms and creating transparency, the Act fosters harmony, reduces disputes, and ensures fairness in industrial establishments.

# 6. What are the privileges and immunities of registered trade unions?

The **Trade Unions Act, 1926**, grants several **privileges and immunities** to registered trade unions to facilitate their functioning and protect their members and office-bearers from legal liabilities while acting in furtherance of trade union objectives. These privileges ensure that trade unions can operate effectively without undue interference from employers or legal constraints.

# **Privileges and Immunities of Registered Trade Unions**

#### 1. Immunity from Civil Suits in Certain Cases

- As per **Section 17** of the Act, registered trade unions enjoy immunity from civil suits or legal proceedings for acts done in **contemplation or furtherance of a trade dispute**.
- Example: If a trade union organizes a lawful strike, the union and its members cannot be sued for damages caused due to the strike.

#### 2. Immunity from Criminal Conspiracy

- Members of a registered trade union are protected from being prosecuted for criminal conspiracy under Section 120-B of the Indian Penal Code, provided the act was committed in furtherance of a trade dispute and did not involve violence or illegal activities.
- This provision ensures that collective actions like strikes, picketing, or protests are not criminalized unnecessarily.

#### 3. Legal Recognition of Collective Agreements

 Registered trade unions have the privilege of negotiating collective agreements with employers on behalf of their members. These agreements are legally recognized and binding, providing a structured framework for resolving disputes.

#### 4. Right to Acquire and Hold Property

- A registered trade union has the privilege of acquiring and holding both movable and immovable property in its name for the purposes of its operations.
- Example: A trade union can own office premises or land for conducting union activities.

#### 5. Right to Sue and Be Sued

 A registered trade union is considered a legal entity and can file suits or be sued in its registered name. This provides legal legitimacy to the union for enforcing its rights and obligations.

#### 6. Immunity from Tortious Liability

 Registered trade unions are granted immunity from liability for torts (civil wrongs), such as breach of contract, committed during strikes or other lawful union activities, provided these acts are done in furtherance of a trade dispute.

#### 7. Right to Representation in Disputes

 A registered trade union has the right to represent its members in industrial disputes before tribunals, labour courts, or other authorities. This privilege enables workers to have a collective voice in legal and administrative proceedings.

## 8. Access to Funds for Legitimate Purposes

- A registered trade union can utilize its funds for specific purposes, such as:
  - o Payment of salaries to union staff.
  - Legal expenses for disputes.
  - o Welfare activities for members.
- This ensures financial support for activities that benefit workers.

#### 9. Recognition and Participation in Negotiations

 Registered trade unions are often recognized as legitimate representatives of workers, granting them the privilege of participating in collective bargaining with employers over wages, working conditions, and other matters.

#### **Limitations on Immunities**

While the Trade Unions Act provides significant privileges and immunities, there are certain limitations to prevent misuse:

- 1. **Unlawful Activities**: Immunities do not cover acts of violence, intimidation, or other illegal activities.
- 2. **Registration Requirement**: Only **registered trade unions** are entitled to the privileges under the Act.
- 3. **Scope of Immunity**: Immunities apply only to actions conducted in **furtherance of trade union objectives** or **lawful trade disputes**.

#### Conclusion

The **Trade Unions Act, 1926**, provides a balanced framework of privileges and immunities for registered trade unions. These provisions empower trade unions to act collectively on behalf of workers, negotiate better terms, and address grievances without undue fear of legal repercussions. At the same time, the Act ensures that these privileges are not abused by limiting their application to lawful and legitimate union activities.

# 7. Explain Define "Industry" under the Industrial Relations Code, 2020?

#### **Definition**

**Under Section 2(p) "Industry"** means any systematic activity carried on by cooperation between an employer and worker (whether such worker is employed by such employer directly or by or through any agency, including a contractor) for the production, supply or distribution of goods or services with a view to satisfy human wants. The definition of "industry" is central to the scope of industrial laws, as it helps determine whether certain laws and protections are applicable to a particular enterprise or organization.

# **Triple Test of Industry:**

## 1. Systematic Activity:

- o The activity must be organized and continuous.
- o It should involve planned and structured work.

## 2. Cooperation Between Employers and Employees:

o There must be a functional relationship where both parties work together to achieve a common goal.

## 3. Production of Goods or Services for Human Wants:

- o The primary purpose of the activity should be the production, supply, or distribution of goods or services that fulfil human needs.
- o It need not necessarily involve profit-making.

# **Inclusions under "Industry":**

The definition includes:

- 1. **Factories**: Manufacturing units producing goods.
- 2. **Workshops**: Establishments engaged in repair or production.
- 3. **Plantations and Mines**: Places involved in agriculture, mining, or natural resource extraction.
- 4. **Service Sectors**: Hospitals, educational institutions, and charitable organizations (if they involve systematic work and employer-employee cooperation).
- 5. **Other Establishments**: Any business or organization where systematic work is carried out to produce goods or services.

# **Exclusions under "Industry":**

Activities that do not qualify as industries include:

#### 1. Sovereign Functions of the Government:

o Activities like maintenance of law and order, defence (e.g., police, armed forces, judiciary), and legislative functions.

## 2. Purely Religious or Philanthropic Activities:

 Organizations engaged purely in religious or charitable work without systematic industrial or commercial operations.

#### 3. Casual Activities:

o Activities performed on an irregular or ad-hoc basis.

# **Importance of the Definition:**

#### 1. Coverage of Workers:

The definition ensures that the Act applies to a wide range of establishments and protects the rights of workers across sectors.

## 2. Resolution of Disputes:

By bringing systematic and cooperative activities under its ambit, the Act provides a framework for resolving industrial disputes effectively.

# 3. Judicial Clarity:

 The broad and inclusive interpretation by courts ensures flexibility and adaptability to new forms of industries and work structures.

## **Conclusion:**

The definition of "industry" under the Industrial Relations Code, 2020 has evolved to ensure clarity regarding the application of industrial laws. It includes any economic activity that involves the production of goods or services for profit, while excluding government functions, charitable organizations, and domestic services. This updated definition ensures that industrial relations laws are applied to relevant sectors, promoting better labour standards and dispute resolution mechanisms.

# **SET II**

# 1. Evaluate the influence of ILO conventions on Indian labour laws, citing examples of specific legislations.

#### **Introduction:**

- The ILO has played a significant role in shaping labour laws worldwide, including India.
- Its conventions are aimed at promoting labour rights, improving working conditions, and ensuring social justice for workers.

#### **Detailed Points:**

## 1. Adoption of ILO Standards:

o India has ratified numerous ILO conventions, leading to significant reforms in national labour laws.

These conventions serve as global benchmarks for labour rights, influencing India's legal framework.

# 2. Key Examples of ILO Influence on Indian Legislation:

- o Child Labour (Prohibition and Regulation) Act, 1986:
  - Influenced by ILO Conventions No. 138 (Minimum Age) and No. 182 (Worst Forms of Child Labour).
  - Prohibits child labour in hazardous industries and sets minimum age requirements for employment.

# o Equal Remuneration Act, 1976:

- Influenced by ILO Convention No. 100 (Equal Remuneration).
- Ensures that men and women receive equal pay for equal work.

# 3. Impact on Workers' Rights:

- o ILO conventions have led to stronger protection for workers, such as the right to form trade unions and protection against discrimination.
- Laws like the Factories Act, 1948 reflect ILO's focus on worker health and safety.

# 4. India's Compliance with ILO Guidelines:

Ratification of ILO conventions prompts India to update labour laws in accordance with international standards, improving workers' welfare and protection.

# 2. Explain the key features of the tripartite structure of the International Labour Organisation (ILO) and its impact on policy-making.

#### **Introduction:**

• The ILO's tripartite structure is a distinctive feature that brings together governments, employers, and workers in shaping labour policies and promoting labour rights.

#### **Detailed Points:**

## 1. Composition of the Tripartite Structure:

- o **Governments:** Represent the state and are responsible for implementing labour policies.
- Employers: Represent the business sector and are involved in decisionmaking from an economic perspective.
- Workers: Represent the labour force and bring forward the concerns and rights of workers.

## 2. Functioning of the Tripartite System:

- Representatives from each group participate equally in ILO's decision-making processes.
- They meet in conferences and committees to discuss global labour issues and formulate policies.

#### 3. Influence on Global Labour Standards:

- o The ILO creates international labour standards based on consensus between these three groups, ensuring fair and balanced policies.
- o This helps maintain a fair working environment that takes into account the interests of all stakeholders.

## 4. Impact on Policy-Making:

- o ILO's tripartite structure encourages **inclusive policy-making**, ensuring that labour laws are practical and widely accepted.
- o It influences member countries, including India, to adopt labour laws and reforms based on international standards.
- Promotes dialogue and negotiation between employers and workers, fostering industrial harmony.

# 3. Explain the key objectives and significance of the Industrial Relations Code, 2020.

#### **Introduction:**

• The Industrial Relations Code, 2020, aims to simplify and modernize India's industrial relations system. It combines three previous labour laws to create a comprehensive framework for resolving industrial disputes.

## **Detailed Points:**

#### 1. Key Objectives of the Code:

- Simplification of Labour Laws:
  - It consolidates three major laws: the Trade Unions Act, 1926; the Industrial Disputes Act, 1947; and the Industrial Employment (Standing Orders) Act, 1946.

# Enhanced Dispute Resolution:

• Provides faster dispute resolution through conciliation, arbitration, and industrial tribunals.

#### Ease of Doing Business:

 Introduces provisions that make it easier for companies to retrench workers and hire contract laborers.

## 2. Significance of the Code:

## **Output** Worker Protection and Rights:

 It ensures job security, welfare measures, and a grievance redressal mechanism for workers.

#### Promotes Industrial Peace:

• The Code encourages the formation of unions and bipartite or tripartite consultations to maintain industrial harmony.

## **o** Legal Clarity and Stability:

 Brings about uniformity in industrial relations practices, ensuring transparency and compliance with labour rights.

## 3. Impact on Employers and Employees:

- o For **employers**, the Code provides flexibility in hiring and layoffs.
- For **employees**, it safeguards their rights and improves dispute resolution mechanisms.

# 4. Amendment in Retrenchment and Layoffs:

For industrial units with less than 300 employees, the employer can now retrench or lay off workers without government approval, offering more flexibility.

# 4. Define 'industrial dispute' and explain its components with suitable examples.

#### **Introduction:**

• An industrial dispute refers to a disagreement between employers and workers, usually over employment terms, wages, or conditions of work. Such disputes can affect industrial harmony and productivity.

#### **Detailed Points:**

#### 1. Definition (Under the Industrial Relations Code, 2020):

 An industrial dispute is defined as any dispute between employers and employees or between employees and employees concerning employment or conditions of work.

# 2. Key Components of Industrial Dispute:

- o Parties Involved:
  - The conflict arises between the employer and employee(s), or among different groups of employees (e.g., trade unions).
- Subject Matter:
  - Wages: Disputes over wage increases or wage cuts.
  - **Retrenchment**: Issues related to layoffs and layoffs without compensation.
  - Working Conditions: Disagreements about working hours, safety measures, or employee benefits.

#### 3. Resolution Mechanisms:

- o Conciliation: A neutral third party tries to mediate and resolve the dispute.
- **Arbitration:** A third party listens to both sides and makes a legally binding decision.
- Adjudication: A tribunal or court makes a final decision regarding the dispute.

## 4. Examples of Industrial Disputes:

- **Example 1 (Wage Disputes):** Workers in a factory demanding higher wages due to inflation.
- **Example 2 (Retrenchment):** Workers going on strike after a company lays off workers without proper compensation.

# 5. Examine the impact of the Indian Constitution on labour laws, fundamental rights, and directive principles.

#### **Introduction:**

• The Indian Constitution plays a crucial role in shaping labour laws by ensuring fundamental rights and providing guidance through Directive Principles of State Policy for fair labour practices.

#### **Detailed Points:**

## 1. Fundamental Rights and Labour Laws:

- o **Article 19(1)(c):** Right to form associations or unions for workers, enabling the formation of trade unions.
- o **Article 23:** Prohibition of forced labour, ensuring that no worker can be forced to work against their will.
- o **Article 24:** Prohibition of child labour in factories and mines.

## 2. Directive Principles of State Policy:

- o **Article 39:** Ensures equal pay for equal work, regardless of gender.
- **Article 41:** The state shall ensure the right to work and provide unemployment assistance.
- o **Article 43:** The state must ensure a living wage, decent working conditions, and leisure for all workers.

# 3. Constitutional Safeguards for Workers:

- The Constitution encourages the enactment of labour laws that protect workers from exploitation.
- o It ensures that labour laws align with human dignity and social justice.

## 4. Influence on Specific Labour Laws:

 Laws such as the Factories Act, 1948, Minimum Wages Act, 1948, and Equal Remuneration Act, 1976 reflect the constitutional principles of social justice and workers' welfare.

## Bangalore Water Supply and Sewerage Board v. A. Rajappa (1978)

• Issue: Definition and scope of "Industry" under the Industrial Disputes Act, 1947.

#### Facts:

- 1. A dispute arose regarding whether the Bangalore Water Supply and Sewerage Board (BWSSB) was an "industry" as per the definition under **Section 2(j)** of the **Industrial Disputes Act, 1947**.
- 2. The BWSSB argued that it was a statutory body performing a sovereign function and not an industry.
- 3. The workers contended that the board engaged in organized and systematic economic activity involving cooperation between employers and employees, making it an industry.
- 4. The case was referred to a larger bench of the Supreme Court to clarify the definition of "industry."

## Arguments:

## • Petitioner (BWSSB):

- Claimed that activities such as water supply and sewage management were sovereign functions, not commercial or industrial ventures.
- Argued that including such statutory functions under "industry" would lead to undue interference in government activities.

# • Respondent (Workers):

- Asserted that the board carried out systematic activities using labour and resources for service delivery, which fit the definition of "industry."
- Highlighted that excluding public utility services from the definition of "industry" would deny workers their rightful protections under labour laws.

# Judgment:

The Supreme Court, in a landmark 7-judge bench decision, expanded the scope of "industry" under Section 2(j) and held that BWSSB was an industry.

# Guidelines Issued (Triple Test for Industry):

The court established the "**Triple Test**" to determine whether an establishment qualifies as an industry:

- 1. **Systematic Activity**: There must be systematic and organized activity.
- 2. **Cooperation between Employer and Employees**: A relationship of employer-employee must exist.
- 3. **Production of Goods or Services**: The activity must involve the production of goods or services for consumption, whether or not it is profit-oriented.

#### **Inclusions**:

- Professions like law, medicine, and education.
- Clubs, cooperative societies, and government undertakings.

#### **Exclusions:**

- Purely sovereign functions of the government (e.g., legislative or judicial activities).
- Casual activities without systematic organization.

#### **Conclusion:**

The court ruled that public utility services like BWSSB, which involve organized activities employing workers, fall under the definition of "industry." This judgment clarified the scope of industrial law and extended protections to workers in various sectors.

## Impact:

The judgment set a precedent for interpreting "industry," ensuring that more workers across diverse sectors were covered under labour laws, promoting industrial harmony and social justice.

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#### by Shahbaz Khan

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