

Presentation on The Industrial Dispute Act 1947



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Contents

History of Industrial Dispute Act 1947

Definition, Applicability and Provisions

Frequently Asked Questions

Points to be Checked in Salary Register



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Definition, Applicability and Provisions

Frequently Asked Questions

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History of Industrial Dispute Act 1947

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Particular	Details
Act Id	194714
Act Number	14
Enactment Date	11 th March 1947
Act Year	1947
Short Title	The Industrial Disputes Act, 1947
Long Title	An Act to make provision for the investigation and settlement of industrial disputes, and for certain other purposes.
Ministry	Ministry of Labour and Employment
Enforcement Date	01 st April 1947

- **Consist of 7 Chapters, 40 Sections and 5 Schedules**



Objective and Meaning of Industrial Dispute Act 1947

❑ Objective of the Law:

- “To Maintain peaceful work culture in the India Industries”

❑ Meaning of Industry: What is an Industry????

- A systematic activity
- Organized by co-operation between an employer and an employee
- For the production of goods and services to satisfy human wants and wishes. (Not spiritual or holy in nature but inclusive of material things or services geared to seek celestial bliss).



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Objective and Meaning of Industrial Dispute Act 1947

- Industrial dispute act providing mechanism and procedure for the investigation and settlement of industrial disputes by conciliation, arbitration and adjudication;
- The Act also lays down:
 - Provision for payment of compensation to the workman on account of closure or lay off or retrenchment.
 - Procedure for prior permission of appropriate Government for laying off or retrenching the workers or closing down industrial establishments
 - Unfair labour practices on part of an employer or a trade union or workers.



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History of Industrial Dispute Act 1947

Definition, Applicability and Provisions

Frequently Asked Questions

Points to be Checked in Salary Register



Significant Definition laid down under Act:

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Sections	Sectors	Sections	Sectors
2RR	Wages	2A	Industrial dispute between individual and employer
2G	Employer	2KA	Industrial establishment or undertaking
2J	Industry	2KK	Insurance company
2RR	Industrial Dispute	2S	Workmen (including an Apprentice) Industrial Act

❖ Definition:

❑ Average Pay:

➤ Means the average of the wages payable to a workman-

- For monthly paid workman, in the three complete calendar months,
- For weekly paid workman, in the four complete weeks,
- For daily paid workman, in the twelve full working days,



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Significant Definition laid down under Act:

❑ **Industrial Dispute:**

- Means any dispute or difference between employers and employees, or between employers and workmen, or between workmen and workmen, which is connected with the employment or non-employment

❑ **Lay-off (Section 2 KKK):**

- Means the failure, refusal or inability of an employer on account of
 - Shortage of coal, power or
 - Raw materials or
 - The accumulation of stocks or
 - The break-down of machinery or
 - Natural calamity or for any other connected reason to give employment to a workman whose name is borne on the muster rolls of his industrial establishment and who has not been retrenched;



Significant Definition laid down under Act:

Explanation:

- Every workman whose name is borne on the muster rolls of the industrial establishment and who presents himself for work at the establishment at the time appointed for the purpose during normal working hours on any day and is not given employment by the employer within two hours of his so presenting himself shall be deemed to have been laid-off for that day within the meaning of this clause:
- Provided that if the workman, instead of being given employment at the commencement of any shift for any day is asked to present himself for the purpose during the second half of the shift for the day and is given employment then, he shall be deemed to have been laid-off only for one-half of that day:
- Provided further that if he is not given any such employment even after so presenting himself, he shall not be deemed to have been laid-off for the second half of the shift for the day and shall be entitled to full basic wages and dearness allowance for that part of the day.



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Significant Definition laid down under Act:

❑ Lock-out (I):

- Means 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.

❑ Retrenchments:

- Means the termination by the employer of the service of a workman for any reason whatsoever, otherwise than as a punishment inflicted by way of disciplinary action but does not include-
 - a. Voluntary retirement of the workman; or
 - b. Retirement of the workman on reaching the age of superannuation if the contract of employment between the employer and the workman concerned contains a stipulation in that behalf; or(bb). termination of the service of the workman as a result of the non-renewal of the contract of employment between the employer and the workman concerned on its expiry or of such contract being terminated under a stipulation on that behalf contained therein; or



Significant Definition laid down under Act:

c. Termination of the service of a workman on the ground of continued ill-health.

❑ **Strike:**

- Means a cessation of work by a body of persons employed in any industry acting in combination 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.

❑ **Unfair labor practice:**

- Means any of the practices specified in the Fifth Schedule;



Significant Definition laid down under Act:

❑ Wages:

- Means all remuneration capable of being expressed in terms of money, which would, if the terms of employment, expressed or implied, were fulfilled, be payable to a workman in respect of his employment or of work done in such employment, and includes
 - i. such allowances (including dearness allowance) as the workman is for the time being entitled to
 - ii. the value of any house accommodation, or of supply of light, water, medical attendance or other amenity or of any service or of any confessional supply of food grains or other articles;
 - iii. any travelling concession
 - iv. any commission payable on the promotion of sales or business or both



Significant Definition laid down under Act:

But does not include:

- a. any bonus
- b. any contribution paid or payable by the employer to any pension fund or provident fund or for the benefit of the workman under any law for the time being in force
- c. any gratuity payable on the termination of his service

Workman:

- Means any person (including an Apprentice) employed in any industry to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward, whether the terms of employment be express or implied, and for the purposes of any proceeding under this Act in relation to an industrial dispute, includes any such person who has been dismissed, discharged or retrenched in connection with, or as a consequence of, that dispute, or whose dismissal, discharge or retrenchment has led to that dispute, but does not include any such person -



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Significant Definition laid down under Act:

- i. Indian Defence Services or
- ii. Who is employed in the police service or as an officer or other employee of a prison; or
- iii. Who is employed mainly in a managerial or administrative capacity; or**
- iv. Who, being employed in a supervisory capacity, draws wages exceeding 1600 rupees per mensem or exercises, either by the nature of the duties attached to the office or by reason of the powers vested in him, function mainly of a managerial nature.

➤ **Revised limit as Rs. 10,000 as per amendment in Industrial dispute act 2010.**



Essential Provisions under the Act:

❑ Works Committee (Section 3):

- i. In the case of any industrial establishment in which 100 or more workmen are employed or have been employed on any day in the preceding 12 months,
- ii. A Works Committee consisting of representatives of employers and workmen engaged in the establishment, Equal representation of Management and Worker.
- iii. In consultation with their trade union, if any, registered under the Indian Trade Unions Act, 1926 (16 of 1926).

❑ Strikes and Lock-Outs : (Section 22 – Section 25):

➤ Strike

- No person employed in a public utility service shall go on strike in breach of contract without Notice prior to 14 days of Strike day. During Pendency of Proceedings



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Essential Provisions under the Act:

➤ Lock-Out

- No employer carrying on any public utility service shall lock-out any of his workmen. During Pendency of Proceedings
- Any Notice issued by employee to employer shall be informed within 5 days to relevant labour department.

☐ Prohibition of Strikes and Lockouts (Section 22):

➤ Strike

- No person employed in a public utility service shall go on strike in breach of contract without Notice prior to 14 days of Strike day or during Pendency of Proceedings

➤ Lock-Out

- No employer carrying on any public utility service shall lock-out any of his workmen. During Pendency of Proceedings
- Any Notice issued by employee to employer shall be informed within 5 days to relevant labour department.



Essential Provisions under the Act:

❑ **General prohibition of Strikes and Lockouts (Section 23):**

- No workman who is employed in any industrial establishment shall go on strike in breach of contract and no employer of any such workman shall declare a lock-out-
 - a) During the pendency of conciliation proceedings before a Board and 7 days after the conclusion of such proceedings;
 - b) During the pendency of proceedings before [a Labor Court, Tribunal or National Tribunal] and 2 months, after the conclusion of such proceedings;
 - (bb) during the pendency of arbitration proceedings before an arbitrator and 2 months after the conclusion of such proceedings,
 - c) During any period in which a settlement or award is in operation, in respect of any of the matters covered by the settlement or award.



Essential Provisions under the Act:

❑ **Il-legal Strikes and Lockouts (Section 24):**

- A lock-out declared in consequence of an illegal strike or a strike declared in consequence of an illegal lock-out shall not be deemed to be illegal.

A strike or lock-out shall be illegal if-

- a) In contravention of Section 22 or Section 23; or
- b) It is continued in contravention of an order made under sub-section (3) of Section 10 107[or sub-section (4A) of Section 10A].
- c) Where a strike or lock-out in pursuance of an industrial dispute has already commenced and is in existence at the time of the reference of the dispute to a Board, 107[an arbitrator, a]117[Labor Court, Tribunal or National Tribunal], the continuance of such strike or lock-out shall not be deemed to be illegal, provided that such strike or lock-out was not at its commencement in contravention of the provisions of this Act or the continuance thereof was not prohibited under sub-section(3) of section 10 107[or sub-section (4A) of section 10A]



Essential Provisions under the Act:

❑ **Prohibition of financial aid to illegal strikes and Lockouts (Section 25):**

- No person shall knowingly expend or apply money in direct support of any illegal strike or lock-out.

❑ **Lay-Off and Retrenchment (Section 25A & Section 25J):**

Section 25A. Application of Sections 25C to 25E

- 1) Sections 25C to 25E inclusive [shall not apply to Industrial Establishments to which Chapter VB applies, or
 - a) To industrial establishments in which less than 50 workmen on an average per working day have been employed in the earlier calendar month; or
 - b) To industrial establishments which are of a seasonal character or in which work is performed only intermittently.
- 2) If a question arises whether an industrial establishment is of a seasonal character or whether work is performed therein only intermittently, the decision of the appropriate government thereon shall be final.



Essential Provisions under the Act:

❑ **Definition of Continuous service (Section 25B):**

➤ Continuous service includes

- Account of sickness or
- Authorized leave or
- An accident or
- A strike which is not illegal, or
- A lock-out or
- A cessation of work which is not due to any fault on the part of the workman



Essential Provisions under the Act:

❑ Intermittently:

- a) for a period of 1 year, if the workman, during a period of 12 calendar months preceding the date with reference to which calculation is to be made, has actually worked under the employer for not less than-
 - i. 190 days underground Mine
 - ii. 240 days, in any other case
 - b) for a period of 6 months, if the workman, during a period of 6 calendar months preceding the date with reference to which calculation is to be made, has actually worked under the employer for not less than-
 - i. 95 Days below ground in a mine; and
 - ii. 120 days, in any other case.
- Includes Maternity leave/absence due to Temporary Disablement/Leave with Wages/Laid-off as a part of agreement as per Standing order.



Essential Provisions under the Act:

❑ **Right of workmen laid-off for compensation (Section 25C):**

- Whenever a workman (other than a badly workman or a casual workman) whose name is borne on the muster rolls of an industrial establishment and who has completed not less than 1 year of continuous service under an employer is laid-off, whether continuously or intermittently, 50% of Basic wages and Dearness allowances for all days except holidays
- But up to maximum 45 days of compensation subject to agreement between employer and employee. After 45 days is employee retrenched as per Section 25F, employee eligible for retrenchment compensation and laid-off paid amount should be considered for the calculation of laid off amount.



Essential Provisions under the Act:

➤ **Criteria for laid off and compensation:**

- Establishment should have 50 or more workman
- Employee should have completed 1 year
- 50% of Basic and DA for up to 45 days

☐ **Duty of an employer to maintain muster rolls of workmen (Section 25D):**

- Employer has to maintain muster roll of the laid-off workman.



Essential Provisions under the Act:

❑ **Workmen not entitled to compensation in certain cases (Section 25E):**

➤ No compensation shall be paid to a workman who has been laid-off-

- If he refuses to accept any alternative employment in the same establishment from which he has been laid off, or
- In any other establishment belonging to the same employer situate in the same town or village or situate within a radius of five miles from the establishment to which he belongs, if, in the opinion of the employer, such alternative employment does not call for any special skill or previous experience and can be done by the workman, provided that the wages which would normally have been paid to the workman are offered for the alternative employment also;



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Essential Provisions under the Act:

- If he does not present himself for work at the establishment at the appointed time during normal working hours at least once a day;
- If such laying-off is due to a strike or slowing-down of production on the part of workmen in another part of the establishment.

❑ **Conditions precedent to retrenchment of workmen (Section 25F):**

- If workman has not completed 1 year of service, employee shall be retrenched by that employer until-
 - a) One month notice pay and retrenchment compensation as follows;
 - b) 15 days salary (take average of Last three month to derive 15 days salary) for every completed year of continuous service or any part thereof in excess of six months.
 - c) Notice in the prescribed manner is served on the appropriate government 107 [for such authority as may be specified by the appropriate government by notification in the Official Gazette]. **Form P**



Essential Provisions under the Act:

- ❑ **60 Days' notice to be given of intention to close down any company (Section 25FFA):**
 - Above mentioned clause applicable for above 50 employees only
- ❑ **Compensation to workmen in case of closing down of undertakings (Section 25FFF):**
 - Compensation as per Section 25 F but not in case of establishment under financial crisis or over stock or expiry of lease agreement in context of mining. In such case payment shall not exceed average pay for three months.
- ❑ **Procedure for retrenchment (Section 25G):**
 - Last in first out in the category he recruited.



Essential Provisions under the Act:

❑ **Re-employment of retrenched workmen (Section 25H):**

- Retrench employee has preference for re-employment over other persons.

❑ **Effect of laws inconsistent with this Chapter (Section 25J):**

- It is hereby declared that nothing contained in this Chapter shall be deemed to affect the provisions of any other law for the time being in force in any State in so far as that law provides for the settlement of industrial disputes, but the rights and liabilities of employers and workmen insofar as they relate to lay-off and retrenchment shall be determined in accordance with the provisions of this Chapter.
- The workman shall continue to be entitled to the more favourable benefits in respect of that matter.



Essential Provisions under the Act:

- ❑ **Section 25K to Section 25S applicable to industrial establishment with 100 or more employees.**

- ❑ **Prohibition of lay-off (Section 25M):**
 - Cannot laid of any on-roll workman without prior permission form government authority – Labour Department unless such lay-off is due to shortage of power or to natural calamity, and in the case of a mine, such lay-off is due also to fire, flood, excess of inflammable gas or explosion.
 - An application for permission under sub-section (1) shall be made by the employer in the prescribed manner stating clearly the reasons for the intended lay-off and a copy of such application shall also be served simultaneously on the workmen concerned in the prescribed manner.



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Essential Provisions under the Act:

- The appropriate government or the specified authority does not communicate the order granting or refusing to grant permission to the employer within a period of 60 days from the date on which such application is made, the permission applied for shall be deemed to have been granted on the expiration of the said period of 60 days.
- Order shall be final and binding on all the parties concerned and shall remain in force for 1 year from the date of such order.
- Workers shall not be considered to be laid-off if;



Essential Provisions under the Act:

- Such employer offers any alternative employment (which in the opinion of the employer does not call for any special skill or previous experience and can be done by the workman) in the same establishment from which he has been laid-off or in any other establishment belonging to the same employer, situate in the same town or village, or situate within such distance from the establishment to which he belongs that the transfer will not involve undue hardship to the workman having regard to the facts and circumstances of his case, provided that the wages which would normally have been paid to the workman are offered for the alternative appointment also.
- ❑ **Conditions precedent to retrenchment of workmen (Section 25N):**
 - Notice of 3 months in case of worker has completed more than 1 year of service and establishment has more than 100 employees. Prior permission from the government must required.



Essential Provisions under the Act:

❑ **Penalty for Lay-off and Retrenchment without previous permission (Section 25Q):**

- 1 month imprisonment or 1,000 rupees or both for violation of Section 25M and Section 25N.

❑ **Penalty for closure (Section 25R):**

- Up to 1 year imprisonment and 5,000 rupees which can extend up to 20,000



Essential Provisions under the Act:

❑ **Grievance Redressal Machinery (GRM) due to Amendment in 2010**

- The amended Act provides to establish a Grievance Redressal Machinery (GRM) within industrial establishment having 20 or more workmen with one stage appeal at the head of the establishment for resolution of disputes arising out of individual grievances. With this amendment, the workman will get one more alternative grievance redressal mechanism for the resolution of his dispute within the organization itself with minimum necessity for adjudication. The concept of GRM will in no way affect the right of the workman to raise dispute on the same issue under the provision of Industrial Disputes Act, 1947.
- The Grievance Redressal Committee shall consist of equal number of members from the employer and the workmen.
- The total number of members of the Grievance Redressal Committee shall not exceed more than 6 with at least 1 female member.



Essential Provisions under the Act:

- The Grievance Redressal Committee may complete its proceedings within 45 days on receipt of a written application by or on behalf of the aggrieved party.
- The workman who is aggrieved of the decision of the Grievance Redressal Committee may prefer an appeal to the employer against the decision of Grievance Redressal Committee and the employer shall, within 1 month from the date of receipt of such appeal, dispose off the same and send a copy of his decision to the workman concerned.

Industries which may be declared to be Public Utility Services Under Sub-Clause (VI) of Clause (N) of Section 2

- Mining Companies/Public Transpiration/Banking/defence/Hospitals



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Essential Provisions under the Act:

Schedule II – Section – 7

- Matters within the Jurisdiction of Labour Courts
- The propriety or legality of an order passed by an employer under the standing orders
- The application and interpretation of standing orders
- Discharge or dismissal of workmen including reinstatement of, or grant of relief to, workmen wrongfully dismissed
- Withdrawal of any customary concession or privilege
- Illegality or otherwise of a strike or lock-out and
- All matters other than those specified in the Third Schedule



Essential Provisions under the Act:

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Schedule III and Section 7A

- Matters within The Jurisdiction of Industrial Tribunals
- Wages, including the period and mode of payment
- Compensatory and other allowances
- Hours of work and rest intervals
- Leave with wages and holidays
- Bonus, profit sharing, provident fund and gratuity
- Shift working otherwise than in accordance with standing orders
- Classification by grades
- Rules of discipline
- Rationalization
- Retrenchment of workmen and closure of establishment and
- Any other matter that may be prescribed



Essential Provisions under the Act:

❑ **Schedule IV - Section 9A**

- A. Notice of change
- Cannot change condition of service without giving notice of – 21 days of giving such notice and along with description of changes:
- Provided that no notice shall be required for effecting any such change-
 - Where the change is effected in pursuance of any 61[settlement or award]; or
 - Any other rules or regulations that may be notified in this behalf by the appropriate Government in the Official Gazette, apply.]



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Essential Provisions under the Act:

Conditions of Service for Change of which notice is to be given;

- Wages, including the period and mode of payment
- Contribution paid, or payable, by the employer to any provident fund or pension fund or for the benefit of the workmen under any law for the time being in force
- Compensatory and other allowances
- Hours of work and rest intervals
- Leave with wages and holidays
- Starting, alteration or discontinuance of shift working otherwise than in accordance with standing orders
- Classification by grades
- Withdrawal of any customary concession or privilege or change in usage
- Introduction of new rules of discipline, or alteration of existing rules, except in so far as they are provided in standing orders
- Rationalisation, standardization or improvement of plant or technique which is likely to lead to retrenchment of workmen
- Any increase or reduction (other than casual) in the number of persons employed or to be employed in any occupation or process or department or shift, 167 [not occasioned by circumstances over which the employer has no control]



Essential Provisions under the Act:

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Schedule V

- Unfair Labour Practices – By Employers
 - Restrict workman to participate in trade union or form a trade union
 - Threatening for dismissal/Or lock-out
 - Granting wage increase to workmen at crucial periods of trade union organization, with a view to undermining the efforts of the trade union at organization.
- An employer showing partiality or granting to specific not recognised trade union.
- To establish employer sponsored trade unions of workmen
- To discharge or dismiss workmen
- To encourage or discourage membership in any trade union by discriminating against any workman,
- To abolish the work of a regular nature being done by workmen, and to give such work to contractors as a measure of breaking a strike
- To transfer a workman mala fide from one place to another, under the guise of following management policy.
- To show favouritism or partiality to one set of workers regardless of merit.



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Essential Provisions under the Act:

Unfair Labour Practices – By Employee

- To advise or actively support or instigate any strike deemed to be illegal under this Act.
- For a recognized union to refuse to bargain collectively in good faith with the employer.
- To incite or indulge in willfull damage to employer's property connected with the industry
- To stage, encourage or instigate such forms of coercive actions as wilful, ,"go-slow", squatting on the work premises after working hours or "gherao" of any of the members of the managerial or other staff.



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History of Industrial Dispute Act 1947

Definition, Applicability and Provisions

Frequently Asked Questions

Points to be Checked in Salary Register



Frequently Asked Questions

❑ What is the difference between Laid-off, Retrenchment and Lock-Out?

<u>Lay-off – Section 25 C</u>	<u>Retrenchment – Section 25G</u>	<u>Strike/Lock out - Section 22</u>
<ul style="list-style-type: none">▪ Layoff refers to the provisional termination of the employee, at the instance of the employer. ... As soon as the layoff period is over, the employees are re-appointed to their previous posts. A layoff can be a temporary cessation of employment usually initiated because the financial problems of company.	<ul style="list-style-type: none">▪ Retrenchment, in which the employees are not taken back by the company, once they are terminated. It is more an autocratic decision.▪ A termination by mutual consent is concluded by a legal agreement.	<ul style="list-style-type: none">▪ Strike mean employee refuse to work▪ A lockout is a temporary work stoppage or denial of employment by the employer of a company during a labor dispute.▪ Strike is a right of workman▪ Lockout is right of Employer



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Frequently Asked Questions

❑ **What is Lay-off under Industrial Dispute Act and what are the provision for compensation?**

- As we have already discussed meaning of Lay off as per Section 25C.
- According to Section 25C of Industry and dispute Act 1947, maximum days allowed to Layoff of employee by employer is 45 days, for those days, employee who is laid-off is entitled for compensation equal to 50% of the total of the basic wages and dearness allowance that would have been payable to him.

❑ **Who is eligible for retrenchment compensation?**

- Retrenchment compensation on the satisfaction of the following conditions:
 - The employee must be a workman.
 - The employee must have offered continuous service for a period of 240 days in the previous 12 months, which will be calculated as a year of continuous service.



Frequently Asked Questions

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Calculation of Retrenchment Compensation

Basic Salary	7500	DA	5000
HRA	6000	Education	1500
Total 20,000/-			
Date of Joining April 2012			
Retrenched on 12th May 2019			
Calculation	1 Month (< 100 Workman)	3 Months above 100	Remark
Terms of Notice Pay as per appointment letter	One month Notice of Payment	Three Month notice or Payment	
Retrenchment calculation	$7 \times (20000/2) = 70000$ Rs.	$7 \times (20000/2) = 70000$ Rs.	15 days' pay for every completed year. The period of 6 months or excess thereof will be considered as full year. Eligible after completion of one year.
Bonus for 2018-2019	If 8.33% - 9610 Rs.	If 10% - 11536 Rs.	If 20% - 23072 Rs.
Bonus for 2019-2020	If 8.33% - 333 (for May'19 only)	If 10% - 399 (for May'19 only)	If 20% - 799 (for May'19 only)
Leave (If any)	Gross Salary 20000	Per Day -769 Rs.	Means – 769 Rs. / 1 leave
Gratuity	Basic + DA – 12500	50,481 Rs. – for 7 Years	$(12500/26)*15*7$



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Frequently Asked Questions

❑ What are the different categories of Industrial Disputes?

- The Second Schedule of the Industrial Dispute Act deal with matters within the jurisdiction of Labour Courts which fall under the category of rights disputes. Such disputes are as follows:
 - The propriety or legality of an order passed by an employer under the standing orders; The application and interpretation of standing orders which regulate conditions of employment.
 - Discharge or dismissal of workmen including reinstatement of, or grant of relief to, workmen wrongfully dismissed;
 - Withdrawal of any customary concession or privilege;
 - Illegality or otherwise of a strike or lock-out; and
 - All matters other than those specified in the Third Schedule.



Frequently Asked Questions

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- The Third Schedule of the Industrial Dispute Act deals with matters within the jurisdiction of Industrial Tribunals which could be classified as Industrial Disputes. These are as follows:-

<u>Particulars</u>	
▪ Wages, including the period and mode of payment	▪ Provident fund and gratuity
▪ Compensatory and other allowances	▪ Shift working otherwise than in accordance with standing orders
▪ Hours of work and rest intervals	▪ Classification by grades
▪ Leave with wages and holidays	▪ Rules of discipline
▪ Bonus	▪ Rationalization
▪ Profit sharing	▪ Retrenchment of workmen and closure of establishment



Frequently Asked Questions

- ❑ **What is the termination process under Industrial Dispute Act? How can I conduct inquiry?**
 - Termination procedure is mentioned under Standing order and not in Industrial Dispute act. Industrial Dispute act has provision for retrenchment.
- ❑ **What are the latest updates in Industrial Dispute Act?**
 - Wage ceiling of the workers revised from 1600 to 10,000.
 - Grievance Redressal Machinery (GRM) within industrial establishment having 20 or more workmen.
- ❑ **What is the process of Collective Bargaining and Settlement?**
 - Collective Bargaining is the negotiation process between union represent employees and employer.



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Frequently Asked Questions

❑ Explain the unitary perspective of IR from employer point of view

- Broadly it falls under Moderate level due to external involvement for Union. Too much interference of law in operational activity. Exceptional power to employees for strike.
- It could be a good tool for the negotiation for management and worker.
- With this Act, management cannot suppress workers benefits.

❑ Is it mandatory to give Workmen's Compensation Policy, Medical Insurance, Life Insurance to employees? What is the applicability according to industry?

- All establishments with more than 20 employees, having a Workmen's Compensation Insurance is mandatory to have insurance benefits for workers or employees as per the Employees' State Insurance Act, 1948.
- Section 53 of the Employees State Insurance Act, 1948 debars the insured employee to receive any compensation under any other Law



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History of Industrial Dispute Act 1947

Applicability and Provisions

Definition, Frequently Asked Questions

Points to be Checked in Salary Register



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Important point to be remember:

- We cannot pay same amount to all. Make it variable and specific class of employees as supreme court judgement has specific word “universal”.
- We cannot pay certain amount to all.
- No reduction in Basic and DA. And total of Basic and DA should be 60-70% of gross wage for below 15,000 gross salaries.
- In all cases salary under Basic and DA should be paid. We should not ignore DA in any salary structure
- Make sure PF liability should not significantly shoot up
- Payment of heads should support MIS we have prepared for Children/Home distance and accordingly we will pay salary. In no case we will pay children allowance to employee without kids

Thank You.....!!!

And looking forward to help you
achieve your goals...!!!



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