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State Of Bombay & Others vs. The Hospital Mazdoor Sabha & Others, 1960 AIR 610: A Short Analysis

Petitioner: State 0f Bombay

Defendant: The Hospital Mazdoor Sabha

Judgement Date: 29 January, 1960

Equivalent Citations: 1960 AIR 610, 1960 SCR (2) 866

Statutes Referred:

1. Industrial Dispute Act, 1947
2. Industrial Trade Unions Act XIV 1926

Cases Referred:

1. D.N Banerji v. P.R Mukherjee, 1953 SCR 302
2. Baroda Borough Municipality v. It's Workmen, (1957) SCR 33
3. Brij Mohan Bagaria v. Chatterjee (N.C.) (1958) L.L.J 190

Brief Facts Of The Case

Mrs. Ruth Isaac and Ms. Vatsala Narayan worked at JJ Hospitals, one of the appellant's five hospitals. The State of Bombay and two others filed an appeal against the Hospital Mazdoor Sabha. A trade union was created in response to the writ petition filed under the Industrial Trade Union Act against the hospital. The two employees were terminated from the civil supply department without prior notice, claiming it was a case of retrenchment under the Industrial Disputes Act. The defendants filed a mandamus petition in the Bombay High Court, claiming the termination notification was erroneous and their dismissal null and void. The High Court of Bombay held that the hospital authorities do not fall under the definition of "industry" as provided by the Industrial Disputes Act 1947, and therefore, the notification was legal.

Issues Raised

1. Whether the dispersal of the employees admissible?
2. Whether the retrenchment will fall under the act?

Parties Contention

1. Petitioner

The petitioner has asserted that the distribution of employment will be regarded unlawful and illegitimate under the Industrial Disputes Act.

2. Defendant

The defendant has also argued that the claims were completely ambiguous and confusing since they did not provide employment practices in accordance with the act, which might have an impact on the laws and regulations of the system under which it operates.

Judgment

The court determined that when the state oversees a consortium of hospitals to provide medical aid and education, it is considered an "undertaking" within the meaning of 'noscitur a sociis' and 'looking at the objective and purpose of legislators,' with external assistance in determining the broad implications of particular phrases.

The court ruled that the whole dispersal of personnel from the Civil Supplies Department was completely unlawful and unconstitutional, as the legislation prohibits any anyone from doing so without prior approval. As a result, the court has determined that the dispersal will be cancelled on the spot, and employment will be restored as soon as feasible.

Rule of Law

The primary rule of law followed here was that termination of employment without prior notice is entirely illegal and undefined under the legislation.

Analysis

Historically, the term of "industry" under labor regulations has changed dramatically, resulting in uncertainty and legal problems. The 1947 Act and later judicial decisions developed this term. Over time, there have been wide interpretations, severe exclusions, reversals, and objective criteria for determining what constitutes an industry.

In 2020, the NDA administration suggested combining labor laws into four codes. One of these is the Occupational Safety, Health, and Working Conditions Code (OSH). The concept of "industry" has gone through several stages of interpretation, including a wide interpretation in 1953, severe exemptions in 1961, reversals in 1967, and objective standards in 1978.

Legislators sought to change the term in 1982 with the Industrial Disputes (Amendment) Act, hoping for a more comprehensive approach. However, disagreements over the meaning and scope remained.

The Industrial Relations Code of 2020 aimed to simplify labor regulation by defining "industry" as any organized activity that produces, delivers, or distributes products and services, regardless of profit or capital expenditure. The revised definition encompasses hospitals, educational institutions, and research institutes, but excludes some non-profit organizations and government initiatives in military, atomic energy, and space research.

A review of the revised definition reveals the inclusion of workers hired through contractors, as well as the possibility of a wide variety of organizations claiming exemption based on the ambiguous word "social activity." Concerns are raised about the government's arbitrary authority to remove any activity from the definition of 'industry' at any moment, which violates constitutional rights. The balance between flexibility and protecting employee rights remains an important factor.

Conclusion

Effective internal conflict resolution mechanisms are critical under the act because they assist handle conflicts in a compliant manner, eliminating the need for external authorities. External techniques need a lot of resources and put a pressure on employer-employee relationships. Internal procedures foster a harmonious work atmosphere, resulting in increased productivity.

References

1. "State Of Bombay And Others v. Hospital Mazdoor Sabha And Thers, Supreme Court Of India, Judgment, Law, Casemine.Com" (https://www.casemine.com) <https://www.casemine.com/judgement/in/5609ab10e4b014971140b8d1#5>
2. "STATE 0F BOMBAY & OTHERS vs THE HOSPITAL MAZDOOR SABHA & OTHERS. Supreme Court, 29-01-1960" (vLex) <https://vlex.in/vid/appeal-civil-712-of-852348763>
3. Sehgal DR, "Hospital- Whether an Industry? - iPleaders" (iPleaders, May 24, 2020) <https://blog.ipleaders.in/hospital-whether-industry/>