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# Indian Labour Laws and Dispute Resolution

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## ABSTRACT

*Labour laws, or employment laws, concern the relationships among trade unions, employers, and employees. They outline the key areas of interaction between the parties involved, including working conditions, wages, safety standards, and mechanisms for resolving complaints. In India, labour law tends to branch into protective and regulative laws. Protective labour laws, as implied by the term, protect the worker with regard to health, safety, welfare and rights; while regulative laws deal with matters of conduct of trade unions industrial relations and conflict moderation. Within this framework, the governing mechanisms are experienced through acts such as the Industrial Disputes Act 1947, Minimum Wages Act 1948 and Factories Act 1948. The Emergence of Labour law in India can be traced to the colonial period, when various legislations were enacted like the "Apprentice Act, of 1850, the Factories Act, of 1883," etc and then back ceased all these through the Code of Social Security. It is also important to note that, there is a different distribution of responsibilities in enforcement of labour laws by state and central government, which also constitutes the intricate nature of Indian labour law. Additionally, organizations in the Public Sector such as ONGC, SAIL, and SBI are subjected to certain legislative provisions and in-house committees in dealing with issues of discipline and employment and adhere to laws governing manpower.*

**Keywords:** *Industrial Disputes Act, 1947, Protective Labour Laws, Regulative Labour Laws, Grievance Redressal Mechanism, Public Sector Undertakings (PSUs).*

## I. INTRODUCTION

Labour laws, or employment laws, form part of the significant rules of legislation that govern the trinity of the relationship between trade unions, employers, and employees. The standards followed encompass terms of employment, conditions of work, wages, health and safety, and rights of the employee towards grievances or redress. Labour laws are essential to ensure fair treatment and protect the rights of workers while creating a balanced industrial environment that promotes harmony between management and the workforce.

Labour law in India can be broadly classified under two main categories:

1. Protective Labour Laws: Protective labour laws focus on health, safety, rights, and

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welfare of the workers. The process is by setting standards regarding working hours, conditions, and safety conditions which serve as a guard to continue protecting workers from unequal treatment, thereby addressing their well-being.

2. **Regulative Labour Laws:** This type encompasses the structure and patterns of trade unions in an organization to establish some forms of conduct in industrial relations and procedures for settling disputes. Regulative labour laws aim at bringing more openness, reducing conflicts at work place and keeping smooth going of industrial operations.

Indian labour laws are ruled by several key statutes related to specific areas of employment. Under the Industrial Disputes Act of 1947, frameworks are established regarding management of industrial conflicts and terminations of employees. The minimum wages act of 1948 outlines wage standards to protect workers against low wages and provides the stipulation for working conditions with the Factories Act of 1948, whereby this guarantees safety and health at work. The two together help build an integrated package that would balance employers' rights and employee rights, paving the way for a more balanced and productive workplace.

## **II. HISTORY**

In India labour laws have a very long history starting at the time of the colonial period where is started with the first act:

**Apprentice Act of 1850:** This act allowed orphans to find work when they turned 18.

**Factories Act of 1883:** This act was passed by the British Parliament to increase the cost of Indian labour and protect the interests of British employers. It established an 8-hour work day, outlawed child labour, and restricted women from working at night.

**Trade Dispute Act of 1929:** This act regulated the relationship between employers and workers, and gave workers the right to form unions and bargain collectively.

**Child Labour (Prohibition and Regulation) Act of 1976:** This act was passed by parliament to end child labour.

**Code on Social Security:** This code replaced multiple acts, including the Employees Provident Fund Act, of 1952, the Employees State Insurance Act, of 1948, and the Maternity Benefit Act, of 1961.

The Apprentice Act of 1850 made it possible for orphans to get employment upon reaching the age of 18.

The British Parliament passed the Factories Act of 1883 in order to raise the price of Indian

labour and safeguard the interests of British businesses. It prohibited child labour, set an 8-hour workday, and prohibited women from working at night.

The Trade Dispute Act of 1929 granted workers the ability to organize unions and engage in collective bargaining, while also regulating the interaction between companies and employees.

To put a stop to child labour, the parliament established the Child Labour Act of 1976.

The Employees Provident Fund Act of 1952, the Employees State Insurance Act of 1948, and the Maternity Benefit Act of 1961 were all superseded by the Social Security Code.<sup>2</sup>

### **III. APPRENTICES ACT, 1961**

The main purpose of this act is to provide technical and practical experience to qualified persons in various trades.

The Act applies to areas and industries as notified by the Central government. [Section 1(4)]

There is one schedule with a total of 38 sections. This Schedule discusses changes to the Workers' Compensation Act of 1923 that affect apprentices under the Apprentices Act of 1961.<sup>3</sup>

#### **(A) Employer's Responsibility:**

- Every employer is required to offer apprentice training in their trade in alignment with the stipulations of this Act and the regulations established thereunder.
- If the employer lacks qualifications in the trade, he must guarantee that an individual who holds the required qualification is assigned to oversee the apprentice's training.
- Every employer must supply sufficient instructional personnel who have the necessary qualifications such as may be assigned to provide practical and theoretical education and resources for trade examination of trainees; and
- Every employer is required to accept apprentices in a specified proportion to the skilled worker's employees under his supervision in various occupations. [Section 11].
- In each trade, there will be allocated positions for scheduled castes and scheduled tribes (Section 3A). The proportion of trade apprentices to workers will be established by the Central Administration.
- An employer may hire a greater number of apprentices than the specified minimum.

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<sup>2</sup> PPT on "Labour Laws in India," SLIDESHARE (2013), <https://www.slideshare.net/slideshow/ppt-on-labour-laws-in-india/18061403>.

<sup>3</sup> Apprentices Act, 1961 | Bare Acts | Law Library | AdvocateKhoj, <https://www.advocatekhoj.com/library/bareacts/apprentices/4.php?STitl=&Title=Apprentices+Act%2C+1961>

[Section 8(1)].

- The employer is required to organize practical training for the apprentice [Section 9(1)].
- The employer will provide stipends to apprentices at designated rates. If the workforce is smaller than 250, 50% of the expense is covered by the Government. If an employer has more than 250 employees, he must absorb the entire expense of training.

**(B) Duties of Apprentices:**

- Each trade apprentice participating in apprenticeship training is required to fulfil the following responsibilities, specifically:
  - To study his craft with dedication and effort and strive to become a competent professional artisan prior to the conclusion of the training period;
  - To consistently participate in practical and instructional sessions;
  - To execute all legal directives from his employer and higher authorities within the establishments; and
  - To fulfil his responsibilities according to the apprenticeship agreement.

In addition to the aforementioned duties, the Act requires graduates, technicians, and vocational apprentices to complete engineering, technology, or vocational courses in their field. (Section 12)

Who is eligible to be an apprentice? An apprentice must be at least 14 years old and meet the required levels of education and physical health. (Section 3)

Contractual terms and conditions: Terms and conditions may be included in the contract if both parties agree to them. The terms and conditions of every contract pertaining to that category of apprentices and existing immediately prior to the making of such a rule shall be deemed to have been modified accordingly in the event that the Central Government, after consulting the Central Apprenticeship Council, makes any rules altering the terms and conditions of apprenticeship training for any category of apprentices undergoing such training.

Novation of apprenticeship contract: In the event that an employer is unable to carry out his end of the bargain, and with the Apprenticeship Adviser's approval, an agreement is reached between the employer, the apprentice or his guardian, and any other employer that the apprentice will be employed as an apprentice under the other employer for the remaining portion of the apprenticeship training period. This agreement, once registered with the Apprenticeship Adviser, will be considered the apprenticeship contract between the apprentice or his guardian

and the other employer. The contract with the first employer will end on the day of registration, and no obligations under it will remain enforceable (Section 5).

**Termination of contract:** The apprenticeship training contract will end upon the completion of the apprenticeship duration instruction. Either party may submit a request for contract termination to the Apprenticeship Adviser and subsequently forward a duplicate of the same to the other party, who upon being convinced that the parties have not fulfilled the terms and conditions of the contract, and it is preferable for the sake of the parties or any of them wishing to end the contract, must record the same. Nonetheless, the employer will provide the specified sum of compensation to the apprentice when the contract is dismissed due to the employer's inability to uphold the contract. In which location the contract exists terminated due to the apprentice's failure, he or his guardian is required to reimburse the cost of the education for the employer.

**Legal Position of Apprentices** - An apprentice is not a workman during apprentice training. (Section 18) Provisions of labour law like Bonus, PF, ESI. Act, gratuity, Industrial Disputes Act etc. are not applicable to him. However, provisions of the Factories Act regarding health, safety and welfare will apply to him. "An apprentice is also entitled to get compensation from the employer for employment injury. (Section 16). An employer is under no obligation to employ the apprentice after completion of the apprenticeship. (Section 22(1)). However, in *UP State Road Transport Corpn v. UP Parivahan Nigam Shishukh Berozgar Sangh AIR 1995 SC 1114 = (1995) 2 SCC 1*, it was held that other things being equal, a trained apprentice should be given preference over direct recruits. It was also held that he need not be sponsored by the employment exchange. The age bar may also be relaxed, to the extent of the training period. The concerned institute should maintain a list of persons already trained and in between trained apprentices, preference should be given to those who are senior. – same view in *UP Rajya Vidyut Parishad v. State of UP 2000 LLR 869 (SC)*.”<sup>4</sup>

### **(C) Disputes under contract and settlement thereof:**

According to Section 20 of the Apprentices Act, the method for addressing disputes stemming from the terms and conditions of a contract includes a systematic hierarchy of resolution to guarantee an equitable process.

When a conflict emerges between the parties involved in an apprenticeship agreement—usually the employer and the apprentice—the subsequent actions are taken:

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<sup>4</sup> Uncategorized, ENCYCLOPEDIAOFWORLD, <https://encyclopediaofworld.wordpress.com/category/uncategorized/>.

1. Referral to the Apprenticeship Adviser: The first step towards addressing any disagreement outlined in this subsection is the referral of the matter to the Apprenticeship Adviser. The Apprenticeship Adviser is a competent person appointed in accordance with the provisions of the Act to oversee and enforce the provisions of the apprenticeship system. The Advisory has the right to hear both parties, assess the situation based on the contract and the law and issue a decision.
2. Appeal Procedure: In case one of the parties – the employer or the apprentice is dissatisfied or aggrieved with the decision made by the Advisor, it has the right to appeal. This appeal should be filed within 30 days from the date of the reminding the party of the Advisor's decision. The appeal is made to the Council on Apprenticeship which is a body that oversees the implementation and control of apprentice programs.
3. A hearing by the Committee assigned: Once the appeal is made there's a committee which will be formed by the Council on Apprenticeship to look into the appeal and resolve it. This Committee, which comprises other members designated for this purpose, re-evaluates the issue with the help of all relevant facts, data, and court rulings. The Committee's role is to ensure that the dispute is resolved fit and proper within the confines of the law.
4. Finality of decision made: The decision reached by the Committee of the Council on Apprenticeship shall be the ultimate decision. No further appeals shall be lodged with regard to the dispute thereby conclusively effective rendering every respective dispute resolution scheme within the system. This provision on finality of decision seeks to eliminate doubt as to the outcome of the decision in order to avert the recurrence of prolonged legal battles with a view to enhancing the resolution mechanism.

#### **(D) Violations and Punishments (Section 30)**

- (1) If any employer - (a) employs someone as an apprentice who is not eligible for that role, (b) does not fulfil the terms and conditions of an apprenticeship contract, or (c) violates the sections of this Act concerning the number of apprentices that he must have to participate under those regulations, he shall face imprisonment for a duration which may extend to six months, impose a fine, or both.
- (2) If any employer or another individual - (a) obligated to provide any information or report –
  - (i) declines or overlooks providing such information or return, or
  - (ii) provides or enables the provision of any information or return that is incorrect and that he

either knows or considers to be untrue or does not accept as true, or (iii) declines to respond, or provides a misleading answer to any inquiry essential for acquiring any data needed to be provided by him, or

(b) denies or intentionally fails to provide the Central or State Apprenticeship Adviser or such another individual, not lower than the position of an Assistant Apprenticeship Adviser, as may be permitted by the Central or State Apprenticeship Adviser in writing regarding this any appropriate facility for conducting any entry, inspection, review, or investigation permitted by or pursuant to this Act, or

(c) mandates an apprentice to perform overtime without the consent of the Apprenticeship Adviser, or

(d) hires an apprentice for any tasks unrelated to his training, or

(e) compensates an apprentice based on piecework, or

(f) requires an apprentice to take part in any output bonus or incentive scheme, he shall be punishable with imprisonment for a term which may extend to six months or with a fine or with both.

Penalty where no particular penalty is stated (Section 31) - If any employer or any other individual violates any stipulation of this Act that lacks a penalty outlined in Section 30, he shall be subject to a penalty of a fine no less than one thousand rupees, which may go up to three thousand rupees.

### **(E) Offenses by company (Section 32)**

If the individual committing an offence under this Act is a corporation, each person who, at that moment the crime was perpetrated under the authority of, and was accountable to, the firm for the behavior of the company's business, as well as the company itself, will be considered responsible for the offence and will be subject to legal action and punished accordingly:

As long as nothing in this sub-section makes any such person accountable to such penalties outlined in this Act may be waived if he demonstrates that the offence occurred without his awareness or that he took all necessary precautions to avoid the occurrence of such an offence.

Regardless of any provisions in sub-Section (1), if an offence under this Act has been carried out by a company, and it has been demonstrated that the wrongdoing occurred with approval or collusion of, or is due to any carelessness on the part of, any director, manager, secretary, or any other officer of the company, including a director, manager, secretary, or other officer, shall likewise be considered guilty of that offence and shall be subject to prosecution and punishment



as a result.

Clarification: For the intents of this Section, - (a) "company" refers to a corporate entity and encompasses a company or another group of people; and

(b) The term "director" concerning a firm refers to a partner within the firm.<sup>5</sup>

#### **IV. PSUS AND LABOUR LAWS**

Public sector undertakings are the companies which are owned by either the central government, state government or both. The government then classifies it as Central PSUs or State PSUs depending upon which government has at least 50% of the paid-up share capital and has the power to appoint a majority of directors, and board members and control the management. PSUs are also known as statutory corporations, nationalized corporations, and government-owned businesses.

Key labour laws applicable to PSUs include:

1. Industrial Disputes Act, 1947 (ID Act): Regulates dispute resolution, layoffs, retrenchments, and termination of employees.
2. Contract Labour (Regulation and Abolition) Act, 1970: Controls the conditions of employment for contract labour used by PSUs.
3. Payment of Wages Act, 1936: Ensures timely wage payments and prevents unauthorized deductions.
4. Employees' Provident Funds and Miscellaneous Provisions Act, 1952: Provides social security benefits such as provident fund, pension, and insurance for employees.
5. Employees' State Insurance Act, 1948: Offers medical and cash benefits to employees and their families.

##### **(A) Internal Committees for Addressing Termination and Disciplinary Matters in Public Sector Undertakings:**

In Public Sector Undertakings (PSUs), the emergence of disciplinary concerns, especially those that may lead to contract termination, typically necessitates the formation of internal committees. These committees are established to uphold principles of fairness, transparency, and legal compliance throughout the process. Commonly referred to as Disciplinary Committees or Internal Disciplinary Panels, these bodies operate in accordance with the

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<sup>5</sup> NHRC Book Disability, DOCSHARE.TIPS, [https://docshare.tips/nhrc-book-disability\\_574d9773b6d87f7e0a8b5d61.html](https://docshare.tips/nhrc-book-disability_574d9773b6d87f7e0a8b5d61.html).

organization's established policies and relevant labour regulations.

### **(B) Composition of the Committee**

The internal disciplinary committee within PSUs generally includes:

- **Senior Management Personnel:** Individuals from key departments such as Human Resources, Legal, and Operations, who possess the authority to evaluate disciplinary issues.
- **Human Resources Representatives:** HR professionals contribute their knowledge of employment policies and ensure compliance with both internal guidelines and labour laws.
- **Legal Advisor or Legal Officer:** A legal expert may participate to provide interpretation and guidance regarding labour law compliance during proceedings.
- **Union Representative (if applicable):** In certain instances, a union representative may be included to safeguard the employee's rights.

### **(C) Roles and Responsibilities of the Committee**

- The committee's primary function is to investigate allegations, conduct hearings, and issue recommendations. The principal responsibilities of this committee encompass:
- **Conducting an Investigation:** Gathering facts, analysing evidence, and interviewing pertinent individuals.
- **Ensuring Employee Rights:** Affording the employee a fair opportunity to present their case and defence.
- **Recommending Action:** Following a comprehensive review, the committee advises on the appropriateness of disciplinary measures, including potential termination.
- **Compliance with Labour Laws:** Guarantee that all actions and decisions adhere to applicable labour laws to mitigate legal risks.

### **(D) Procedure for Contract Termination in PSUs:**

The normal procedural steps adopted by PSUs while terminating any employee are as follows:

1. **Pre-Investigation and Grievance Filing:** A complaint from an employee, manager, or department needs to be lodged. It is a committee that analyses whether the claims have prima facie enough validity to be discussed elaborately for further investigation.
2. **Formal Investigation through the Committee:** The committee initiates a formal

investigation while preparing evidence and examining witnesses. This includes

3. Issue of a Show Cause Notice: A show cause notice is issued to the employee that contains the allegations and requires a response from the employee.
4. Opportunity for Response: The employee is given enough time to put on paper his defense, expressing his viewpoint or denying the allegations.
5. Conducting a Hearing: If deemed necessary, an actual hearing is arranged that would enable the employee to raise a defense while witnesses may give their testimony also. This procedure is based on the principles of natural justice.
6. Examining Evidence and deliberation: After conducting the hearing, the committee examines all the available evidence and testimonies including special information, if available.
7. Committee Recommendations: The committee arrives at its recommendation after conducting the investigation and the hearing procedure, where its recommendation may encompass the following:
8. Dismissal from Service: When the committee determines that the employee has engaged in gross misconduct or consistently performs poorly.
9. Caution or Rebuke: Minor offenses.
10. Suspension or Relocation: As dismissal for specific cases.
11. Transmittal to Top Management: Recommendations go to top management for approval. For specific situations, management would seek consultation with the board or legal counsel before making a final judgment.
12. Termination Notice Issuance: If termination is selected as a course of action, then a notice of termination is issued to the employee.<sup>6</sup>

#### **(E) Role of Internal Committees in Public Sector Undertakings:**

The presence of internal committees in PSUs is needed in dealing with matters of discipline in observance of due course and legal and moral compliance. The following points provide the need for the formation of these committees:

1. Even-handedness: Committees play an essential role in ensuring that any punitive action does not border on discrimination and is based on facts and the policies of the

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<sup>6</sup> Procedure for Screening appeals filed by Public Sector Undertakings against awards of Labour Courts or Central Government Industrial Tribunals- Reg.

organization.

2. **Legal Compliance:** Through the use of the laid down procedure, committees enhance the legal protection of the PSUs from the tricky entanglement of civil suits and breaches of labour legislation.
3. **Protection of Employee Interests:** The committee system also enhances the protection of employee interests by providing room for self-representation and fairness.
4. **Responsibility:** Internal committees facilitate the maintenance of discipline and the image of the PSU by dealing with disciplinary issues in an orderly and professional way.

## **V. DIVISION OF EACH PUBLIC SECTOR UNIT(PSUS) WITH THEIR ACT**

### **(A) Oil and Natural Gas Corporation (ONGC)**

Oil and Natural Gas Corporation, ONGC for short, is one of the major public sector undertakings in India that came into existence in the year 1956 and is working under the Ministry of Petroleum and Natural Gas. It is primarily engaged in the business of oil and natural gas in the country penetrating all avenues of exploration, development and production of hydrocarbons. ONGC is one of the important organizations which has helped India achieve energy independence and for nation's economic growth.

**Key Governing Act:** The Oilfields (Regulations and Development) Act, 1948

**Overview of the Act:**

The Oilfields (Regulation and Development) Act, of 1948 concerns itself with regulating the exploration and production of oil and gas in India. It provides the central government with the authority to exercise control over the operations conducted in the petroleum industry and offers a company such as ONGC the opportunity to "prospect for and develop oil fields." This statute has a bearing on mainly labour and employment in ONGC, especially those characteristics regarding safety, welfare and fair treatment.

**Key Provisions Relating to Employment and Dispute Resolution:**

**Safety and Welfare:**

- Under the Oilfields Act, ONGC has a duty to implement comprehensive employee protection policies to minimize the risk to workers. Provisions concerning work environments and protection from dangerous substances, as well as health and welfare facilities, are examples. These are important measures since oil and gas jobs are by nature very dangerous. Employees have a legitimate expectation of a safe working

environment free from unreasonable risk, and any complaints about unsafe practices are addressed and turned over to ONGC management for resolution.

- ONGC is also required under the Mines Act of 1952 in relation to employees assigned to extraction jobs, who are also in high-risk work, which provides extra safety, health, and working conditions for high-risk workers, more so in the accidents-prone sector.

#### Employment Contracts and Fair Treatment:

- The Industrial Employment (Standing Orders) Act, of 1946 is applicable to the ONGC, which entails that the company must create standing orders in relation to employee responsibilities, rights, and terms of employment so as to avoid ambiguity in the treatment of employees. This implemented policy ensures there is no biasness in how employees are treated.
- This act encourages the employees, on the contrary, to appreciate their rights and the limitations set on them and also allows for any issues that may arise out of unfair treatment or breach of the standing orders to be presented to the ONGC grievance redressal mechanism.

#### Disciplinary Actions and Grievance Redressal:

- ONGC has internal procedures in place for addressing disputes or misconduct. Employees who face disciplinary action, such as warnings or suspensions, can appeal against the decisions through the grievance redressal process.
- The Disciplinary Committee at ONGC oversees practices such as investigating employee misconduct, issuing warning letters last known as show cause notices, and conducting employee hearings. These hearings allow employees to defend themselves ensuring due process.
- As per the layoff notice 1967 for the Industrial Disputes Act 1947, all the employees can ask for conciliation in case they are aggrieved with the management. This will likely involve a conciliation officer appointed by the government, and if issues persist, it shall be taken to the labour courts.

#### Arbitration and Conciliation for Disputes:

- In terms of employment contracts, ONGC Corporation also includes an arbitration clause as per the provisions of the Arbitration and Conciliation Act, of 1996. It is aimed at settlement of such disputes and saving the parties from wastage of time and money in legal procedures. It is a place where both sides come up with their cases and come up

with a sensible resolution.<sup>7</sup>

### **(B) Steel Authority of India Limited (SAIL)**

SAIL or Steel Authority of India Limited is one of the largest steel manufacturing companies, which comes under the Ministry of Steel of India. It contributes a lot to the infrastructure and manufacturing sectors of the country and operates many integrated steel plants in the country. SAIL was incorporated in 1973, and it goes beyond merely creating job opportunities, as it practices very high standards with regard to labour welfare, industrial safety, and environmental issues.

**Key Governing Act:** The Steel Companies (Restructuring and Miscellaneous Provisions) Act, 1978

**Overview of the Act:**

The Steel Companies (Restructuring and Miscellaneous Provisions) Act, 1978 was enacted to set out the structure and management of steel-making companies in the country. This allows SAIL to run in a system that enhances and encourages productivity and good relations with the employees. This legislation provides further basis for SAIL's efforts to ensure that the workplace is respectful and does not violate anyone's rights and that conflict resolution mechanisms are in place.

**Key Provisions Relating to Employment and Dispute Resolution:**

**Fair Employment Practices:**

- The act provides a shield which ensures that SAIL must follow laid down employment practices in accordance with provisions of the Industrial Employment (Standing Orders) Act, 1946, which deals with terms and conditions of employment as well wage structure, working hours and guidelines on promotion.
- These standing orders help in creating a standard procedure for the employees, and any issues with regard to this can be taken up with the SAIL grievance redressal system.

**Workplace Safety and Welfare under Mines and Factories Acts:**

- Under the operative rules, SAIL complies with the provisions of the Mines Act of 1952 for its employees involved in quarrying activities and the Factories Act of 1948 for its staff working in production facilities. These laws provide for healthy working

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<sup>7</sup> Employee Welfare - en - ongcindia.com, EN, <https://ongcindia.com/web/eng/career/why-work-with-ongc/employee-welfare>.

conditions, welfare enhancement facilities, and health requirements.

- In the event that the organization falls short of its health and safety obligations, employees who are subjected to unsafe/hazardous working conditions are entitled to restitution. In this respect, arising issues regarding occupational safety and health policies can be presented to the grievance committee, and then to the labour courts if the issues are not solved yet.

Joint Consultative Machinery (JCM):

- As provided under the Steel Companies Act and the support of the ID Act, SAIL has in place a Joint Consultative Machinery (JCM) for policy formulation that incorporates the involvement of the employees. The JCM consists of the members of the management and other employees who meet periodically in order to address the issues concerning the employees.
- This model thus enables the employees to raise their issues as well as any concerns they may have with respect to the work policies and issues. Disputes arising from the JCM usage may be taken further up the hierarchy of SAIL or if need be, even to conciliation.

Conciliation and Arbitration:

- In line with the Industrial Disputes Act No. 1947, SAIL takes assistance from conciliation officers to resolve the grievances that have been left unresolved peacefully. To avert potential escalation between the parties involved in a dispute, SAIL may refer the matter to arbitration in accordance with the provisions of the Arbitration and Conciliation Act of 1996.<sup>8</sup>

### **(C) State Bank of India (SBI)**

SBI is India's largest public sector unit bank, engaged in banking and other financial services having branches throughout the country. Founded in 1955 thanks to the State Bank of India Act, SBI is one of the huge pillars supporting the Indian banking system and is a huge employer. It aims to cater for the banking expectations in the country in addition to helping the cause of financial inclusiveness.

Key Governing Act: The State Bank of India Act, 1955

Overview of The Act:

The State Bank of India Act of 1955 founded SBI, which is a state-owned institution in order

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<sup>8</sup> Our Employees | SAIL, <https://www.sail.co.in/en/company/our-employees>.

to meet the financial needs of the country. The act lays down the functions of SBI, the forms of its internal organization, and its obligations as an employer. For instance, SBI is also governed by the Banking Regulation Act, of 1949, and various other labour laws such as the Industrial Disputes Act and the Standing Order Act which provide for the management of labour relations and issues respectively.

Key Employment and Dispute Resolution Provisions:

Defined Employment Terms and Standing Orders:

- The most relevant legal instrument in this case is the Industrial Employment (Standing Orders) Act of 1946, which requires the Bank to provide standing orders, which should specify, among other things, employment terms, roles and responsibilities. Such an act prevents any ambiguity of the expectations of the employees and the organization hence reducing issues regarding employment terms.
- The standing orders outline the terms of leaves, transfers, promotions and imposition procedures. Employees however have the right to grievance redress if the said conditions have not been met in a proper manner.

Employee Representation and Bipartite Agreements:

- As provided in the SBI Act and the ID Act, BPS participates in bipartite negotiations with the Employees of the Bank's unions and these negotiations result in agreements for the parties that are called settlements. The issues of these settlements include salaries, allowances, working conditions and many other factors of employment.
- Unions have a role to articulate and negotiate policy on behalf of their members on matters such as workload, pay raises, and retention of jobs. Any grievances that cannot be resolved by union representation go into formal dispute resolution systems.

Disciplinary Action and Appeals:

- Misconduct cases are dealt with by SBI's internal disciplinary committees after following the procedures that conform to the Standing Orders Act and the Industrial Disputes Act. Instances of discipline include hearings in which employees sweating out to defend themselves and pledging that SBI will in all instances accord aggrieved employees a fair hearing courtesy of an appeals structure.
- With respect to termination cases, SBI is guided once again by the considerations of procedural fairness contained in the ID Act as far as the giving of proper notice and separation pay is concerned. Employees may challenge their termination or other



disciplinary action by seeking resolution through SBI's grievance redressal mechanism or labour courts.

#### Conciliation and Labour Courts:

- Disputes that cannot be resolved mutually may be handed over to conciliation officer as provisioned by the ID Act. The ID Act also provides for arbitration in relation to some employment issues disputes which provides remedies other than protracted litigation in court.
- With disputes that are more complicated such as laid-offs that involve a large number of employees or disputes that include trade unions, they can be brought forward to labour courts or tribunals as a last resort to resolution of disputes.

#### Banking Ombudsman Scheme for Customer Disputes:

- On matters of customer complaints, the bank undertakes operations under the Banking Ombudsman as directed by the Reserve Bank of India. The ombudsman is mandated to resolve issues dealing with services provided by the banks and as such protects the interests of the consumers against the banks.<sup>9</sup>

## VI. CONCLUSION

The labour legislation in India is critical in protecting and promoting fair working conditions and dispute resolutions among employees. Such laws aim at the different sectors including the public sector undertakings through protective, regulative, and sectoral laws within a clearly laid down regime. The need for internal disciplinary committees in PSUs is also aimed at ensuring equity, openness and adherence to the law thus further augmenting employee safety and the organization's responsibility. With growing demands in every sector across India, it is these labour laws, still, are the best remaining tool in ensuring that economic achievements do not come at the detriment of the workers thereby ensuring the existence of a well-behaved productive workforce in the country.

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<sup>9</sup> SBI Customer Alert! How To File Complaint Against SBI Bank Employer? Here's Step To Lodge Complaint - Goodreturns, <https://www.goodreturns.in/classroom/sbi-customer-alert-how-to-file-complaint-against-sbi-bank-employees-heres-step-to-lodge-complain-1361245.html>.