

PROCEDURE FOR CLOSING DOWN AN UNDERTAKING UNDER INDUSTRIAL DISPUTES ACT, 1947

1. In case of an undertaking where 50 to 299 workmen are employed:

Conditions:

- a) The employer is required to issue 60 days notice u/s.25 FFA to the Govt. communicating his intention to close down the undertaking, stating clearly the reasons for intended closure.
- b) Workman who has completed 1 year continuous service before the closure, is u/s.25 FFF entitled to:
 - (1) 1 month prior notice or wages in lieu of notice (Sec.25F).
 - (2) Compensation equivalent to 15 days average pay for every completed year of continuous service (Sec.25F). If the closure is on account of unavoidable circumstances beyond the control of employer, the compensation shall not exceed his average pay for 3 months u/s.25 FFF.

2. In case of an undertaking where 300 or more workmen are employed:

Conditions:

- a) The employer shall apply for prior permission to the Govt. at least 90 days before the date on which he intended closure is to become effective, stating clearly the reasons for such intended closure. The copy of application shall be served on the workmen (Sub Sec.1 of Sec.25 O).
- b) Workman who is employed immediately before the date of application for closure permission, is entitled to compensation equivalent to 15 days average pay for every completed year of continuous service (Sub Sec.8 of Sec.25 O).

PROCEDURE FOR LAY-OFF UNDER INDUSTRIAL DISPUTES ACT, 1947

1. In case of an undertaking where 300 or more workmen are employed:

- a) Employer shall make an application seeking prior permission to lay-off the workmen, to the Government. Prior permission is not required if the lay-off is due to shortage of power or to natural calamity (Sub Sec.1 of Sec.25 M).
- b) The workman who is laid-off is entitled to compensation equivalent to 50% of basic wages and dearness allowance. No lay-off compensation is required to be paid for the days beyond 45 days (Sub Sec.10 of Sec.25 M).

2. In case of an undertaking where less than 50 workmen are employed:

- a) No lay-off compensation is payable (Sec.25 A (1)(a) r/w.Sec.25 C).

3. In case of an undertaking where 50 to 299 workmen are employed:

Workmen who has completed 1 year continuous service is entitled to lay-off compensation equivalent to 50% basic wage and dearness allowance. No lay-off compensation is required to be paid for the days beyond 45 days