

Hello everyone. I am Assistant Professor, Merville Rodrigues from G.R. Kare College of Law. Today I'll deliver a lecture on the term industry under Industrial Disputes Act, 1947. Now this is a paper which is there for the final year that is third year LLB degree. So here we can see the nature definition and scope of the term industry under the Act and through this lecture the student will be able to understand the definition, concept, scope and meaning of the term industry and the Industrial Disputes Act, 1947. Section 2(j) of the Industrial Disputes Act defines the term Industry. Now there was amendment to the Act in the year 1982. Before this amendment, the term industry was defined as any business trade undertaking, manufacturing or calling of employers and it also includes any calling service, employment, handicraft or industrial occupation or avocation of Workman. Now in this definition, the meaning of the term undertaking means anything undertaken, any business, work or project which one engages in or attempts or in enterprise. Now there's a case law here that is State of Bombay versus Hospital Mazdoor Sabha. Now here in this case, the hospital was dealing with medical relief, so also it was imparting medical education. So here the state's contention was that hospital is not an industry. So here the court held that the Group of hospitals was considered or held to be in industry. Thereafter, there was also another contention whether certain institutions boards ought to be considered as industry or not, and this question was decided through the famous case known as Bangalore Water Supply and Sewerage board versus A. Rajappa. And this case is popularly known as Bangalore Waterworks case. Now, in this case a 7 Judge bench of the Supreme Court in the year 1978 extended the definition from manufacturing units to other government establishments irrespective of the functions performed by them. So here it decided that Bangalore Water Supply Board was an industry and in the same case a test was laid down by the court and that their test is known as the triple test. So to consider whether any unit is an industry or not, the court said apply this test and then determine whether it is an industry or not. So here now we'll see what the test is about. The first thing here to be determined is whether there is a systematic activity, so also you have to find out whether that systematic activity is organized by cooperation between employer and employee. So also we have to find out whether it is for the production and or distribution of goods and services calculated to satisfy human wants and wishes. So if you can fulfill this triple test, it is considered as in industry. Now just to give you some examples where in the following list. The things mentioned under that, but considered as an industry because they fulfill the triple test. For example professions, not all professions, but certain professions will be considered as industry if they fulfill the triple test. So also clubs, educational institutions, cooperatives, research institutes, charitable projects, kindred adventures are all considered to be industries if they fulfill the triple test. So also there is another test known as the dominant nature test. Now here this test is applied where in. If there's any unit or manufacturing unit or an industry where in there is complex of activities, it's not that they're dealing with only one thing, so some are exempted, others are not. In that same industry, some are Workman, others are not. There are some departments which are not productive of goods and services. So here in such cases the whole undertaking will be considered as in industry, but it should also fulfill the triple test. So also certain points were emphasized in the dominant nature test. When it was said that industry does not include spiritual and religious services geared to celestial bliss. So also absence of profit motive or gainful objective is irrelevant, whether it's public, joint, private or other sector. What is also important is the nature of activity and the relations between two persons. That is the employer and employee. So there should be a relationship of employer and employee. Now, if an organization is to trade and business, it does not cease to be one just because there is philanthropy or it's for a charitable purpose. It could be still considered as

an industry. Now, there are some cases which were overruled by the Bangalore Water supply case by applying the triple test wherein it was held that it is not in industry and those cases are Madras Gymkhana Club employees Union versus Management, Management of Safdurjung Hospital Delhi, then Rajagiri Hospital versus Workman and NEC employees versus Industrial Tribunal. So this is about the term Industry, wherein at present, you have to apply the triple test and so also it requires the dominant nature test. Thank you.