

## News

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**The Supreme Court will define "industry" more precisely. Pending cases under the repealed law will be subject to the 1978 Nine-Judge Bench Rules Verdict Review.**



The Supreme Court's nine-judge Constitution Bench made it clear on Wednesday that all current cases being litigated under the now-repealed Industrial Disputes Act, 1947 will be covered by its upcoming ruling on the validity of a historic 1978 ruling that greatly broadened the definition of **"industry."**

The "Triple Test," which was developed in the 1978 Bangalore Water Supply and Sewerage Board case, is being reexamined by the Bench under the direction of Chief Justice of India Surya Kant. Millions of employees in hospitals, schools, clubs, and government social agencies are now covered by labor laws thanks to that decision.

The clarification is important since the Industrial Relations Code, 2020, which went into effect in 2025, has superseded the Industrial Disputes Act (ID Act), 1947. Justice B.V. Nagarathna addressed questions about the reference's applicability in light of the recent legal change during the hearing.

"Anything that is said now will apply to instances that are now pending under the previous legislation. That's all there is to it," noted Justice Nagarathna.

In response to senior advocate C.U. Singh's arguments about the repeal of the 1947 Act, Justice Dipankar Datta questioned the idea that the Bench should not respond to the reference. "There is a reference. Justice Datta said, **"Now, show us an authority that says the nine-judge bench may not answer in these circumstances."**

The 1978 decision rendered by a seven-judge panel is at the center of the case. According to Justice V.R. Krishna Iyer's ruling, an organization qualifies as a **"business"** if it engages in:

1. Systematic activity;
2. Employer-employee collaboration;
3. Product and service production.

Many state administrations have long challenged this broad interpretation. In her appearance, senior counsel Indira Jaising criticized the state opposition, calling it "surrogate litigation" on behalf of private parties. She underlined that the 1947 Act was "beneficial legislation" meant to offer tenure security and access to justice against wrongful termination and persecution.

Chief Justice Surya Kant expressed agreement, stating that "workmen are entitled to some kind of statutory protection and the Industrial Disputes Act, 1947 is a beneficial legislation."

The Bench has developed a number of important questions for decision-making, chief among them being whether the Bangalore Water Supply case from 1978 is still "correct law." The Court is also investigating whether government programs and social welfare initiatives qualify as **"industrial activities"** under Section 2(j) of the 1947 Act.

The Chief Justice underlined that the Court's primary concern is the interpretation of the original text. The Bench had earlier declared, "If that interpretation was incorrect, if that provision has been completely misconstrued by giving such a wide meaning, then we will correct our mistake."

Justice Joymalya Bagchi went on to explain that the Court's current interpretation does not apply to the new 2020 Code and is only applicable to the repealed 1947 statute.

Chief Justice Surya Kant, along with Justices B.V. Nagarathna, P.S. Narasimha, Dipankar Datta, Ujjal Bhuyan, Satish Chandra Sharma, Joymalya Bagchi, Alok Aradhe, and Vipul M. Pancholi, make up the nine-judge bench. On Thursday, there will be more arguments.

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