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## 226. What qualifies as a 'settlement' under the Industrial Relations Code, 2020?

Under the Industrial Relations Code, 2020 and the Industrial Disputes Act, 1947, the term "settlement" holds specific definitions and legal implications. The following detailed explanation outlines the key provisions governing settlements:

### Definition of Settlement (Section 2(zi) of the Industrial Relations Code, 2020 and Section 2(p) of the Industrial Disputes Act, 1947):

A settlement refers to:

#### 1. Settlement in the course of conciliation proceedings:

An agreement reached between the employer and the worker while undergoing formal conciliation proceedings facilitated by a Conciliation Officer.

#### 2. Settlement outside conciliation proceedings (written agreement):

- A written agreement between the employer and worker, arrived at outside formal conciliation proceedings. This agreement must:
  - Be signed by the parties in the prescribed manner.
  - A copy of the agreement must be sent to:
    - An officer authorized by the appropriate government.
    - The Conciliation Officer.

Thus, the definition recognizes both formal conciliation-based settlements and mutual written agreements outside conciliation.

### Binding Nature of Settlements (Section 57 of the Industrial Relations Code, 2020 and Section 18 of the Industrial Disputes Act, 1947):

#### Settlements outside conciliation proceedings:

A settlement reached through a mutual agreement between the employer and worker outside the course of conciliation is binding only on the parties to the agreement.

**Settlements reached during conciliation proceedings:** Settlements arrived at during conciliation are binding on,

- All parties to the industrial dispute.

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- **Other summoned parties:** Any other party summoned to appear in the dispute, unless the tribunal/arbitrator records an opinion that they were summoned without proper cause.
- **Employer's successors or assigns:** If the party is an employer, the settlement is binding on the employer's heirs, successors, or assigns concerning the relevant establishment.
- **Workers in the establishment:** If the party is composed of workers, the settlement binds:
  - All workers employed at the establishment or its relevant part on the date of the dispute.
  - All workers subsequently employed in the establishment or its relevant part.

### Comparison of "Settlement" Provisions: Industrial Relations Code, 2020 vs. Industrial Disputes Act, 1947

Aspect	Industrial Relations Code, 2020	Industrial Disputes Act, 1947
<b>Definition of "Settlement"</b>	Section 2(zi): Settlement arrived at during conciliation proceedings.	Section 2(p):
	Written agreement between employer and workers outside conciliation, signed in the prescribed manner, and sent to:	Same
	- Officer authorized by the appropriate government.	
	- Conciliation officer.	
<b>Binding Nature (Outside Conciliation)</b>	Section 57(1): Settlement outside conciliation is binding only on the parties to the agreement.	Section 18(1): Settlement outside conciliation is binding only on the parties to the agreement.
<b>Binding Nature (During Conciliation)</b>	Section 57(3): Settlement during conciliation is binding on:	Section 18(3): Settlement during conciliation is binding on:
	(a) All parties to the industrial dispute.	Same
	(b) Other parties summoned, unless excluded by the tribunal or arbitrator.	
	(c) Employer's heirs, successors, or assigns for the relevant establishment.	
(d) Workers employed in the establishment on the dispute date and future hires.		
<b>Arbitration Awards</b>	Section 57(2): Arbitration awards are binding on referring parties.	Section 18(2): Arbitration awards are binding on referring parties.

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