

**Examrace**

▶ Examrace 422K

## Competitive Exams The Factories Act, 1948

### Objectives

- To ensure adequate safety measures and to promote the health and welfare of the workers employed in factories.
- To prevent haphazard growth of factories through the provisions related to the approval of plans before the creation of a factory.
- To regulate the working condition in factories, regulate the working hours, leave, holidays, overtime, employment of children, women and young persons ext.
- Scope and coverage
- Regulates working condition in factories.
- Basic minimum requirements for ensuring safety, health and welfare of workers.
- Applicable to all workers.
- Applicable to all factories using power and employing 10 or more workers, and if not using power, employing 20 or more workers on any day of the preceding 12 months.

### Main Provisions

- Compulsory approval, licensing and registration of factories.
- Health measures.
- Safety measures.
- Welfare measures.
- Working hours.
- Employment of women and young persons.
- Annual leave provision.
- Accident and occupational diseases.
- Dangerous operations.
- Penalties.
- Obligations and rights of employees.

## Obligation of Employers

1. **Compulsory approval:** The occupier of any factory has to obtain prior approval of the state government for the site on which the factory is to be situated and for the construction or extension of a factory.
2. **registration/license and notice by occupier:** The occupier of factory is also required to get the factory registered for obtaining a license for operating it and send a notice of occupation to a chief inspector of factories, at least 15 days before he begins to occupy the factory. The application for registration and notice of occupation shall be submitted in triplicate in the prescribed fee and such other information as may be required by the licensing authority. The license fee shall be paid a Treasury challan under the appropriate head of the account.
3. **Notice of change of manager:** Whenever a new manager is appointed the occupier must intimate the inspector and the chief inspector in the prescribed form, within 7 days from the date he takes over the charge.
4. **General duties as to health, safety and welfare of workers:** Every occupier shall-
  - a. Ensure, so far as is reasonably practicable, the health, safety and welfare of all workers while they are at work in the factory
  - b. Provide and maintain plant and systems of work in the factory that are safe and without risks to health
  - c. Make arrangements for ensuring safety and absence of risks to health in connection with the use, handling, storage and transport of article and substances.
  - d. Provide necessary information, instruction, training and supervision for health and safety of all workers.
  - e. Maintain all places in the factory in a condition that is safe and without risks to health.
  - f. Provide and maintain such working environment in the factory that is safe, without risks to health and with adequate facilities and arrangements for the welfare of workers

## Certificates of Fitness

1. A certifying surgeon shall, on the application of any young person or his parent or guardian accompanied by a document signed by the manager of a factory that such person will be employed therein if certified to be fit for work in a factory, or on the application of the manager of the factory in which any young person wishes to work, examine such person and ascertain his fitness for work in a factory.

2. The certifying surgeon, after examination, may grant to such young person, in the prescribed form, or may renew-
  - a. a certificate of fitness to work in a factory as a child, if he is satisfied that the young person has completed his fourteenth year, that he has attained the prescribed physical standards and that he is fit for such work
  - b. a certificate of fitness to work in a factory as an adult, if he is satisfied that the young person has completed his fifteenth year, and is fit for a full day's work in a factory: Provided that unless the certifying surgeon has personal knowledge of the place where the young person proposes to work and of the manufacturing process in which he will be employed, he shall not grant or renew a certificate under this sub-section until he has examined such place.
3. A certificate of fitness granted or renewed under sub-section 2
  - a. shall be valid only for a period of twelve months from the date thereof
  - b. may be made subject to conditions in regard to the nature of the work in which the young person may be employed, or requiring re-examination of the young person before the expiry of the period of twelve months.
4. A certifying surgeon shall revoke any certificate granted or renewed under sub-section 2 if in his opinion the holder of it is no longer fit to work in the capacity stated therein in a factory.
5. Where a certifying surgeon refuses to grant or renew a certificate or a certificate of the kind requested or revokes a certificate, he shall, if so requested by any person who could have applied for the certificate or the renewal thereof, state his reasons in writing for so doing.
6. Where a certificate under this section with reference to any young person is granted or renewed subject to such conditions as are referred to in clause (b) of sub-section (3), the young person shall not be required or allowed to work in any factory except in accordance with those conditions.
7. Any fee payable for a certificate under this section shall be paid by the occupier and shall not be recoverable from the young person, his parents or guardian.

## **Employment of Young Persons on Dangerous Machines**

1. No young person shall be required or allowed to work at any machine to which this section applies, unless he has been fully instructed as to the dangers arising in connection with the machine and the precautions to be observed and-
  - a. has received sufficient training in work at the machine, or

- b. Is under adequate supervision by a person who has a thorough knowledge and experience of the machine.
2. Sub-section 1 shall apply to such machines as may be prescribed by the State Government, being machines which in its opinion are of such a dangerous character that young persons ought not to work at them unless the foregoing requirements are complied with:
3. General duties as regards article and substances for use in factories: Every person who design, manufacture, Imports or supplies any article for use in any factory shall
  - a. Ensure, so far as is reasonably practicable, that the article is so designed and constructed as to be safe and without risks to health of the workers when properly used
  - b. Take necessary steps to ensure that adequate information will be available in the connection with the use of the article and conditions necessary to ensure that the article, when put to such use, will be safe and without risks to health of the workers.
4. To provide health measure: The occupier of factory is obligated to undertake following measure for measures for ensuring good health and physical fitness:
  - a. The occupier is required to keep the factory premises clean and free waste and effluvia. Should make arrangement for sweeping and removing dirt daily.
  - b. Keep the factory adequately ventilated temperature and humid.
  - c. Prevents dust and fumes
  - d. Avoid overcrowding: Sufficient and suitable natural or artificial Lighting and wholesome drinking water at suitable points and during hot season. Every factory should provide and, maintain latrine, urinals and spittoons

## **Latines and Urinals**

1. In every factory
  - a. sufficient latrine and urinal accommodation of prescribed types shall be provided conveniently situated and accessible to workers at all times while they are at the factory
  - b. separate enclosed accommodation shall be provided for male and female workers
  - c. such accommodation shall be adequately lighted and ventilated, and no latrine or urinal shall, unless specially exempted in writing by the Chief Inspector, communicate with any workroom except through an intervening open space or ventilated passage

- d. all such accommodation shall be maintained in a clean and sanitary condition at all times
  - e. sweepers shall be employed whose primary duty it would be to keep clean latrines, urinals and washing places.
2. In every factory wherein more than two hundred and fifty workers are ordinarily employed-
- a. all latrine and urinal accommodation shall be of prescribed sanitary types
  - b. the floors and internal walls, up to a height of ninety centimeters, of the latrines and urinals and the sanitary blocks shall be laid in glazed tiles or otherwise finished to provide a smooth polished impervious surface
  - c. without prejudice to the provisions of clauses
  - d. of sub-section (1), the floors, portions of the walls and blocks so laid or finished and the sanitary pans of latrines and urinals shall be thoroughly washed and cleaned at least once in every seven days with suitable detergents or disinfectants or with both.
3. The State Government may prescribe the number of latrines and urinals to be provided in any factory in proportion to the numbers of male and female workers ordinarily employed therein, and provide for such further matters in respect of sanitation in factories, including the obligation of workers in this regard, as it considers necessary in the interest of the health of the workers employed therein.

## **First Aid Appliances**

1. There shall in every factory be provided and maintained so as to be readily accessible during all working hours first-aid boxes or cupboards equipped with the prescribed contents, and the number of such boxes or cupboards to be provided and maintained shall not be less than one for every one hundred and fifty workers ordinarily employed at any one time in the factory.
2. Nothing except the prescribed contents shall be kept in a first-aid box or cupboard.
3. Each first-aid box or cupboard shall be kept in the charge of a separate responsible person who holds a certificate in first-aid treatment recognized by State Government and who shall always be readily available during the working hours of the factory.
4. In every factory wherein more than five hundred workers are ordinarily employed there shall be provided and maintained an ambulance room of the prescribed size, containing the prescribed equipment and in the charge of such medical and nursing staff as may be prescribed and those facilities shall always be made readily available during the working hours of the factory.

5. To undertake safety measures: Every factory must take appropriate safety measure as provided under the act
  - a. Fencing of all dangerous and moving parts of the machinery while in motion or use
  - b. Young persons (between 15 to 18) are not supposed to work on any dangerous machine without adequate training and supervision.
  - c. Keeping floors, stairs, steps, etc free from obstructions and slippery substances and provided with substantial handrails.
  - d. taking necessary precautions and providing screens or goggles for protection of eyes, precautions to prevent exposure to dangerous fumes, gases or dust, and measure to prevent accumulation of explosive or in flammable dust, fumes, gases or vapors.

## **Welfare Amenities**

All the factories shall provide adequate and suitable facilities for

- Washing and drying of wet cloths and storing of cloths
- Sitting arrangements for employee who are required to work in standing position in order that they may take shorts rests in the course of their work
- First aid box or cupboards equipped with prescribe contents shall be provided
- Factory should provide ambulance room if workers are more than 500
- The canteen should be provided with sufficient light and ventilated
- They should provide drinking water in rest rooms, shelters and lunch rooms.
- Creches should provide when more tan 30 women workers are employed in than factory.

## **Working Hours, Holidays and Overtime**

1. Restriction for women workers not to work at night. And the child below 14 is not to be employed in the factory
2. No dual employment
3. The working hours for an adult should not exceed 48 hours in a week.
4. Every worker should allowed at least half an hour rest interval after a maximum working of 5 hours at a stretch
5. No overlapping of shift
6. Every worker should have one holiday in a week
7. If a person does more work at usual time he should receive the wages double the ordinary rate of wages

## Leave with Wages

Earned leave-every workers who has worked for a period of 240 days or more during a calendar year or. If his services commence after first of January, then for at least two thirds or the total number of days in the remaining part of the year. Display notice, maintain and submit returns:

The occupier and manager should required to intimate ant intention of closure of factory or any section or department thereof, along with the reasons for such closure, number of workers to be affected, etc. They should also maintain register of accidents and dangerous occurrence, inspection book etc. The manager is generally required to furnish certain returns such as annual return, half yearly returns which relating to wages, leaves holidays etc.

## Display of Notices

1. In addition to the notices required to be displayed in any factory by or under this Act, there shall be displayed in every factory a notice containing such abstracts of this Act and of the rules made thereunder as may be prescribed and also the name and address of the Inspector and the certifying surgeon.
2. All notices required by or under this Act to be displayed in a factory shall be in English and in a language understood by the majority of the workers in the factory, and shall be displayed at some conspicuous and convenient place at or near the main entrance to the factory, and shall be maintained in a clean and legible condition.
3. The Chief Inspector may, by order in writing served on the manager of any factory, require that there shall be displayed in the factory any other notice or poster relating to the health, safety or welfare of the workers in the factory.

## Returns

The State Government may make rules requiring owners, occupiers or managers of factories to submit such returns, occasional or periodical, as may in its opinion be required for the purposes of this Act. Notice of accidents, dangerous occurrence and diseases: The manager of a factory is required to send notice of the fatal and other accidents causing disablement to worker for a period of 48 hours or more, dangerous occurrences whether causing any bodily, injury or not, and any worker contacting any occupational disease Obligations regarding hazardous process/substances; The manager required to undertake the following measure for ensuring safety of life and health of the workers the occupier or manager inform the workers, the local authority and the general public in the vicinity of the factory, about the dangerous and health hazards caused by the hazardous process

1. They should have plane to handle usage and storage of hazardous inside the factory and their deposal outside the factory
2. The occupier shall also maintain accurate and up to date health/medical records of the workers who are exposed to any chemical, toxic or ant other harmful substances.

3. the occupier should inform the chief inspector about the hazardous process within 30 days before the commencement of such process

## Right of Workers

1. The obligation of the employers, practically speaking the right of employees. Every worker shall have the right to:
  - i. obtain from the occupier, information relating to workers'health and safety at work
  - ii. get trained within the factory wherever possible, or, to get himself sponsored by the occupier for getting trained at a training centre or institute, duly approved by the Chief Inspector, where training is imparted for workers'health and safety at work
  - iii. Represent to the Inspector directly or through his representative in the matter of inadequate provision for protection of his health or safety in the factory.
2. A workers has the right to claim wages for leave allowable to him, under the provisions of the payment of wages act.
3. A workers has the right not to pay any fee or charge for the facilities for the facilities provided by the employer.

## Right of Employers

The obligation of the employee can also be reckoned as right of the employers. Beside some more right have been vested in the employer under the factories act.

1. Right to carry on the plan of setting up a new factory or extension of an existing one, if no adverse order is communicated to him within 3 months of the application for approval.
2. Right to appeal to the central government against the sate government's refusal to grant approval to his application for setting up a factory.
3. Right to retain a child or a young person not holding a certificate of fitness, from working in the factory
4. right of appeal against the order of the inspector or chief inspector, to the prescribed appellate authority, within 30 days of the service of the order.
5. Right to demand an application for leave from the workers and a medical certificate when leave is availed on the ground of illness.

## Provision of Overcrowding

1. No room in any factory shall be overcrowded to an extent injurious to the health of the workers employed therein.

2. Without prejudice to the generality of sub-section (1), there shall be in every workroom of a factory in existence on the date of the commencement of this Act at least 9.9 cubic metres and of a factory built after the commencement of this Act at least 14.2 cubic metres or space for every worker employed therein, and for the purposes of this sub-section no account shall be taken of any space which is more than 4.2 metres above the level of the floor of the room.
3. If the Chief Inspector by order in writing so requires, there shall be posted in each workroom of a factory a notice specifying the maximum number of workers who may, in compliance with the provisions of this section, be employed in the room.
4. The Chief Inspector may by order in writing exempt, subject to such conditions, if any, as he may think fit to impose, any workroom from the provisions of this section, if he is satisfied that compliance therewith in respect of the room is unnecessary in the interest of the health of the workers employed therein. Write short notes on any five
5. Medical benefit council under employee's state insurance act-1948

## **Medical Benefit Council**

1. The Central Government shall constitute a Medical Benefit Council consisting of-
  - a. The Director General, Health Services, ex officio, as Chairman
  - b. A Deputy Director-General, Health Services, to be appointed by the Central Government
  - c. The Medical Commissioner of the Corporation, ex officio
  - d. One member each representing each of the States (other than Union territories) in which this Act is in force to be appointed by the State Government concerned
  - e. Three members representing employers to be appointed by the Central Government in consultation with such organizations of employers as may be recognized for the purpose by the Central Government
  - f. three members representing employees to be appointed by the Central Government in consultation with such organizations of employees as may be recognized for the purpose by the Central Government
  - g. Three members, of whom not less than one shall be a woman, representing the medical profession, to be appointed by the Central Government in consultation with such organizations of medical practitioners as may be recognized for the purpose by the Central Government.
2. Save as otherwise expressly provided in this Act, the term of office of a member of the Medical Benefit Council, other than a member referred to in any of the clause a to d of

sub-section 1, shall be four years from the date on which his appointment is notified: Provided that a member of the Medical Benefit Council shall, notwithstanding the expiry of the said period of four years continue to hold office until the appointment of his successor is notified.

3. A member of the Medical Benefit Council referred to in clauses b & d of sub-section 1 shall hold office during the pleasure of the Government appointing him.

## **Wages Act**

An Act to provide for fixing minimum rates of wages in certain employments.

WHEREAS it is expedient to provide for fixing minimum rates of wages in certain employments.

An Act to provide for certain benefits to employees in case of sickness, maternity and "employment injury" and to make provision for certain other matters in relation thereto

WHEREAS it is expedient to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto

The act lays down for fixation of:

1. A minimum time rate of wages
2. A minimum piece rate
3. A guaranteed time rate
4. An overtime rate For different occupation, localities or classes of work and for adults, adolescents, children and apprentices.

## **Minimum Wages**

The minimum rate of wages may consist of:

1. a basic rate of wages and a cost of living allowance or
2. A basic rate of wages with or without the cost of living allowance and the cash value of the concessions in respect of essential commodities supplied at concessional rates.
3. The act lays down that wages shall be paid in cash although it empowers the appropriate government to authorize the payment of minimum wages either wholly or partly in kind in particular cases.
4. It provides that the cost of living allowance and cash value of the concessions in respect of supplies of essential commodities at concessional rates shall be computed by component authority at certain interval.

5. The act empowers the appropriate government to fix the number of hours of work per day, to provide for a weekly holiday and the payment of overtime wages of which minimum rates of wages have been fixed under the act.
6. The act lays down for appointment of inspectors and other authorities to hear and decide claims arising out of payment of wages at less than the minimum rates of wages or remuneration for days of rest of work done on such days or of overtime wages
7. All establishments covered by the act are required to maintain registers and office records in the prescribe manner
8. The act provides the procedure for dealing with complaints arising out of the violation of the provisions of the act and for imposing penalties for offences under the act.
9. Eligibility and determination of bonus: Every employee shall be entitled to be paid by his employer in an accounting year, bonus, in accordance with the provisions of this Act, provided he has worked in the establishment for not less than thirty working days in that year. Where an employee has not worked for all the working days in an accounting year, the minimum bonus of one hundred rupees or, as the case may be, of sixty rupees, if such bonus is higher than 8.33 per cent of his salary or wage for the days he has worked in that accounting year, shall be proportionately reduced. Bonus under the payment of bonus act cannot be claimed by workers as a matter of right. The bonus formula under the act rest on calculation of the available surplus and it envisages the following steps  
Computation of available surplus. The available surplus in respect of any accounting year shall be the gross profits for that year after deducting there from the sums referred to in section 6: Provided that the available surplus in respect of the accounting year commencing on any day in the year 1968 and in respect of every subsequent accounting year shall be the aggregate of
  - a. The gross profits for that accounting year after deducting there from the sums referred to in section 6
  - b. An amount equal to the difference between-
    - i. the direct tax, calculated in accordance with the provisions of section 7, in respect of an amount equal to the gross profits of the employer for the immediately preceding accounting year
    - ii. the direct tax, calculated in accordance with the provisions of section 7, in respect of an amount equal to the gross profits of the employer for such preceding accounting year after deducting there from the amount of bonus which the employer has paid or is liable to pay to his employees in accordance with the provisions of this Act for that year.

## Section 6

Sums deductible from gross profits. The following sums shall be deducted from the gross profits as prior charges, namely:

1. any amount by way of depreciation admissible in accordance with the provisions of sub-section 1 of section 32 of the Income-tax Act, or in accordance with the provisions of the Agricultural Income-tax Law, as the case may be: Provided that where an employer has been paying bonus to his employees under a settlement or an award or agreement made before the 29th May, 1965, and subsisting on that date after deducting from the gross profits notional normal depreciation, then, the amount of depreciation to be deducted under this clause shall, at the option of such employer (such option to be exercised once and within one year from that date) continue to be such notional normal depreciation
2. Any amount by way of development rebate or investment allowance or development allowance which the employer is entitled to deduct from his income under the Income-tax Act
3. subject to the provisions of section 7, any direct tax which the employer is liable to pay for the accounting year in respect of his income, profits and gains during that year
4. Such further sums as are specified in respect of the employer in the Third Schedule

## **Withdrawal or Cancellation of Trade Union**

A certificate of registration of a Trade Union may be withdrawn or cancelled by the Registrar

1. On the application of the Trade Union to be verified in such manner as may be prescribed, or
2. If the Registrar is satisfied that the certificate has been obtained by fraud or mistake, or that the Trade Union has ceased to exist or has willfully and after notice from the Registrar contravened any provision of this Act or allowed any rule to continue in force which is inconsistent with any such provision, or has rescinded any rule providing for any matter, provision for which is required by Section 6: Provided that not less than two months previous notice in writing specifying the ground on which it is proposed to withdraw or cancel the certificate shall be given by the Registrar to the Trade Union before the certificate is withdrawn or cancelled otherwise than on the application of the Trade Union.
3. Section 10 provides that register may direct for withdrawal or cancellation of registration in the following cases Trade union has ceased to exist Trade union has on its own applied for its withdrawal or cancellation Allowed any rule to continue against the provision of this act

## **Conciliation Proceeding and Settlement under Industrial Dispute Act-1947**

1. The appropriate Government may as occasion arises by notification in the Official Gazette constitute a Board of Conciliation for promoting the settlement of an industrial dispute.

2. A conciliation officer may be appointed for a specified area or for specified industries in a specified area or for one or more specified industries and either permanently or for a limited period.
3. A Board shall consist of a Chairman and two or four other members, as the appropriate Government thinks fit.
4. The Chairman shall be an independent person and the other members shall be persons appointed in equal numbers to represent the parties to the dispute and any person appointed to represent a party shall be appointed on the recommendation of that party: Provided that, if any party fails to make a recommendation as aforesaid within the prescribed time, the appropriate Government shall appoint such persons as it thinks fit to represent that party.
5. A Board, having the prescribed quorum, may act notwithstanding the absence of the Chairman or any of its members or any vacancy in its number: Provided that if the appropriate Government notifies the Board that the services of the Chairman or of any other member have ceased to be available, the Board shall not act until a new chairman or member, as the case may be, has been appointed.

## **Duties of Conciliation Officers**

1. Where an industrial dispute exists or is apprehended, the conciliation officer may, or where the dispute relates to a public utility service and a notice under section 22 has been given, shall, hold conciliation proceedings in the prescribed manner.
2. The conciliation officer shall, for the purpose of bringing about a settlement of the dispute, without delay, investigate the dispute and all matters affecting the merits and the right settlement thereof and may do all such things as he thinks fit for the purpose of inducing the parties to come to a fair and amicable settlement of the dispute.
3. If a settlement of the dispute or of any of the matters in dispute is arrived at in the course of the conciliation proceedings the conciliation officer shall send a report thereof to the appropriate Government or an officer authorised in this behalf by the appropriate Government together with a memorandum of the settlement signed by the parties to the dispute.
4. If no such settlement is arrived at, the conciliation officer shall, as soon as practicable after the close of the investigation, send to the appropriate Government a full report setting forth the steps taken by him for ascertaining the facts and circumstances relating to the dispute and for bringing about a settlement thereof, together with a full statement of such facts and circumstances, and the reasons on account of which, in his opinion, a settlement could not be arrived at:
5. If, on a consideration of the report referred to in sub-section (4), the appropriate Government is satisfied that there is a case for reference to a Board, Labour Court,

Tribunal or National Tribunal, it may make such reference. Where the appropriate Government does not make such a reference it shall record and communicate to the parties concerned its reasons therefore.

## Duties of Board

1. Where a dispute has been referred to a Board under this Act, it shall be the duty of the Board to endeavor to bring about a settlement of the same and for this purpose the Board shall, in such manner as it thinks fit and without delay, investigate the dispute and all matters affecting the merits and the right settlement thereof and may do all such things as it thinks fit for the purpose of inducing the parties to come to a fair and amicable settlement of the dispute.
2. If a settlement of the dispute or of any of the matters in dispute is arrived at in the course of the conciliation proceedings, the Board shall send a report thereof to the appropriate Government together with a memorandum of the settlement signed by the parties to the dispute.
3. If no such settlement is arrived at, the Board shall, as soon as practicable after the close of the investigation, send to the appropriate Government a full report setting forth the proceedings and steps taken by the Board for ascertaining the facts and circumstances relating to the dispute and for bringing about a settlement thereof, together with a full statement of such facts and circumstances, its findings thereon, the reasons on account of which, in its opinion, a settlement could not be arrived at and its recommendations for the determination of the dispute.
4. If, on the receipt of a report under-sub-section 3 in respect of a dispute relating to a public utility service, the appropriate Government does not make a reference to a Labour Court, Tribunal or National Tribunal under section 10, it shall record and communicate to the parties concerned its reasons therefore.
5. The Board shall submit its report under this section within two months of the date on which the dispute was referred to it or within such shorter period as may be fixed by the appropriate Government: Provided that the appropriate Government may from time to time extend the time for the submission of the report by such further periods not exceeding two months in the aggregate: Provided further that the time for the submission of the report may be extended by such period as may be agreed on in writing by all the parties to the dispute.
6. A report under this section shall be submitted within fourteen days of the commencement of the conciliation proceedings or within such shorter period as may be fixed by the appropriate Government: Provided that, Subject to the approval of the conciliation officer, the time for the submission of the report may be extended by such period as may be agreed upon in writing by all the parties to the dispute.

## Settlements

1. A settlement shall come into operation on such date as is agreed upon by the parties to the dispute, and if no date is agreed upon, on the date on which the memorandum of the settlement is signed by the parties to the dispute.
2. Such settlement shall be binding for such period as is agreed upon by the parties, and if no such period is agreed upon, for a period of six months from the date on which the memorandum of settlement is signed by the parties to the dispute, and shall continue to be binding on the parties after the expiry of the period aforesaid, until the expiry of two months from the date on which a notice in writing of an intention to terminate the settlement is given by one of the parties to the other party or parties to the settlement.
3. An award shall, subject to the provisions of this section, remain in operation for a period of one year from the date on which the award becomes enforceable under section 17A: Provided that the appropriate Government may reduce the said period and fix such period as it thinks fit: Provided further that the appropriate Government may, before the expiry of the said period, extend the period of operation by any period not exceeding one year at a time as it thinks fit, so however, that the total period of operation of any award does not exceed three years from the date on which it came into operation.
4. Where the appropriate Government, whether of its own motion or on the application of any party bound by the award, considers that since the award was made, there has been a material change in the circumstances on which it was based, the appropriate Government may refer the award or a part of it to a Labour Court, if the award was that of a Labour Court or to a Tribunal, if the award was that of a Tribunal or of a National Tribunal, for decision whether the period of operation should not, by reason of such change, be shortened and the decision of Labour Court or the Tribunal, as the case may be, on such reference shall be final.
5. Nothing contained in sub-section 3 shall apply to any award which by its nature, terms or other circumstances does not impose, after it has been given effect to, any continuing obligation on the parties bound by the award.
6. Notwithstanding the expiry of the period of operation under sub-section 3, the award shall continue to be binding on the parties until a period of two months has elapsed from the date on which notice is given by any party bound by the award to the other party or parties intimating its intention to terminate the award.
7. No notice given under sub-section 2 or sub-section 6 shall have effect, unless it is given by a party representing the majority of persons bound by the settlement or award, as the case may be.