



GSTIN : 29AABAK0318H1ZW

Off : 080 - 26613091 / 26607167  
42103360 / 26761877

Email : kea@kea.co.in  
Web : www.kea.co.in

## KARNATAKA EMPLOYERS' ASSOCIATION

Date: 16-05-2020

### CIRCULAR NO- 101/2020

To  
All Members of the Association

**LETTER ADDRESSED TO CHIEF MINISTER**  
**REGARDING DELETION OF CHAPTER 5-B OF**  
**THE INDUSTRIAL DISPUTES ACT**

KEA has addressed a letter to the Hon'ble Chief Minister requesting for deletion of Chapter 5-B of the Industrial Disputes Act in order to industries to expand as well as attract new investment.

Copy of the letter is attached herewith.

**For KARNATAKA EMPLOYERS' ASSOCIATION**

**sd/-**  
**(B C PRABHAKAR)**  
**PRESIDENT**

☎ Off : 080-26613091 / 26607167  
080-42103360 / 26761733

Email : kea@kea.co.in

Web : www.kea.co.in

# KARNATAKA EMPLOYERS' ASSOCIATION

NO.74, 2<sup>nd</sup> FLOOR, SHANKARA ARCADE, VANIVILAS ROAD,  
BASAVANAGUDI, BENGALURU - 560 004  
Reg. No. TU 507 / 20-3-1962



**B.C. Prabhakar, B.A., B.L.,**  
President

Date: 15/05/2020

**The Hon'ble Chief Minister,**  
Government of Karnataka  
Bengaluru

Respected Sir,

## **Sub: DELETION OF CHAPTER 5B OF INDUSTRIAL DISPUTES ACT**

Karnataka Employers' Association (KEA) whole heartedly welcomes the move by Government of Karnataka under your esteemed leadership to modify the law relating to acquiring land by industries directly from the farmers. This will attract more investments and enable faster industrial development in Karnataka.

In addition to the above, KEA wishes to bring to your kind attention the urgent need to delete Chapter 5-B provisions from the Industrial Disputes Act, 1947. Chapter 5-B requires industrial establishments employing 100 or more workmen to seek permission of the Government for laying off, retrenching or closing down the establishment. A very elaborate procedure is prescribed for this purpose. As such, it becomes impossible to have flexibility of employment. When such is the case, it is difficult to employ workmen. In fact, this is one of the reason for industry not expanding. India is the only country in the world where permission to close down an industrial establishment is stipulated. This creates scare amongst industrialists and therefore they would not think of expanding. The Government invariably refuses permission to lay-off, retrench or close as that would be a political decision. It is, therefore necessary to delete Chapter 5-B of the Industrial Disputes Act, 1947 altogether.

Thanking you,

**For Karnataka Employers' Association**

*B. C. Prabhakar*

**B.C. Prabhakar**  
**President**

Mob: 9844033348

Cc: Chief Secretary