



# LABOUR LAWS

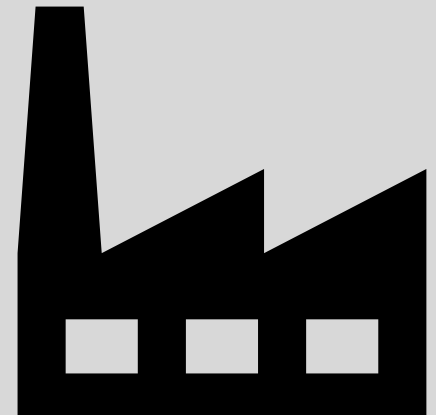
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# Introduction to Labour Laws

Labour law also known as employment law is the body of laws, administrative rulings, and precedents which address the legal rights of, and restrictions on, working people and their organizations.

## Objective

- To maintain harmony in the organization.
  - To protect worker's rights.
  - To outline dispute resolution procedure.
- Concurrent list.
- More than 44 Labour laws, State Govts have their own.



# Classification of Labour Laws

## **Laws relating to Wages**

Minimum Wages Act, 1948

Payment of Wages Act, 1936

Payment of Bonus Act, 1965

## **Laws relating to Social Security**

Employees' Provident Funds and Miscellaneous Provisions Act, 1952

Employees' State Insurance Act, 1948

Labour Welfare Fund Act (of respective States)

Payment of Gratuity Act, 1972

Employee's Compensation Act, 1923

# Classification of Labour Laws

## **Laws relating to Working Hours, Conditions of Services and Employment**

Factories Act, 1948

Industrial Employment (Standing Orders) Act, 1946

Shops and Commercial Establishments Act (of respective States)

Contract Labour (Regulation and Abolition) Act, 1970

Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

Weekly Holiday Act, 1942

National and Festival Holidays Act (of respective States) 1963

The Plantation Labour Act, 1951

The Mines Act, 1952

The Dock Workers (Safety, Health & Welfare) Act, 1986

# Classification of Labour Laws

## **Laws relating to Equality and Empowerment of Women**

Equal Remuneration Act, 1976

Maternity Benefits Act, 1961

## **Prohibitive Labour Laws**

Bonded Labour System (Abolition), Act, 1976

Child Labour (Prohibition & Regulation) Act, 1986

The Beedi and Cigar Workers (Conditions of Employment) Act, 1966

The Sexual Harassment at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

## **Laws relating to Employment and Training**

Apprentices Act, 1961

Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959

# Factories Act, 1948

**Objective:** To ensure safety measures, health and welfare of the workers employed in factories.

**Applicability:** Whole of India.

Covers all manufacturing processes and establishments falling within the definition of factory.

**Factory:** means any premises including the precincts thereof-

- (i) whereon **ten or more workers are working, or were working on any day of the preceding twelve months**, and in any part of which a **manufacturing process is being carried on with the aid of power**, or is ordinarily so carried on, or
  
- (ii) whereon **twenty or more workers are working, or were working on any day of the preceding twelve months**, and in any part of which a **manufacturing process** is being carried on **without the aid of power**, or is ordinarily so carried on,- but does not include a mine subject to the operation of the Mines Act, 1952 or a mobile unit belonging to the armed forces of the Union, a railway running shed or a hotel, restaurant or eating place.

# Factories Act, 1948

Adult: Age > 18

Adolescent: 15 > Age ≥ 18

Child: Age ≤ 15

**Worker:** means a person employed, **directly or by or through any agency (including a contractor)** with or without the knowledge of the principal employer, whether for remuneration or not, in any **manufacturing process**, or in **cleaning any part of the machinery or premises** used for a manufacturing process, or in any other kind of work incidental to, or connected with, the manufacturing process, or the subject of the manufacturing process.

**Occupier of the factory:** Director/Manager/delegated person.

**Safety Officer:** If 1000 or more workers are ordinarily employed.

**Day:** Begins at midnight

**week:** 7 days period beginning midnight on Sat night

# Factories Act, 1948

## **Health measures:**

- The factory should be kept clean.
- Disposal of wastes and effluent.
- Dust and fumes within permissible limits.
- Adequate ventilation, temperature, humidification.
- Adequate lighting, drinking water, facilities.

## **Welfare Measures:**

- Facility for rest, washing and storing clothes.
- First aid boxes to be maintained.
- Canteen: 250 employees, Ambulance: 500 employees.
- Crèche if 30 or more women are employed.

## **Safety Measures:**

- Machinery properly fenced, fire fighting
- Hoists and lifts to be in good condition.
- Hazardous substances: special provisions.
- Floors, stairs free from obstruction.
- PPEs to be provided.

## **Working hour of Adults:**

- Cannot be more than 48 hours in a week.
- Compulsory weekly holiday.
- Not more than 9 hours a day, 30 min rest after 5 hours.
- Total work 10.5 hours including rest.
- Women worker only 6 am to 7 pm, state govt can exempt but not for 10 pm to 6 am.



# Factories Act, 1948

## **Leave:**

- Adult entitled for 1 day for every 20 days.
- Child worker 1 day for every 15 days.
- Provided he has worked 240 days in previous year.
- 4 or more days of leave, wages to be paid before leave.

## **Child employment:**

- Child before 14 shouldn't be employed.
- 14-15 age only 4.5 hours per day.
- 15-18 age requires certificates of witness, can not work 7 pm to 6 am.

- Notice of accidents, diseases, hazardous substances etc. should be given.

# Payment of Wages Act, 1936

**Objective:** To ensure regular payment of wages and avoid exploitation.

**Applicability:** Factory or other industrial establishments, Railways.

**Wages:** all remunerations expressed in terms of money. Includes: award, settlement, overtime wages, holiday wages and sum payable on termination of employment.

Doesn't include: Bonus, value of house accommodation, PF contribution, traveling allowance, gratuity.

# Payment of Wages Act, 1936

## **Payment of wages:**

- Daily, weekly, fortnightly or monthly, but wage period cannot be more than a month.
- On a working day.
- Payment within 7<sup>th</sup> day of the wage period, in case of 1000 workers, 10<sup>th</sup> day is permissible.

## **Permissible deductions:**

- Maximum deduction 50%, 75% if partly to cooperative society.
- On account of absence of duty, fines, house accommodation, recovery of damage, relief fund, advance, IT, PF, LIC premium, amenities etc.

## **Fine:**

- Cannot be more than 3% of the total wages.
- Cannot be recovered in installments.

# Employee Compensation Act, 1923

**Objective:** To pay compensation to an employee or his dependent, for accident arising out of course of employment.

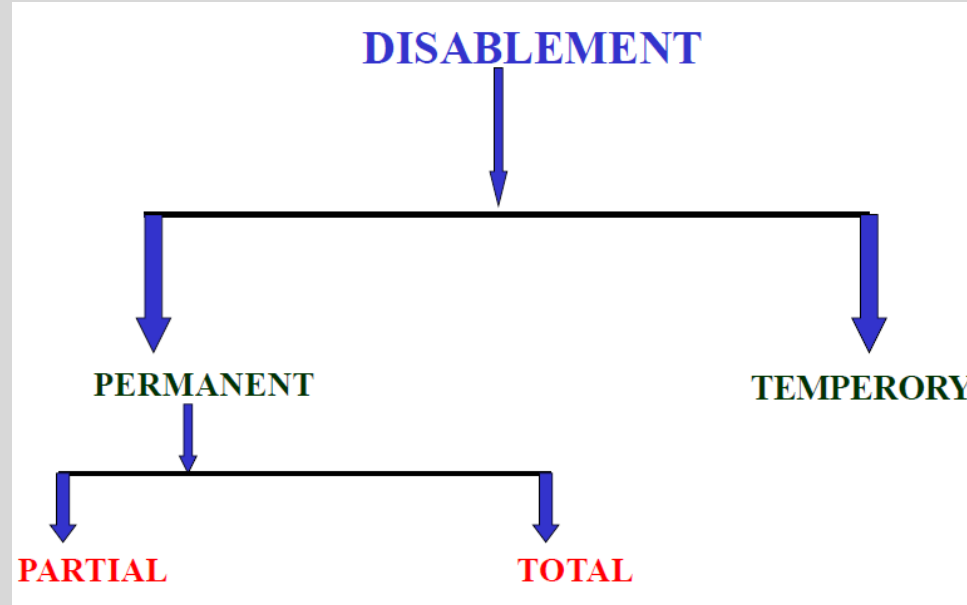
**Applicability:** employees working in mines, factories, plantations, construction establishments, oilfields, etc., establishments under Schedule II of the act.

**Worker:** Rly servant as defined in Rly. Act. 1989 not permanently employed in any administrative, district or sub-divisional office of a railway, workman governed by factories act.

Employment shouldn't be of casual nature.

Employment must be for the purpose of employer's trade or business.

# Employee Compensation Act, 1923



- Loss of hand or thumb.
- Loss of finger.
- Loss of eye.

- Loss of both hands.
- Loss of hand and feet.
- Absolute deafness.
- Very severe facial disfigurement.

# Employee Compensation Act, 1923

## **Cases where employer has to pay:**

Personal injury (includes occupational disease), by accident during employment.  
Accident arisen out of and in the course of employment.

## **Cases where employer does not have to pay:**

- In case injury or damage does not lead to the semi or total disablement of the workers for a period exceeding 3 days.
- In case of any injury which does not result in death or permanent total disablement under the following circumstances:
  - the workman present at the time of the work under the control of drink or drugs.
  - when the worker deliberately disobeys the rule which ensures their safety.
  - non-application of the devices which are especially for the safety of the workers.

# Employee Compensation Act, 1923

## **Compensation:**

- Death –  
50% of wages \* RF or Rs. 1,20,000 whichever is more.
- Total permanent disablement –  
60% of wages \* RF or Rs.1,40,000 whichever is more.
- Partial permanent disablement –  
As per % of loss of earning capacity, certified by doctor.

## SCHEDULE - IV

<b>COMPLETED YEAR OF AGE</b>	<b>FACTOR</b>
<b>16 YEARS</b>	<b>228.54</b>
<b>20 YEARS</b>	<b>224.00</b>
<b>25 YEARS</b>	<b>216.91</b>
<b>29 YEARS</b>	<b>209.92</b>
<b>40 YEARS</b>	<b>184.1</b>
<b>45 YEARS</b>	<b>169.44</b>
<b>54 YEARS</b>	<b>139.13</b>

**FACTORS FOR WORKING OUT LUMP SUM EQUIVALENT OF  
COMPENSATION AMOUNT IN CASE OF PERMANENT DISABLEMENT AND  
DEATH**

Completed years of age on the last birthday  
of the workman immediately preceding the  
date on which the compensation fell due

Factors

(1)	(2)
Not more than 16	228.54
17	227.49
18	226.38
19	225.22
20	224.00
21	222.71
22	221.37
23	219.95
24	218.47
25	216.91
26	215.28
27	213.57
28	211.79
29	209.92
30	207.98
31	205.95
32	203.85
33	201.66
34	199.40
35	197.06
36	194.64
37	192.14
38	189.56
39	186.90

40	184.17
41	181.37
42	178.49
43	175.54
44	172.52
45	169.44
46	166.29
47	163.07
48	159.80
49	156.47
50	153.09
51	149.67
52	146.20
53	142.68
54	139.13
55	135.56
56	131.95
57	128.33
58	124.70
59	121.05
60	117.41
61	113.77
62	110.14
63	106.52
64	102.93
65 or more	99.37.]



# Industrial Disputes Act, 1947

**Objective:** to secure industrial peace and harmony by providing machinery and procedure for the investigation and settlement of industrial disputes by negotiations.

**Applicability:** Industries – wider application, except for domestic employment, from barber shops to steel companies.

**Dispute-** by a group of workmen or trade union.

Single in case of dismissal, retrenchment or termination of service.

**Strike** - refusal to continue working because of an argument with an employer about working conditions, pay levels, or job losses.

**Lockout** - the temporary closing of a place of employment, or the suspension of work, or the refusal by an employer to continue to employ any number of persons

**Layoff** – Volatile in nature, employees recalled once period is over.

**Retrenchment** – Full and final termination of services.

# Industrial Disputes Act, 1947

**Works committee:** 100 or more employees, works committee will be constituted with members from employer and employee side.

**Board of Conciliation :** third party which shall attempt to settle disputes.

**Labour court or Tribunals** may be constituted by the appropriate government.

**National tribunals** to be constituted by central government.

Industrial dispute means any dispute or **difference between employers and employees** or **between employers and workmen**, or between **workmen and workmen**, which is connected with the employment or non-employment or the terms of employment or with the conditions of labour, of any person.

# Industrial Disputes Act, 1947

## **Procedure:**

When industrial dispute is apprehended, conciliation officer may hold proceedings.

A report with memorandum of settlement/ failure report is sent to the appropriate government.

Failure report may be referred to Labour court, Tribunal or national tribunal.

If still fails, Labour court may be referred to.

# Industrial Disputes Act, 1947

**Strike:** No person employed in a public utility service shall go on strike in breach of contract-

- (a) without giving to the employer notice of strike, as hereinafter provided, within six weeks before striking; or
- (b) within fourteen days of giving such notice; or
- (c) before the expiry of the date of strike specified in any such notice as aforesaid; or
- (d) during the pendency of any conciliation proceedings before a conciliation officer and seven days after the conclusion of such proceedings.

Example: Air India (2012)

# Contract Labour Act, 1970

**Objective:** to prevent exploitation of contract labour and to introduce better conditions of work. It regulates the welfare, health, payments of the contract labour, and also has detailed provisions for the grant of the license to the contractors.

**Applicability:** All firms of India which have 20 or more workmen, presently employed or previously employed on any day of the past twelve months.

Not applicable to firms where work of **intermittent nature** is performed:

- If the establishment performed for more than 120 days in the past 12 months, it cannot be considered as an intermittent one.
- If the establishment performs for more than 60 days in a year and is seasonal, it cannot be considered as an intermittent one.

# Contract Labour Act, 1970

## **Registration of The Companies Hiring Contract Labour**

Every firm which employs contract labours for its work must acquire a certificate of registration from the appropriate government.

- Name and address of the establishment, maximum number of workers to be hired as contract labours and type of business to be provided.

## **License for The Contractor:**

- Every contractor working for an establishment who hires twenty or more workers on any day of the past twelve months has to obtain a permit for engaging contract labour.
  - A permit may contain conditions about the hours of work, fixation of wages, and other necessary facilities to the contract labours.

# Contract Labour Act, 1970

## **FORM V**

[See Rule 12(2)]

### **Form of Certificate by Principal Employer**

Certified that I have engaged the applicant ----- as a contractor in my establishment. I undertake to be bound by all the provisions of the contract labour(Regulation and Abolition) Act, 1970 and the contract Labour (Regulation and Abolition) Madhy Pradesh Rules 1973, in so far as the provisions are applicable to me respect of the employment of contract labour by the applicant in my establishment

**Date**  
**Place**

-----  
Signature of the principal employer

**Name and Address of Establishment**

# Contract Labour Act, 1970

The employer should ensure that the contractor does the following:-

- ✓ Pays the wages as fixed by the government or as fixed by the commissioner of labour.
- ✓ In their absence, pays fair wages to the labours.

Provides the following facilities:

- ✓ Canteen to the labours (if the employed workmen are 100 or more and the work is performed for six months or more).
- ✓ Issues employment card to the labours.
- ✓ Restrooms for the workers working at night and where the work is performed for three months or more.
- ✓ Required number of separate washrooms for men and women.
- ✓ Drinking water, washing, first aid, crèche, etc. for the labours.
- ✓ Maintains the various registers and records, notices, etc.



# Payment of Wages Act, 1936

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Doesn't include: Bonus, value of house accommodation, PF contribution, traveling allowance, gratuity.

# Trade Union Act 1926

- Objective-**
- 1) To protect workers against exploitation by employers.
  - 2) To represent the grievance of employees on behalf of them to the management
  - 3) To protect & safeguard rights of workers given to them under employment clause or labour laws.

**Applicability:** Industrial employees (includes railway servants).

**Trade Union:** Any combination, whether temporary or permanent, formed primarily for the purpose of regulating the relations between workmen and employers or between workmen and workmen or between employers and employers, or for imposing restrictive conditions on the conduct of any trade or business, and includes any federation of two or more trade unions.

A registered Trade Union of workmen shall at all times continue to have not less than 10% or 100 of the workmen, whichever is less.

# Trade Union Act 1926

**Application** for registration of a trade union shall be made to the Registrar and shall be accompanied by a copy of the rules of the trade union and:

- (a) the names, occupations and addresses of the members making application
- (b) the name of the trade union and the address of its head office
- (c) the titles, names, ages, addresses and occupations of the of the trade union.

If Trade Union has already been existing for one year or more, for its registration the members should submit all the details such as general statement of the assets and liabilities of the Trade Union going to be registered by the Registrar of Trade Union.

**Cancellation:** When Trade Union registration certificate has been obtained by fraud or other illegal means.

Disobey the rules and regulation of Trade Union act.

All the provision contained in section 6 of this act not followed by the members of the Trade Union.

When there are no minimum required numbers of members in the Trade Union.

# Trade Union Act 1926

As per Indian Railway establishment Code, recognition will not ordinarily be granted or continued to any association unless it complies with the following conditions.—

- (i) It must consist of a distinct class of Railway servants and must not be formed based on any caste, tribe or religious denomination or of any group within or section of such caste. Tribe or religious denomination.
- (ii) All railway servants must be eligible for membership.
- (iii) It must be registered under the Indian Trade Unions Act.
  - Government may require the regular submission of copies of the rules of the association, of its annual accounts and of its list of members.
  - No recognized association shall maintain a political fund except with the general or special sanction of Government.
  - Unions and their Branches should not correspond with the Railway Board direct and such references should be appropriately addressed to the authorities of the Railways concerned.

Thank you