



Sakshi Singhal
Associate

DELHI HIGH COURT ON CHANGE IN SERVICE CONDITIONS

A. Introduction

Delhi High Court (**HC**), in *Food Corporation of India* case,¹ in July 2022, held that an industrial dispute can be raised by workmen if they are not notified of changes in their conditions of service in the prescribed format.

B. Brief Facts

1. Food Corporation of India (**FCI**) served notices under the Industrial Disputes Act, 1947 (**Act**) on its workmen regarding certain unilateral changes in their working conditions including computation for gratuity, exclusion of house rent allowance (**HRA**) while computing overtime allowance, *etc.*²
2. Various workmen unions contended that the notices were not in the prescribed format as per the Industrial Disputes (Central) Rules, 1947 (**Rules**) and raised industrial disputes before the appropriate forums in various states.
3. The FCI Shramik Union and FCI Workers Association CITU (**Unions**) approached the HC.

C. Judgment & Reasoning of HC

1. HC dismissed the Union's petition since conciliation proceedings were already filed before the appropriate authorities. However, it:
 - a. Allowed FCI and the Unions to raise contentions before the appropriate authority.³
 - b. Adjudged that FCI will be bound the order of the conciliation officer.⁴
 - c. Ordered that the conditions of service will remain unchanged during the proceedings before the conciliation officer.⁵
2. Additionally, it observed that:
 - a. The Act is a social welfare legislation, and it must be interpreted in a manner that protects the interests of workmen.

¹*Food Corporation of India Shramik Union v. Food Corporation of India and Food Corporation Of India Workers Association CITU v. Food Corporation of India*, 2022/DHC/002617.

² Section 9A and Section 19(2) of the Act.

³ Paragraph 11 of the Judgement.

⁴ Paragraph 9 of the Judgement.

⁵ Paragraph 8 of the Judgement.

⁶ Paragraph 8 of the Judgement.

© 2022 Counselence

- b. The Act mandates the format in which notice must be given to workmen in case of change in service conditions, and notice⁷ is not as in prescribed format, it is a valid ground for initiating an industrial dispute.

This *Counselence Connect* contains information in a nutshell on a recent change in law. This is not legal advice and must not be treated so. For any clarifications, please contact us at: info@counselence.com. Past issues of *Counselence Connect* are available at the 'Newsletters' page of our website (www.counselence.com).

⁷ Rule 34 of the Rules and Form E.
© 2022 Counselence