

## INDUSTRIAL DISPUTE ACT

Industrial dispute act was passed in 1947. The act makes provisions for settlement of Industrial disputes between employees and employers. The main object of this act is to secure industrial peace by settling the industrial disputes through negotiations and conciliation.

**LAY-OFF** – Lay off means failure, refusal or inability of employer, on account of shortage of coal, power, raw-material, accumulation of stock, breakdown of machinery or for any other reason to continue to employ in his industry the workers whose names are borne on the muster-rolls and who have been retrenched.

**STRIKE** – Strike means refusal to work under a common understanding of any number of workers. It is a weapon of the workers to compel the employer to accept their demands.

**LOCK-OUT** – means (a) closing of a place of employment,  
(b) suspension of work, or  
(c) refusal to continue the employment of any number of persons employed.

The lock-out indicates the closure of the place of business and not the closure of the business itself. Experience has shown that the “**Lock-out**” is the weapon of employer to compel the employees to accept his proposal, in reply of a strike; while the “**strike**” is the weapon of the employees, to compel the employer to accept their demand.

**CLOSURE** – In case of “closure” employer closes the business, and thus closure means final and irrevocable termination of business itself.

**INDUSTRIAL DISPUTE** – Industrial dispute means any dispute or difference between:

- (i) Employers and Employees.
- (ii) Employer and Workman or
- (iii) Workman and Workman

and which is connected with the **employment** or **non-employment** or the **condition of labours**.

## AUTHORITIES UNDER INDUSTRIAL DISPUTE ACT

### WORKS COMMITTEE

Any industry in which 100 or more workers are employed or have been employed on any day in the preceding 12 months, has to constitute a works committee. This committee consists of the **representatives of employers** and **representatives of workers**, but the number of representatives of the employer should not be more than that of workers.

Main duty of works committee is to promote the measures for securing and preserving amity and good relations between the employers and workers.

### CONCILIATION OFFICERS

Conciliation Officers are appointed by the State Government for the industries in a specified area permanently or for a limited period. Main duty is to mediate in the settlement of Industrial dispute.

#### **BOARD OF CONCILIATION**

A board of conciliation is constituted by the State Government by notification in Official Gazette. It consists of Chairman and two or four other members. Chairman is an independent person and other members are persons appointed in equal members to represent the parties of the dispute. The duty of the board is to promote the settlement of an industrial dispute.

#### **COURTS OF ENQUIRY**

The courts of enquiry are also appointed by the State Government by notification in the Official Gazette, to inquire into any matters appearing to be connected with industrial dispute.

#### **LABOUR COURTS**

State Government constitutes labour courts for the adjudication of industrial disputes for any matter specified in the second schedule.

#### **INDUSTRIAL TRIBUNAL**

State Government may also constitute one or more industrial tribunals for the adjudication of industrial disputes. The tribunal adjudicates the industrial disputes relating to any matter in the second schedule (jurisdiction of labour courts) or third schedule.

#### **NATIONAL TRIBUNAL**

Central Government may constitute one or more National Industrial Tribunals for adjudication of industrial disputes involving any question of national importance.

### **WORKMEN'S COMPENSATION ACT**

The Workmen's Compensation Act 1923 came into force on 1<sup>st</sup> July 1924. Workmen's Compensation Act provides compensation to certain categories of workers for the loss of workers capacity due to accident. This act prevents the exploitation of workers in case of payment of compensation. It safeguards the workers and their families in case of death or disablement of workers arising from accident. The object of awarding compensation is to replace the actual loss suffered by the worker.

#### **APPLICATION OF THE ACT**

The act applies to all workers employed in Railways, Factories, Mines, Mechanically propelled vehicles, Construction work and other hazardous occupations except for persons employed in clerical or administrative capacity or in armed forces.

Employer's liability for compensation : If a personal injury is caused to the workman by accident arising out of and in the course of his employment, his employer shall be liable to pay compensation in accordance with the provisions of this act.

Provided that the employers shall not be liable :

- (a) in respect of any injury which disables the workman for a period less than three days.
- (b) In respect of any injury not resulting in death caused by an accident which is directly attributed to:
  - (i) the workman was under the influence of drink or drug.
  - (ii) willful disobedience of the safety rules.
  - (iii) willful removal or disregard of the safety award.

But if the worker dies of an accident due to the above reasons, the employer has to pay the compensation.

## **PAYMENT OF WAGES ACT 1936**

The act regulates the payment of wages to certain classes of persons employed in industry.

### **DEFINITIONS:**

1. **Industrial establishment** means any
  - (i) Motor transport service carrying passengers or goods or both on hire.
  - (ii) Air transport, (iii) Water transport, (iv) Mines or oil field
  - (v) Workshops where articles are produced with a view to their use, transport or sale.
  - (vi) Establishments such as construction, development and maintenance of (i) buildings, (ii) Road, (iii) Bridges, (iv) Generals generation, transmission and distribution of electricity etc.
2. **Wages** means all remuneration expressed in terms of money payable to person, while in employment and includes:
  - (i) Basic wages (ii) Dearness allowance
  - (iii) Bonus (iv) Payment under any award or order of a court.
  - (iv) Overtime allowance (vi) Leave salaryIt will not include:
  - (i) The value of any housing accommodation, supply of light, water, medical facilities and other amenities of life specified by the State Government.
  - (ii) Travelling allowance.
  - (iii) Employer's contribution to pension or provident fund.
  - (iv) Gratuity etc.

### **DEDUCTIONS:**

1. Every payment made by the employed person to the employer or his agent shall be deemed to be a deduction from wages.

2. Any loss of wages resulting from the imposition of following penalties on a person shall not be considered as “Deduction of Wages” provided there is a good and sufficient cause for imposing these penalties.
  - (a) Withholding of increment or promotion.
  - (b) Reduction to a lower post or lower stage.
  - (c) Suspension.
3. Only authorized deductions are allowed from the wages of an employee. Deductions may be in the form of –
  - (a) Fine
  - (b) Absence from duty
  - (c) Damage or loss of goods entrusted to the employed persons, where such damage or loss is directly attributed to neglect or default.
  - (d) Rent towards house accommodation supplied by the employer.
  - (e) Income tax deductions
  - (f) Recovery of advances and loan given to the employees.
  - (g) ESI deduction
  - (h) For amenities and services supplied by the employer.
  - (i) Provident fund.

**FINES:**

1. No fine shall be imposed until the employed person has been given an opportunity of showing the cause against the fine.
2. The total amount of fine shall not exceed an amount equal to thirty second part of the wages payable to him.
3. No fine shall be imposed on any employed person who is under the age of fifteen years.
4. No fine shall be recovered by installments or after the expiry of sixty days from the day on which it was imposed.
5. The recovery of all fines must be entered in a prescribed register. The money of the fines fund can be used only for the benefit of the workers subject to the approval of the prescribed authority.

## **The Employee’s State Insurance Act, 1948**

The employee’s state insurance act was passed in 1948. This Act provides for certain benefits to employees of a factory, in case of sickness, maternity and employment injury and makes provisions for certain other matters. It was experienced that in many cases the benefits provided to the workers under the Workmen’s Compensation Act, 1924 did not reach them. This was due to the following reasons:

1. The Workmen’s Compensation Act did not cover many diseases.
2. It involved much delay in payment of compensation.

In many cases it is difficult to prove that the accident occurred due to the negligence on the part of employer. With a view to remove these defects in the Workmen' Compensation Act, the Government of India passed the Employee's State Insurance Act in 1948.

**The Scope of the Act:** The act applies to all factories running with power and employing 20 or more persons except seasonal establishments. This act extends to whole of India, except Jammu and Kashmir.

**Contribution:** The Act makes provision for creation of fund called Employee' State Insurance Fund. Contribution towards raising the fund is mainly from the employer and employees of the undertaking. The Central and State Govt. also give grants and donations to the State Insurance Fund.

**Benefits:**

1. **Sickness Benefit:** For sickness, cash benefit is available to an insured person for a period of 56 days in a year at the rate of roughly 50% of the average daily wages. An insured person is entitled to sickness benefit only if his sickness is certified by a duly appointed medical practitioner.
2. **Maternity Benefit:** An insured woman employee is entitled to periodical payment in case of confinement or sickness arising out of pregnancy. These benefits are granted for 12 weeks.
3. **Disablement Benefits:** An insured person suffering from disablement as a result of injury in the course of employment is entitled for disablement benefits. Disablement benefits vary according to the nature of injury.
4. **Dependents Benefits:** If the insured person dies as a result of an injury his dependents are entitled to get benefits.
5. **Medical Benefits:** An insured person or his family are entitled to medical treatments if necessary.
6. **Funeral Benefits:** In the event of death of insured employee the expenditure on his funeral can be claimed. An amount of Rs.100 is payable to the eldest surviving member of the family or such person who actually incurs funeral expenses.