

# Industrial Dispute Act 1947

The Industrial Disputes Act 1947 mainly deals with the provisions for the investigation and settlement of industrial disputes. It extends to the whole of India.

- Industrial Dispute Act 1947 was enacted by Central Legislative Assembly
- It Assented to 11tg March 1947
- This Act was commenced on 1st April 1947

## Industrial Dispute Act 1947 Important Points

1- According to Section 2(aaa) of this Industrial Dispute Act 1947, average pay means the average of the wages of:

- Three complete calendar months in case of monthly paid
- Four complete weeks, in case of the weekly paid workman.
- Twelve full working days, in case of the daily paid workman.

2- Industrial dispute (Section 2(k)) of the Industrial Dispute Act 1947 means any dispute which is connected with the employment or non-employment or the conditions of labour between

- Employers and employers.
- Employers and workmen.
- Workmen and workmen.

3- If an employer fails to give employment to a workman on the following grounds, then it is referred to as Lay-off (Section 2(kkk))of Industrial Dispute Act 1947:

- Shortage of coal or power or raw materials
- Accumulation of stocks or
- Break-down of machinery
- Natural calamity or for any other connected reason

4- Lock-out (Section 2(l)) of Industrial Dispute Act 1947 refers to the

- Temporary closing of working place.
- Suspension of work.
- Condition in which the employer refuses to continue the employment of persons.

5) Retrenchment (Section 2(oo)) of the Industrial Dispute Act 1947 means the termination of a workman of the service by the employer for any reason. It does not include the following:

- Voluntary retirement.
- Retirement at the age of superannuation.
- Non-renewal of the employment contract.
- Continued illness.

7) Labour courts (Section 7) and Tribunals (Section 7A) of the Industrial Dispute Act 1947 shall consist of only one person appointed by the appropriate government. Following are the common qualifications for presiding officer of a labour court or a tribunal:

- Judge of a High Court or
- District judge or an additional district judge for a period of not less than three years or
- Deputy Chief Labour Commissioner (Central) or Joint Commissioner of the State Labour Department, having a law degree and at least seven years experience in the labour department including three years of experience as Conciliation Officer or
- Grade III officer of Indian Legal Service with three years experience.
- Apart from the above, any person with the following qualifications can also be appointed as the presiding officer:

8) A National Tribunal (Section 7B) of the Industrial Dispute Act 1947 constituted by the central government shall consist of only one person. The presiding officer of the tribunal must be a person who worked or has been a judge of a high court.

## Punishment Under Industrial Dispute Act 1947

Any person committing any unfair labour practice shall be punishable with a maximum imprisonment of six months or a maximum fine of one thousand rupees or both.

- Any workman who commences or continues an illegal strike shall be punishable with a maximum imprisonment of one month, or with a maximum fine of fifty rupees, or both.
- Any employer who commences or continues an illegal lock-out shall be punishable with a maximum imprisonment of one month, or with a maximum fine of one thousand rupees, or both.
- Any person who gives financial aid or instigates or incites others, or takes part in an illegal strike or lock-out shall be punishable with a maximum imprisonment of six months or with a maximum fine of one thousand rupees or both.
- Any person who commits a breach of any term of any settlement or award shall be punishable with a maximum imprisonment of six months, or fine, or both.

## Controversy Around the Industrial Disputes Act, 1947

The Industrial Dispute Act of 1947 was brought into force for the investigation and settlement of industrial disputes, and it was applicable to all, irrespective of size and sector. Industrial Dispute Act had provisions regarding the conditions for layoffs and closure of Industry.

- If an industrial establishment employs more than fifty workers, then it needs to give a notice period of 60 days with the reasons for closure to the appropriate government before the closure. This was again increased to 90 days in 1982.
- If it has more than 300 employees, it needs to take prior approval from the government authority for the approval of layoffs, closure, and retrenchment. The limit was again increased to 90 days in 1982.

The main purpose of this provision is to make sure that the employers can't hire or fire any employee whenever it wants. For such action, it needs approval from the labour commissioner. Due to this has led to various problems in the labour industry, such as

- Lower output by labour
- Lower investments
- Lower productivity
- Hesitation in hiring
- Lower overall manufacturing performance
- Foreign investors are deterred from investing in India.

