



For daily HR, IR, Legal, and Safety updates,
join Shekhar Ganagaluru's **Be Great Learning Hub** WhatsApp Group.

<https://chat.whatsapp.com/Djpl7Fz5ZjwJJSxm5vexlo>



228. Who is authorized to sign the memorandum of settlement on behalf of the employer and workmen under Rule 58 of the Industrial Disputes (Central) Rules, 1957, and what are the reporting requirements after the settlement is made?

Rule 58 outlines the procedures and requirements for the formalization of a settlement reached in the course of conciliation proceedings or through other means related to industrial disputes. This rule plays a crucial role in ensuring that both parties - the employer and the workmen, formalize the agreement correctly and in compliance with legal requirements. The detailed interpretation of the rule as below:

(1) Form of Settlement

The settlement reached in conciliation proceedings or through other means must be documented in **Form 'H'**.

- This formalized form acts as the official record of the agreement reached between the parties involved.
- By using Form 'H', the settlement follows a standardized structure that makes it easier for authorities to process and ensures consistency in how agreements are documented.

(2) Signatories to the Settlement

The settlement document must be signed by authorized representatives of both the employer and the workmen. The specifics of who can sign are detailed as follows:

(a) For the Employer:

- **Employer himself:** The individual employer can sign the settlement if they are directly involved.
- **Authorized Agent:** If the employer is unable to sign, they may designate someone as their **authorized agent** (such as a legal representative).
- **Corporation (Incorporated Company/Body Corporate):** In the case of an employer being an incorporated company or another form of body corporate, the signatory must be an agent, manager, or principal officer of the corporation. This ensures that the corporation is legally represented by someone who holds sufficient authority to bind the company.

(b) For the Workmen:

- **Trade Union Officer:** The settlement can be signed by any officer of the trade union representing the workmen. This ensures that the workmen's interests are represented by someone with a mandate within the union.
- **Five Representatives of the Workmen:** If no officer is available or authorized, a meeting of the workmen must be held, and five representatives, who are duly authorized during the meeting, can sign the settlement on behalf of the workmen. This allows flexibility in situations where the trade union officer is unavailable or when the workmen have decided to act through elected representatives.

Disclaimer: This document is for educational purposes only and does not constitute legal advice.

Shekhar Ganagaluru, MSW, LLB, Dip. T&D

HR & IR Specialist | Published Author | Storyteller | Mentor | Trainer | Community Outreach Coordinator | Workplace Safety & Motivation Strategist
begreatseries@gmail.com or follow on LinkedIn | Mobile: 96327 11228

(c) For the Workman in Section 2A Dispute:

- In an industrial dispute under Section 2A of the Industrial Disputes Act (which pertains to individual disputes, like wrongful dismissal), the settlement must be signed by the workman concerned themselves. This makes sure that the individual whose rights are being affected is directly involved in the settlement.

Explanation of "Officer"

The term "**officer**" in the context of trade unions is further clarified in the rule:

- President
- Vice-President
- Secretary (including the General Secretary)
- Joint Secretary
- Any other officer authorized by the President and Secretary of the union

This clarification helps identify which members of the union leadership are authorized to sign the settlement on behalf of the workmen.

(3) Conciliation Proceedings and Reporting to the Central Government

- When a settlement is reached during conciliation proceedings, the Conciliation Officer is tasked with sending a report to the Central Government. This report must include a copy of the signed memorandum of settlement.
- This ensures transparency in the process and that the central authorities are informed of any settlements, which might be important for monitoring industrial relations and ensuring compliance with labour laws.

(4) Non-Conciliation Settlements and Reporting

If the settlement is reached outside of conciliation proceedings (i.e., directly between the employer and the workmen without the involvement of a Conciliation Officer or Board), both parties are required to jointly send a copy of the memorandum of settlement to:

- The Central Government
- The Chief Labor Commissioner (Central), New Delhi
- The Regional Labor Commissioner (Central)
- The Assistant Labor Commissioner (Central) concerned.

This requirement ensures that the settlement is formally recorded and monitored by the relevant labour authorities. It facilitates oversight and enforcement of the agreement, ensuring that no party is bypassing the formal system established to manage labour disputes.

Key Takeaways

- **Formality and Structure:** Rule 58 ensures that all settlements are recorded in a standardized form, ensuring uniformity and legality.
- **Authorized Signatories:** The rule carefully defines who can sign on behalf of the employer and workmen to ensure that those who are signing have the legal authority to do so.
- **Transparency and Accountability:** Whether in conciliation or outside of it, settlements must be reported to the appropriate government authorities, ensuring a transparent process and giving the government a role in monitoring and enforcing labour disputes and resolutions.

Disclaimer: This document is for educational purposes only and does not constitute legal advice.

Shekhar Ganagaluru, MSW, LLB, Dip. T&D

HR & IR Specialist | Published Author | Storyteller | Mentor | Trainer | Community Outreach Coordinator | Workplace Safety & Motivation Strategist
begreatseries@gmail.com or [Follow on LinkedIn](#) | Mobile: 96327 11228