



Aatma Capital  
Nurturing Relationships

# Industrial Relations Code, 2020 Part I

CS Meenakshi Jayaraman

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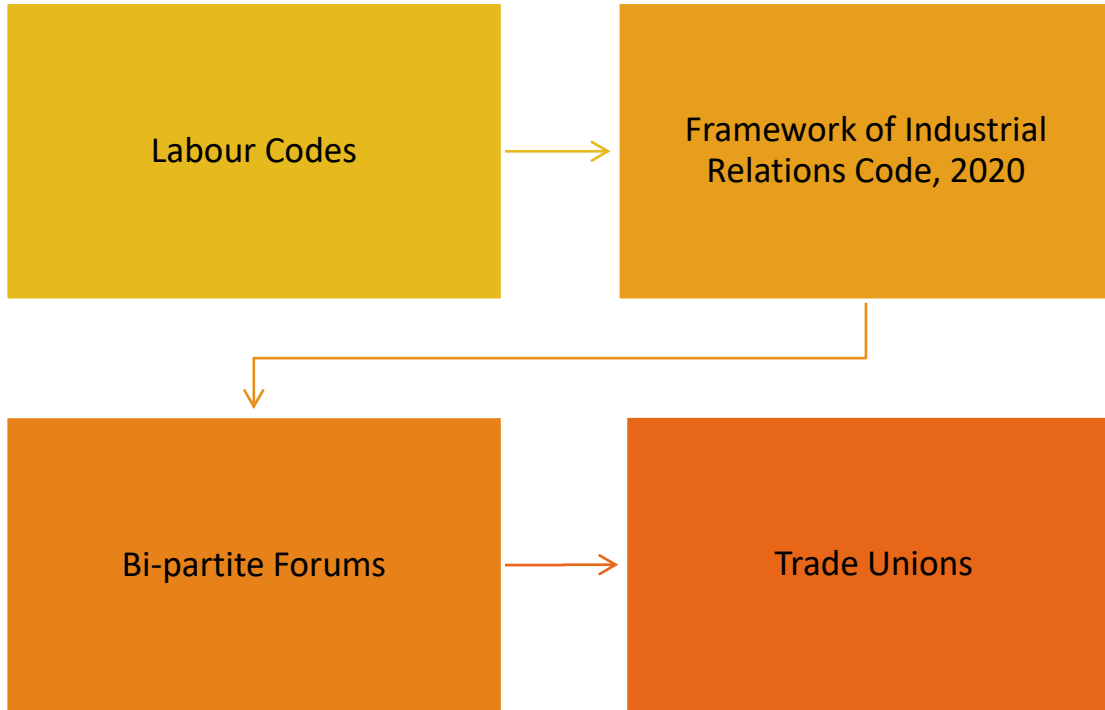
## Credits and Acknowledgments

Iswariya BS

## Legends used in the Presentation

Code	Industrial relations code
CG	Central Government
GRC	Grievance Redressal Committee
MD	Managing Director
SG	State Government
TU	Trade Union

# Presentation Schema



# Labour Codes

To consolidate and amend various laws into one single code - Labour Code

To minimise the burden of employer from complying with various Acts and thus to reduce the due diligence work of the authorities

To facilitate ease of doing business

To amend the erstwhile laws to meet the requirements of today's world

To replace multiple registrations, licenses into one

# Statutes repealed

Factories Act, 1948

Mines Act, 1952

Contract Labour (Regulation & Abolition) Act,  
1970

Inter-state Migrant Workmen (Regulation of  
Employment & Conditions of Service) Act,  
1979

Plantation Labour Act, 1951

Building and other Construction Workers Act,  
1996

Dock Workers (Safety, Health & Welfare) Act,  
1986

Sales Promotion Employees Act, 1976

Motor Transport Workers Act, 1961

Working journalist and other news papers  
employees Act, 1955

Working journalist (Fixation of rates of  
wages) Act, 1958

Beedi and Cigar Workers (Conditions of  
Employment) Act, 1966

Cine Workers and Cinema Theatre Workers  
Act, 1981

# **Framework of Industrial Relation Code, 2020**

Lok Sabha passed  
the bill on 22<sup>nd</sup>  
September, 2020

Rajya Sabha passed  
the bill on 23<sup>rd</sup>  
September, 2020

Received  
President's assent  
on 28<sup>th</sup> September,  
2020

Industrial Relation Code, 2020 is an Act to consolidate and amend all laws relating to trade union, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial disputes and for matters connected therewith / incidental thereto

Applicability of the code - To whole of India



# Chapters of the Act

I- Preliminary

II- Bi-partite Forums

III- Trade Unions

IV- Standing Orders

V- Notice of change in conditions of service

VI- Voluntary reference of disputes to arbitration

VII- Mechanism for resolution of Industrial disputes

VIII- Strikes & lock-outs

IX- Lay-off / Retrenchment / closure

X- Special provisions relating to the above in certain establishments

XI- Worker re-skilling fund

XII- Unfair labour practices

XIII- Offences & penalties

XIV- Miscellaneous

# Definitions

**Employer** means a person who employs any person, on his behalf / on behalf of any person, in his establishment and where the establishment is carried on by any department of CG / SG, the authority specified by the head of the department in this behalf / where no authority is so specified, the head of the department, and in relation to an establishment carried on by a local authority, the chief executive of that authority, and includes,—

- (i) in relation to an establishment which is a factory, the occupier of the factory and where a person has been named as a manager of the factory
- (ii) in relation to any other establishment, the person who / the authority which has ultimate control over the affairs of the establishment and where the said affairs are entrusted to a manager / MD, such manager / MD
- (iii) contractor and
- (iv) legal representative of a deceased employer

**Industry dispute** means any dispute / difference between employers and employees / between employers and workers / between workers and workers which is connected with the employment / non-employment / the terms of employment / with the conditions of labour, of any person and includes any dispute / difference between an individual worker and an employer connected with / arising out of discharge, dismissal, retrenchment / termination of such worker

# Contd.

**Industrial establishment / undertaking** – in which any industry is carried on. Where several activities are carried on in an establishment and only one / some of such activities is / are an industry/ies, then –  
if unit carrying on such activity is severable from other units, such unit and  
if it is not severable, the entire establishment will be deemed to be industrial establishment / undertaking

**Trade Union** means any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workers and employers or between workers and workers, or between employers and employers, or for imposing restrictive conditions on the conduct of any trade or business, and includes any federation of two or more Trade Unions

## Chapter II- Bi-partite Forums



Works Committee

**Applicability:** If  $\geq 100$  workers are employed / have been employed in any day of preceding 12 months

**Authority to make general / special order:** Appropriate Government may require the employer to constitute the Committee

**Composition:** Representative of employers and workers engaged in the establishment  
 \*Condition: Representatives of workers should not be  $<$  Representatives of employer

**Selection of Representative of Workers:** If the establishment has any Trade Union (TU), it has to be consulted

**Rationale for Works Committee:** To promote measures for securing and preserving amity and good relations between the employer and workers and to comment on matters of their common interest / concern and endeavour to compose any material difference of opinion

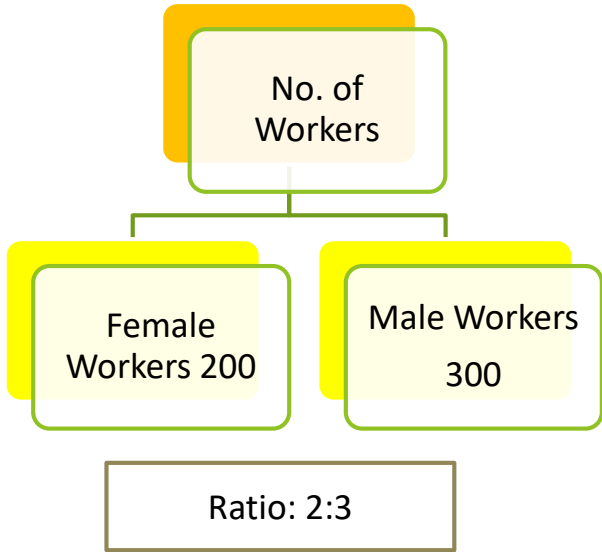
Grievance Redressal Committee (GRC)

**Applicability:** > 20 workers are employed

**Rationale for GRC:** For resolving disputes arising out of individual grievances

**Composition: Maximum: 10** - Representative of employer = Representative of workers  
- Must involve adequate representatives of women workers

# Illustration



Assume the GRC has 10 members

5 members – representing employer

5 members – representing workers

Out of 5 representatives, at least 2 shall be women workers

# Contd.

↳ **Selection of Chairperson:** Representative of employer and workers alternatively on rotational basis every year.

- ↳
- **Procedure for filing any dispute:**
  - Aggrieved worker shall file an application within 1 year from the date on which cause of action of such dispute arises
  - Within 30 days of application, GRC has to complete the proceedings
  - Decision will be based on the majority view of the Committee

↳

- **Conciliation:** Aggrieved by the decision of GRC or where it is not resolved, worker can file an application for conciliation through TU within 60 / 30 days respectively

↳

- **Application to Tribunal:** Within 1 years from the date on which cause of action to the dispute arises and after the expiry of 45 days from the date of making an application to the Conciliation officer of the Appropriate Government



# Illustration

Assume the GRC has 10 members

5 members – representing  
 employer

5 members – representing  
 workers

**Condition 1:** Decision has to  
 be based on the view of  
 majority

**Condition 2:** More than  $\frac{1}{2}$  of  
 the members representing  
 workers must agree to the  
 decision

**Scenario 1:**

No. of persons having the same view = 7  
 No. of members representing workers = 3  
 Decision will be agreed

**Scenario 2:**

No. of persons having the same view: 6  
 No. of members representing workers = 1  
 No decision arrived by GRC

# Comparison

Particulars	Works Committee	Grievance Redressal Committee
No. of workers	≥ 100 workers	≥ 20 workers
Committee	1 committee to be constituted	1 or more GRC can be constituted
Provision for chairperson	No such provision	Chairperson will be the representative of worker / employer – rotational basis
Applications for Conciliation and Tribunal	-	Worker can make applications
Composition of Committee	Members representing workers can be more than the members representing employers	Composition of representatives shall be equal

## Chapter III - Trade Unions

Respective **SG has power to appoint and prescribe duties** for Registrar of TU and other persons as additional, joint and deputy registrar of TU who shall be deemed to be the Registrar for the purpose of the code

## Requirements for registration of TU

**Composition:** Any 7 / more members\* may by subscribing their names to the rules of TU and by otherwise complying with the provisions of the Code can apply for registration

\*Trade union of workers shall not be registered unless at least 10% / 100 workers (whichever is less) is employed / engaged in the industrial establishment as members of TU on the date of application

This composition shall be maintained at all time

**Application shall not be invalid:** After making application and before registration, if not more than  $\frac{1}{2}$  of the total number of persons applied have ceased to be members of TU / given notice to Registrar for dissociating themselves from the application

Name, objects, utilisation of general fund, members list, inspection of members list, admission of ordinary members, subscription amount, benefits, fines, meetings, election of officers, safe custody of funds, annual audit etc. has to be **provided in the constitution / rules of TU**

## Applications to Registrar

Every application shall be accompanied by a **declaration, rules and resolutions**. If the **TU is a Federation / Central Organisation**, resolutions adopted by members of each members has to be submitted

If **TU is in existence > 1 year** before making application for registration - a statement of assets and liabilities also be annexed

Registrar may call for **additional information and require alteration of the name of TU** if it is identical / nearly resembles an existing name of TU and he shall refuse registration until such alteration is made

# Registration of TU

On satisfying the requirements, Registrar will register the TU by entering in a register and issue a **certificate of registration** (conclusive evidence)

TU's registered under TU Act, 1926 having valid registration will be **deemed to be registered under this Code** if, it submits a statement that it is constituted in accordance with the Code

TU shall be a **body corporate** with perpetual succession & common seal to acquire and hold properties and to sue and be sued in its name

# Cancellation of registration of TU

On voluntary application by TU\* /  
Any contravention by the TU /  
If composition of TU is not in accordance with the Code – the Registrar shall  
withdraw / cancel registration (60 days previous notice stating the grounds of such  
action shall be given by Registrar to TU)

\*No notice will be sent

Registration shall also be cancelled by the order of Tribunal

# Appeal to Tribunal




## When a TU can go for appeal?

Refusal for registration / Cancellation of registration



## Appeal after the limitation period

Tribunal may entertain such appeal on showing sufficient reasons for delay



Parties concerned will be given opportunity of being heard before passing any order and Tribunal will forward a copy of order to the Registrar



# Communication

From  
Registrar  
to TU

Communications and notices shall be sent to the **Head office address** as entered in the register maintained by the Registrar

From TU  
to  
Registrar

Where **composition of TU** falls below the statutory threshold or for any **change in the particulars** since the time of registration shall be informed to the Registrar

# Non-applicability of Acts

Following Acts shall not be applicable to a registered TU

Societies Registration Act, 1860

Co-operative Societies Act, 1912

Multi State Co-operative Societies Act, 2002

Companies Act, 2013

Any other corresponding law relating to co-operative societies for the time being in force in any State

Registration of TU under the Acts shall be void

# Negotiating Union / Council

For negotiating with the employer on such matters-

- **Industrial establishment having 1 TU:** Employer must recognise such TU as the sole negotiating union of workers
- **> 1 TU registered under this Code:** TU having 50% / more workers on the muster roll shall be recognized as the sole negotiating union of workers
- **> 1 TU-** If no TU has 50% / more workers, employer shall constitute a negotiating council consisting of representatives of TUs which have the support of not less than 20% of total workers on the muster roll of the industrial establishment and such representation shall be 1 representative for each 20% and for the remainder after calculating the membership on each 20%

**Term:** 3-5 years from the date of recognition / constitution  
Facilities shall be provided to the negotiating union / council



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