



Interpretation of Section 2(p) of The Industrial Disputes Act, 1947

(p) “settlement” means a settlement arrived at in the course of conciliation proceeding and includes a written agreement between the employer and workmen arrived at otherwise than in the course of conciliation proceeding where such agreement has been signed by the parties thereto in such manner as may be prescribed and a copy thereof has been sent to an officer authorised in this behalf by] the appropriate Government and the conciliation officer.

Section 2(p) of The Industrial Disputes Act, 1947, defines the term "settlement." The interpretation of this section in detail is as below:

1. Settlement in Conciliation Proceedings:

- **Definition:** A settlement refers to an agreement reached during conciliation proceedings.
- **Conciliation Proceedings:** Conciliation is a process where a neutral third party (conciliation officer) helps the employer and workmen resolve their disputes amicably.
- **Inclusion:** Any agreement made during this formal conciliation process falls under the definition of a settlement.

2. Settlement Outside Conciliation Proceedings:

- **Definition:** The section also includes agreements made without formal conciliation proceedings.



Be Great Learning Series

- . **Written Agreement:** For an agreement to be considered a settlement, it must be in writing.
- . **Parties Involved:** The agreement must be between the employer and the workmen.
- . **Signing Requirements:** The parties involved must sign the agreement in a manner prescribed by the law.
- . **Notification:** A copy of this agreement must be sent to an officer authorized by the appropriate Government and the conciliation officer.

3. Government Authorization and Notification:

- . **Approval:** The settlement, whether reached through conciliation proceedings or outside them, needs approval from the appropriate Government.
- . **Notification:** The agreement's details must be sent to an officer authorized by the Government and the conciliation officer.
- . **Transparency:** This requirement ensures transparency and keeps the concerned authorities informed about the agreements made between the employer and workmen.

Summary

Section 2(p) of The Industrial Disputes Act, 1947, defines a "settlement" broadly. It covers agreements made both during formal conciliation proceedings and outside them, provided they meet specific criteria. These criteria include a written agreement signed by the employer and workmen, with copies sent to designated authorities for approval and record-keeping. The section emphasizes transparency and regulation in resolving industrial disputes, ensuring that agreements are formalized, documented, and monitored by the appropriate Government and conciliation officers.

Disclaimer:

This interpretation has been crafted based on invaluable insights shared by Dr. Manjunath G., Additional Labour Commissioner (IR) at the Labour Department, Government of Karnataka, during the enlightening session held on

Shekhar Ganagaluru

HR & IR Professional | Author | Motivational Speaker | Storyteller | Mentor | Trainer | Social Worker | Me - Safety - Family Ambassador | Safety & Motivation Quotist

begreatseries@gmail.com

 SHEKHAR GANAGALURU



Be Great Learning Series

October 14, 2023, in Bengaluru. This session was thoughtfully organized by Nirathanka. I express my sincere gratitude to Dr. Manjunath G. for generously sharing his knowledge, making this experience profoundly eye-opening. His expertise and way of explanation has significantly enriched my understanding in this regard.

Shekhar Ganagaluru

HR & IR Professional | Author | Motivational Speaker | Storyteller | Mentor | Trainer | Social Worker | Me - Safety - Family Ambassador | Safety & Motivation Quotist

begreatseries@gmail.com

 SHEKHAR GANAGALURU