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The Industrial Relations Code, 2020

Section 73 - Compensation to workers in case of transfer of establishment

Where the ownership or management of an establishment is transferred, whether by agreement or by operation of law, from the employer in relation to that establishment to a new employer, every worker who has been in continuous service for not less than one year in that establishment immediately before such transfer shall be entitled to notice and compensation in accordance with the provisions of section 70 as if the worker had been retrenched:

Provided that nothing in this section shall apply to a worker in any case where there has been a change of employers by reason of the transfer, if---

- (a) the service of the worker has not been interrupted by such transfer;
- (b) the terms and conditions of service applicable to the worker after such transfer are not in anyway less favourable to the worker than those applicable to them immediately before the transfer; and
- (c) the new employer is, under the terms of such transfer or otherwise, legally liable to pay to the worker, in the event of his retrenchment, compensation on the basis that his service has been continuous and has not been interrupted by the transfer.