

News

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The Karnataka High Court has ruled that the Central government alone is the "appropriate government" under the Industrial Disputes Act, 1947, and that the State government lacks the power to control the working conditions of Bengaluru Metro Rail Corporation Limited (BMRCL) employees. [Karnataka Government v. Bengaluru Metro Rail Corporation Limited]

In ruling on six related writ petitions submitted by the BMRCL Employees' Union and the BMRCL itself, Justice Anant Ramanath Hegde came to the conclusion that the Central government, not the State, is in charge of the metro.

The BMRCL Employees (Conduct, Discipline and Appeal) Rules, 2014 and two State government notifications that had designated BMRCL services as public utility and essential services under the Industrial Disputes Act, 1947 and the Karnataka Essential Services Maintenance Act, 2013 were overturned by the Court.

In conclusion, the Court believes that the Central Government is the "Appropriate Government" for two reasons:

- (i) The BMRCL is largely under the supervision of the Central Government;
- (ii) According to Section 2(o) of the Act, 1947 read with Section 3(5) of the Act, 1890, BMRCL is a "Railway company," Justice Hegde ruled.

The BMRCL Employees Union contested the State government's jurisdiction to control the working conditions of metro employees, which sparked the conflict. The Union initially contested the BMRCL Employees (Conduct, Discipline and Appeal) Rules, 2014, arguing that since the Central government was the "appropriate government" under the Industrial Disputes Act, 1947, State government authorities could not have approved these rules. In order to prevent the State from granting an exception under Section 14 of the Industrial Employment Standing Orders Act, 1946, the Union requested a writ of mandamus.

The State government's July 7, 2017, notification under Section 3 of the Karnataka Essential Services Maintenance Act, 2013, which forbade strikes by BMRCL personnel, was challenged by the Union in a second petition. The Union contended that the State government lacked the authority to designate BMRCL services as essential services because the metro rail is a Central subject under the Union List of the Constitution and is regulated by Central legislation, specifically the Metro Railways (Construction of Works) Act, 1978 and the Metro Railways (Operation and Maintenance) Act, 2002.

The Union filed a third petition challenging the November 18, 2019 notification designating BMRCL as a "public utility service."

Three main questions were posed by the High Court:

Regarding labor issues, which is the "appropriate government" for BMRCL?

Is it possible for the State to designate BMRCL services as critical or public utilities?

Does Section 2(o) of the Industrial Disputes Act of 1947 apply to BMRCL as a "railway company"?

The Metro Railways (Construction of Works) Act of 1978 and the Metro Railways (Operation and Maintenance) Act of 2002 were thoroughly examined by Justice Hegde. According to the ruling, the Center hires the General Manager, creates advisory boards, selects safety commissioners, and manages the start and end of metro operations under these Acts. The Supreme Court stated that ***"no metro railway can be opened for public carriage of passengers without the previous sanction of the Central Government."***

The ruling emphasized that essential appointments must have central approval in accordance with the Memorandum of Understanding dated December 24, 2010. Justice Hegde pointed out that the MOU "prohibits the Government of Karnataka from transferring the Managing Director of the Company, the State Government nominee, without prior consent of Ministry of Urban Development, Government of India."

In accordance with Section 2(o) of the Industrial Disputes Act, 1947, which incorporates the meaning from Section 3(5) of the Indian Railways Act, 1890, the Court found that BMRCL is a "railway company". Justice Hegde ruled that the incorporated definition remains autonomous in the 1947 Act even after the 1890 Act was repealed.

The 1890 Act defines ***"any persons, whether incorporated or not, who are owners or lessees of a railway or parties to an agreement for working a railway."*** This definition was examined in the ruling.

It is clear that BMRCL is a party to the contract in which it committed to construct, run, and maintain Bengaluru's Metro railway. The agreement to operate a railway includes BMRCL as a participant. According to Section 2(o) of the Act, 1947, BMRCL is therefore a ***"Railway company."***

Due to a lack of jurisdiction, the Court invalidated both State notices. According to Justice

Hegde, the Motor Vehicles Act of 1988 and the Karnataka Essential Services Maintenance Act of 2013 do not apply to railway transit. The Court pointed out that the Industrial Disputes Act's First Schedule expressly excludes railroads from transportation services in relation to the public utility service notification.

Additionally, it rejected BMRCL's petitions contesting Central government directives, including as the Central Government Industrial Tribunal referral and directives designating twelve union office bearers as protected workers. According to Justice Hegde, the appropriate authorities has the right to issue these directives.

Senior Advocate PS Rajagopal, along with Advocates Ashwini Rajagopal and Jayanth Dev Kumar, represented the BMRCL Employees' Union and others.

Advocate Santosh Narayan represented BMRCL.

Advocate Manjunath B. and Additional Advocate General Santosh Gogi represented the State of Karnataka.

Advocate MN Kumar represented the Union of India and central labor authorities.