

LECTURE NOTES

INDUSTRIAL LEGISLATION

MBA , 4TH SEMESTER

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MODULE-1

India has a complex framework of labor laws that regulate the working conditions, rights, and welfare of workers. These laws cover various aspects such as wages, working hours, employment conditions, safety, and dispute resolution. Below is an overview of the main categories of labor laws in India:

1. Wage Laws

- **Minimum Wages Act, 1948:** This law mandates the payment of minimum wages to workers in various industries. The government periodically revises the minimum wage rates, taking into account inflation and cost of living.
- **Payment of Wages Act, 1936:** Ensures the timely and full payment of wages to workers employed in certain industries, specifically covering those who earn wages below a certain threshold.
- **Equal Remuneration Act, 1976:** Prohibits discrimination in pay for the same work on the grounds of gender.

2. Employment Conditions

- **Factories Act, 1948:** Provides regulations on health, safety, and welfare of workers in factories. It includes provisions for working hours, rest intervals, and sanitary facilities.
- **Industrial Employment (Standing Orders) Act, 1946:** Requires employers to define and communicate the conditions of employment to workers, ensuring transparency in labor contracts and disciplinary procedures.
- **Shops and Establishments Act:** Regulates working hours, conditions of work, and holidays in shops and commercial establishments, varying from state to state.

3. Social Security Laws

- **Employees' Provident Funds and Miscellaneous Provisions Act, 1952:** Provides for the establishment of a provident fund, pension, and insurance for employees working in factories or other establishments.
- **Employees' State Insurance Act, 1948:** Provides medical benefits, sickness benefits, maternity benefits, and other social security benefits to workers in factories or other covered establishments.
- **Maternity Benefit Act, 1961:** Ensures maternity leave and benefits to women employees, including provisions for medical care and job security during maternity.

4. Industrial Relations and Trade Union Laws

- **Industrial Disputes Act, 1947:** Regulates the resolution of industrial disputes, lays down the procedures for strikes, lockouts, retrenchment, and layoffs, and protects workers' rights during disputes.
- **Trade Unions Act, 1926:** Provides for the registration and functioning of trade unions, ensuring workers' collective bargaining power.
- **The Trade Unions (Amendment) Act, 2001:** Allows for broader participation and functioning of trade unions, enhancing the power of workers to negotiate with employers.

5. Workplace Safety and Health Laws

- **Factories Act, 1948:** In addition to working hours and wages, this Act ensures the health, safety, and welfare of workers in factories. It includes provisions for the maintenance of hygiene, safety measures, and emergency protocols.
- **The Mines Act, 1952:** Specifically focuses on safety and health standards in the mining industry, including regulations around working conditions, welfare, and the employment of children and women in mines.
- **The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996:** Regulates the working conditions of construction workers, ensuring safety measures and welfare schemes like insurance, housing, and health benefits.

6. Employment Standards

- **The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986:** Prohibits the employment of children below the age of 14 in hazardous occupations and regulates the conditions of employment of adolescents.
- **The Factories Act, 1948:** Restricts the employment of young persons and women during night shifts and mandates adequate welfare facilities.
- **The Contract Labour (Regulation and Abolition) Act, 1970:** Provides protection to contract laborers and regulates the working conditions and welfare of workers employed through contractors.

7. Dispute Resolution and Redressal

- **The Industrial Disputes Act, 1947:** Establishes procedures for the settlement of industrial disputes, including the creation of industrial tribunals and labor courts. It also outlines the conditions under which strikes and lockouts can be declared.

- **The Payment of Gratuity Act, 1972:** Mandates the payment of gratuity to employees who have completed a certain period of service with an organization.

8. Employment of Women and Children

- **The Maternity Benefit (Amendment) Act, 2017:** Provides enhanced maternity leave (26 weeks) and protection for working women during pregnancy, childbirth, and post-childbirth.
- **The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013:** Aims to protect women from sexual harassment in the workplace and mandates the establishment of internal complaints committees (ICCs) in organizations.

9. Recent Labor Law Reforms

- In 2020, the Indian government consolidated several labor laws into four labor codes:
 - **The Code on Wages, 2019**
 - **The Industrial Relations Code, 2020**
 - **The Social Security Code, 2020**
 - **The Occupational Safety, Health, and Working Conditions Code, 2020**
 These codes aim to simplify and modernize the existing labor laws, ensuring better compliance and broader coverage for workers, including gig workers and platform workers.

10. State-Specific Laws

Many labor laws are also governed by state legislation, which can differ in terms of working hours, leave provisions, and other labor-related rights.

Historical Background of Labour Laws in India

The historical evolution of labor laws in India can be traced back to the early stages of industrialization during the British colonial period. The development of labor laws was primarily driven by the need to regulate the conditions under which workers, especially in factories and mines, were employed. The industrial revolution in the late 19th and early 20th centuries, along with the expansion of railways and factories, led to an increase in worker exploitation, poor working conditions, and social unrest. This necessitated the introduction of labor legislation to protect workers' rights.

Colonial Period:

- **Pre-independence (1850s to 1940s):** The initial attempts to regulate labor were made during British colonial rule. The primary aim was to control workers in industries such as textiles, mining, and agriculture to ensure that the colonial economy functioned efficiently.
 - **Factories Act, 1881:** The first significant step in regulating labor conditions in India, addressing issues like working hours, child labor, and general factory conditions. It was passed after the 1860s, when industrialization began to take root in the country.
 - **The Trade Unions Act, 1926:** Established the framework for the recognition of trade unions, allowing workers to form unions to represent their interests.
 - **The Industrial Disputes Act, 1947:** Before independence, workers' protests and strikes had gained momentum, leading to various agreements and reforms. However, it was only after independence that industrial relations laws were formalized in their current framework.

Post-independence (1947 and beyond):

- **Independent India (1947 onwards):** After gaining independence in 1947, India sought to establish a framework of labor laws to protect workers' rights, promote fair labor practices, and contribute to national development. The Constitution of India, adopted in 1950, laid the foundation for labor law reforms, particularly through the Directive Principles of State Policy and the Fundamental Rights.

Key milestones in post-independence labor law development:

- **The Constitution of India (1950):** It provided for the protection of workers' rights under **Part IV** (Directive Principles of State Policy), emphasizing fair wages, the right to work, and social security. It also outlawed child labor and ensured that the state would make provisions for industrial peace and harmony.
- **The Factories Act, 1948:** This Act was one of the first major pieces of legislation aimed at regulating working conditions, working hours, and welfare measures in industrial workplaces, focusing on the health and safety of workers.
- **The Trade Unions Act, 1926 (Amended):** Recognized the right of workers to form unions and engage in collective bargaining.
- **The Minimum Wages Act, 1948:** Aimed at ensuring that workers received fair wages for their labor, preventing exploitation, especially in low-wage sectors.

Over time, labor laws in India have grown to cover not only issues related to wages and working conditions but also matters such as occupational safety, the prevention of child labor, social security, dispute resolution, and protections for women and marginalized communities.

Objectives of Labor Laws in India

Labor laws in India have been formulated with the primary objective of ensuring a balance between the interests of employers and workers, while simultaneously promoting the welfare of the workers. The key objectives of India's labor laws are:

1. Protection of Workers' Rights

- Labor laws aim to protect the fundamental rights of workers, ensuring fair wages, adequate working conditions, safety, and social security.
- They ensure that workers are not exploited, discriminated against, or subjected to unsafe working environments.

2. Industrial Peace and Harmony

- Labor laws seek to promote peaceful relations between employers and employees. By setting out clear procedures for resolving industrial disputes, such as strikes, lockouts, and layoffs, the laws aim to prevent conflicts and ensure the smooth functioning of industries.
- Through the **Industrial Disputes Act, 1947**, the government facilitates the resolution of conflicts, ensuring that both employers and employees have access to an equitable dispute resolution system.

3. Social Security and Welfare of Workers

- The provision of social security benefits, such as pension, provident funds, and insurance, is a key objective of India's labor laws.
- The **Employees' Provident Fund Act, 1952** and the **Employees' State Insurance Act, 1948** are examples of laws aimed at providing social security benefits to workers in formal sectors.

4. Promotion of Fair Wages and Working Conditions

- Labor laws aim to guarantee fair compensation for workers for their work, and prevent exploitation through legislation such as the **Minimum Wages Act, 1948**.

- **Working hours, rest periods, holidays, and overtime pay** are also regulated by labor laws to ensure that workers are not overburdened or exploited.

5. Improvement of Health, Safety, and Welfare

- Ensuring the health and safety of workers in their workplaces is another critical goal. Laws like the **Factories Act, 1948**, and the **Mines Act, 1952** provide for workplace safety standards, clean and safe working conditions, and the provision of welfare facilities like restrooms, drinking water, and first aid.

6. Regulation of Employment Relations

- Labor laws aim to regulate employment relationships, ensuring that workers are not exploited by employers. This includes provisions related to working hours, leave, termination of employment, and the creation of standing orders or formal agreements between workers and employers.
- The **Industrial Employment (Standing Orders) Act, 1946** requires employers to define and communicate work rules and conditions of employment.

7. Eradication of Child and Forced Labor

- One of the major objectives of labor laws is the prohibition of child labor and forced labor. Laws like the **Child and Adolescent Labour (Prohibition and Regulation) Act, 1986** aim to eliminate child labor from various industries, particularly hazardous ones.

8. Empowerment of Women in the Workplace

- Labor laws seek to ensure that women workers are not discriminated against in terms of pay, working hours, or conditions. The **Maternity Benefit Act, 1961** and **Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013** aim to protect women workers from discrimination and harassment, ensuring their rights in the workplace.

9. Simplification of Labor Laws

- Recent reforms have aimed at simplifying the labor laws to make them more accessible and comprehensible. The introduction of new **Labor Codes** (such as the **Code on Wages, 2019**, and the **Industrial Relations Code, 2020**) is a move towards consolidating and streamlining various

labor laws to make them more effective and easier to comply with for both employers and employees.

Mechanism of Dispute Settlement in India's Labour Laws

In India, disputes between employers and employees are common, given the diverse nature of industries and working conditions. To ensure peaceful industrial relations and the smooth functioning of the economy, the Indian legal system has put in place various mechanisms for the settlement of labor disputes. These mechanisms are aimed at resolving conflicts over issues such as wages, working conditions, termination of employment, and industrial action (e.g., strikes or lockouts).

The **Industrial Disputes Act, 1947** provides the primary framework for the settlement of industrial disputes in India. The Act establishes various dispute resolution mechanisms, which can be broadly classified into **three categories**:

1. Negotiation and Conciliation

a) Direct Negotiation (Collective Bargaining)

- The first step in the settlement of a dispute is usually direct negotiation between the employer and the employees (or their representatives).
- This approach involves discussions to reach a mutual agreement without involving any third party. It is based on the principle of collective bargaining, which is a core labor law principle.
- If negotiations are successful, a settlement is reached and the dispute is resolved amicably. Most of the time, this is the preferred route to avoid formal procedures.

b) Conciliation

- If direct negotiations fail to resolve the dispute, the next step is **conciliation**.
- Conciliation is a process where a third party (the **Conciliation Officer**) appointed by the government intervenes to facilitate a settlement between the parties.
- Conciliation officers are typically government-appointed officials who work to resolve disputes by encouraging dialogue and suggesting solutions that satisfy both parties.
- The **conciliation process** is informal and aims to bring the disputing parties to a mutually agreeable solution.
- If the parties reach an agreement, it is recorded and becomes legally binding.

- If conciliation fails to produce a solution, the conciliation officer submits a report to the appropriate authorities for further action.

c) Role of Trade Unions and Works Committees

- Trade unions play an essential role in collective bargaining and dispute resolution, representing workers' interests.
 - The **Works Committee** (under the Industrial Disputes Act, 1947) consists of both employers' and workers' representatives. It is aimed at promoting communication and resolving issues related to working conditions, wages, and other concerns before they escalate to more significant disputes.
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2. Adjudication by Labor Tribunals and Courts

When conciliation fails, or if the dispute is of a serious nature, the matter can be referred to a **Labor Court** or **Industrial Tribunal**. These are formal quasi-judicial bodies tasked with resolving disputes between employers and employees.

a) Industrial Tribunals

- **Industrial Tribunals** are established under the **Industrial Disputes Act, 1947** to adjudicate and resolve industrial disputes that are beyond the capacity of conciliation officers.
- Tribunals have the authority to handle disputes related to wages, bonus, retrenchment, layoff, and even matters of unfair labor practices.
- The Tribunal's decision is binding and enforceable, and it can pass orders for reinstatement of workers, payment of compensation, or revision of wages.

b) Labor Courts

- **Labor Courts** are specialized forums created for resolving disputes related to individual grievances of workers. These can be claims regarding unfair dismissal, violation of contract terms, or wage disputes.
- Labor Courts are established by the **state governments** under the provisions of the **Industrial Disputes Act**.
- Labor Courts are less formal than tribunals but still have the power to make binding decisions.

c) National Industrial Tribunal (NIT)

- The **National Industrial Tribunal (NIT)** is constituted by the central government to handle disputes that have national implications or concern multiple industries or states.
 - It is typically used for resolving disputes between trade unions and large industries, particularly those that affect a significant number of workers.
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3. Arbitration

Arbitration is another mechanism of dispute resolution that can be voluntarily agreed upon by the parties involved in a dispute. It is often seen as an alternative to litigation or adjudication.

a) Voluntary Arbitration

- **Arbitration** involves a neutral third-party (arbitrator) who hears the dispute and makes a final decision based on the facts and arguments presented by both parties.
- The decision made by the arbitrator is binding and enforceable, just like a court judgment.
- This mechanism can be faster and more cost-effective than adjudication or litigation, as it avoids the lengthy procedures of tribunals and courts.

b) Compulsory Arbitration (in some cases)

- In certain cases, such as in public utility services or essential industries, the government may direct the parties to settle disputes through compulsory arbitration.
 - The **Industrial Disputes Act** provides for this mechanism, and the awards of the arbitrator are legally binding.
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Steps in Dispute Settlement Process Under the Industrial Disputes Act, 1947

1. Filing of Complaint/Grievance

2.

A worker or trade union may raise a dispute by filing a complaint with the employer or the local government authorities, depending on the nature of the dispute.

3. Conciliation Process

- The dispute is referred to a **Conciliation Officer**, who will try to mediate between the parties and resolve the dispute informally.

- If the conciliation succeeds, the dispute is resolved and an agreement is signed.
 - If it fails, the matter is reported to the appropriate authority for further action.
4. **Reference to Tribunal or Labor Court**
- If conciliation fails, the government may refer the dispute to an **Industrial Tribunal or Labor Court**.
 - The court or tribunal hears both sides of the case and makes a judgment or order to resolve the dispute.
 - The tribunal or court may pass orders on issues like reinstatement, payment of dues, compensation, or other labor rights.
5. **Arbitration** (if applicable)
- If both parties agree, the dispute can be resolved through arbitration, where an independent arbitrator will hear the matter and issue a binding award.
6. **Appeal Process**
- If either party is dissatisfied with the decision of the tribunal or labor court, they can appeal to a **higher judicial body**.
 - In some cases, disputes can be taken to the **High Court** or the **Supreme Court** for judicial review, but this is generally only for issues related to the legality or fairness of the decision.

Mediation and Conciliation, and Investigation under Indian Labour Laws

In the Indian labor law framework, **mediation and conciliation** are key mechanisms used for the peaceful resolution of industrial disputes before they escalate into more serious conflicts, such as strikes, lockouts, or legal battles. These processes are designed to foster dialogue between employers and employees to reach a mutual resolution. **Investigation** typically refers to the process of examining the facts of a dispute or grievance and ensuring compliance with labor laws.

Let's break down these concepts:

1. Mediation and Conciliation

Both **mediation** and **conciliation** are forms of alternative dispute resolution (ADR) designed to resolve disputes in a non-confrontational way. They involve the intervention of a neutral third party to help the disputing parties come to a resolution without resorting to formal litigation.

a) Conciliation

Conciliation is a more formal process and is legally recognized under the **Industrial Disputes Act, 1947**. It is aimed at resolving disputes between employers and employees through the involvement of a **Conciliation Officer** appointed by the government.

- **Role of the Conciliation Officer:**
Conciliation officers act as neutral third parties. Their primary task is to encourage communication between the parties and attempt to bring about a mutually acceptable agreement. They work in industries and sectors where there are disputes over issues like wages, working conditions, termination, and other labor rights.
- **Process:**
 - The dispute may be referred to a **Conciliation Officer** by either party, or the government can refer it to conciliation if a complaint is filed.
 - The officer will initiate discussions with both parties separately and collectively. They try to facilitate an agreement by proposing solutions that balance the interests of both sides.
 - If an agreement is reached, it is signed by both parties, and the dispute is considered resolved.
 - If the conciliation officer is unable to resolve the dispute, they submit a **failure report** to the appropriate government authority (state or central), which may then refer the dispute to an Industrial Tribunal or Labor Court for adjudication.
- **Conciliation Outcome:**
The outcome of conciliation is non-binding unless both parties agree to the terms laid out in the settlement. If successful, it leads to a peaceful resolution, avoiding strikes, lockouts, and other disruptions in work.

b) Mediation

Mediation, while conceptually similar to conciliation, is a **less formal process**. The mediator may not have the same official status or powers as a conciliation officer, but the process still involves a neutral third-party mediator who facilitates discussion.

- **Role of the Mediator:**
The mediator's job is to help the parties clarify their positions, encourage compromise, and explore solutions to the dispute. The mediator doesn't impose a solution; they guide the parties to reach their own agreement.
- **Mediation Process:**
 - The mediator helps the parties communicate, identifies issues causing the dispute, and suggests possible ways to resolve them.

- Like conciliation, mediation focuses on voluntary participation. The mediator's suggestions are non-binding unless both parties mutually agree to them.
- Mediation is commonly used in labor-related issues involving disputes about employment terms, wages, or working conditions.

In India, mediation is less institutionalized than conciliation, and its use is generally voluntary or prescribed under specific agreements, such as those in unionized workplaces.

2. Investigation

Investigation is the process of examining the facts of a labor dispute or grievance to ensure that both parties comply with the labor laws and that the issues are being properly addressed. The purpose of investigation is to gather information, ascertain facts, and determine if violations of labor laws have occurred.

a) Investigation by Conciliation Officer or Authorities

In the context of conciliation or mediation, investigations might occur when there are serious concerns that need to be clarified. For example, when a dispute involves potential violations of labor laws or unjust practices, a conciliation officer or relevant authority may carry out an investigation to understand the facts and assess whether legal standards have been met.

- **Scope of Investigation:**
 - Investigators (such as labor officers) may review documents, interview workers and employers, and assess the workplace conditions to determine if the dispute is due to unfair practices, such as non-payment of wages, unsafe working conditions, or unjust dismissals.
 - The investigation also includes checking compliance with regulations such as the **Factories Act, 1948**, **Minimum Wages Act, 1948**, and other labor-related statutes.
- **Investigation Process:**
 - **Complaint Filing:** The investigation process typically starts when a worker or union files a complaint with the labor department or a conciliation officer.
 - **Fact-finding:** The officer may gather information by interviewing workers, reviewing employment records, or conducting site inspections to determine if the dispute arises from any legal or contractual violations.

- **Report Submission:** After investigating the dispute, the officer submits a report to the relevant authority (government or tribunal). The report includes findings and recommendations.
- **Outcome of Investigation:**
 - Based on the findings, the government or concerned authority can decide whether the dispute should proceed to conciliation, mediation, or judicial adjudication. They may also initiate action against the employer for violating labor laws if necessary.

b) Investigation by Labor Courts or Industrial Tribunals

If a dispute escalates to a **Labor Court** or **Industrial Tribunal**, an in-depth investigation into the facts of the case may be conducted.

- **Role of Labor Courts and Tribunals:**
 - Labor courts and tribunals have the authority to investigate disputes related to unfair labor practices, wrongful termination, wage disputes, and other issues in the workplace.
 - Investigations in tribunals are more formal and involve hearings where both the employer and the worker (or union) present evidence, witnesses, and arguments. The tribunal then examines the facts before delivering a judgment.
- **Outcome of Tribunal Investigation:**
The tribunal or court may issue binding orders for reinstatement of workers, payment of wages, compensation, or other remedies. If violations of labor laws are found, penalties or corrective actions may be imposed on the employer.

Key Differences Between Conciliation, Mediation, and Investigation

Aspect	Conciliation	Mediation	Investigation
Nature	Formal, government-appointed conciliator intervenes to resolve disputes.	Informal, a neutral third party facilitates discussions.	A process to gather facts and determine legal compliance.
Process	Involves a Conciliation Officer, formal meetings, and efforts to reconcile differences.	Involves a mediator who facilitates dialogue without enforcing a solution.	Includes gathering information, interviewing parties, and reviewing records.
Role of Third Party	Conciliation Officer helps reach a settlement.	Mediator helps facilitate discussions but does not impose solutions.	Investigator gathers facts, investigates the issue, and reports findings.

Outcome	Non-binding unless both parties agree to the terms.	Non-binding unless both parties agree to the settlement.	Findings may lead to formal action or a tribunal referral.
Legality	Recognized by the Industrial Disputes Act, 1947.	Not formally recognized by law, but widely practiced.	Essential for establishing facts before adjudication.

Employment Health and Benefits in India

In India, employment-related health and benefits are governed by a combination of statutory provisions and employer policies, with a focus on ensuring workers' welfare, safety, and economic security. These benefits range from healthcare provisions to retirement and insurance schemes designed to safeguard workers and their families. The aim is to promote health, well-being, and financial stability for employees, especially in cases of illness, injury, or retirement.

1. Employment Health Benefits

Employment-related health benefits in India are primarily focused on providing healthcare coverage, ensuring workplace safety, and offering protection during illness or injury.

a) Employees' State Insurance (ESI) Scheme

The **Employees' State Insurance (ESI) Act, 1948** is a major social security measure designed to provide health benefits to workers in the organized sector. It applies to factories and establishments with 10 or more employees, particularly those with wages below a certain threshold.

- **Health Benefits Under ESI:**
 - **Medical Care:** Employees and their families are entitled to free medical treatment through ESI dispensaries, hospitals, and clinics.
 - **Sickness Benefits:** ESI provides a cash benefit for workers unable to work due to sickness, which amounts to 70% of their average daily wages.
 - **Maternity Benefits:** Female employees covered under ESI are entitled to maternity benefits, including medical care and cash assistance for up to 26 weeks.
 - **Disability Benefits:** In case of permanent disability due to work-related injuries, employees are eligible for disability benefits, which include a monthly payment.
 - **Funeral Expenses:** The ESI scheme also provides for funeral expenses to the family of a deceased insured worker.
- **Eligibility:**

- The scheme is applicable to employees whose monthly wages do not exceed ₹21,000 (₹25,000 for persons with disabilities). Employers and employees contribute a percentage of wages to fund the scheme.

b) Workmen's Compensation Act, 1923

The **Workmen's Compensation Act** (now largely replaced by more modern social security laws) was one of the earliest legislations to provide compensation for workers who suffer from work-related injuries or occupational diseases.

- **Coverage and Benefits:**

- **Injury or Death:** Employees who are injured or killed due to a workplace accident are entitled to compensation. The amount of compensation depends on the severity of the injury and whether the worker is permanently disabled or dies.
- **Occupational Disease:** Workers who contract diseases due to their work environment (e.g., exposure to hazardous chemicals) are also eligible for compensation.

c) Occupational Health and Safety

The **Factories Act, 1948** and various other labor laws impose safety and health obligations on employers to ensure the protection of workers from hazards in the workplace. These include:

- **Health Standards:** Employers are required to provide clean, well-ventilated working environments, proper sanitation, and access to drinking water.
- **Safety Measures:** In hazardous industries, such as mining or construction, employers must ensure safety protocols are followed to protect workers from accidents or injuries.

2. Employment Benefits in India

In addition to health-related benefits, employees in India are entitled to a variety of benefits aimed at ensuring their financial security, supporting their families, and securing their future.

a) Provident Fund and Pension

Employees' Provident Fund (EPF) and **Pension Scheme** are essential components of the social security benefits in India, particularly for employees in the organized sector.

- **Employees' Provident Fund (EPF):**
 - The **Employees' Provident Funds and Miscellaneous Provisions Act, 1952** governs the EPF.
 - **Employer and Employee Contributions:** Both the employer and employee contribute a percentage of the employee's salary to the EPF (usually 12% each).
 - **Withdrawal:** Employees can withdraw the accumulated amount at the time of retirement, resignation, or in cases of emergencies (such as illness).
 - **Interest:** The EPF earns interest on the balance, which is compounded annually.
- **Employees' Pension Scheme (EPS):**
 - This scheme provides pension benefits to employees once they retire.
 - A portion of the employer's contribution to the EPF is diverted to the EPS, which provides a monthly pension after retirement based on the worker's average salary and service length.

b) Gratuity

The **Payment of Gratuity Act, 1972** ensures that employees who have completed at least five years of continuous service with an employer are entitled to a gratuity payment when they leave or retire.

- **Gratuity**

Calculation:

The amount of gratuity is calculated based on the employee's last drawn salary and the number of years of service. It is usually calculated as 15 days' salary for every completed year of service.
- **Applicability:**

Gratuity applies to establishments with 10 or more employees, including organizations in the private sector, government services, and certain public sector enterprises.

c) Maternity Benefits

Under the **Maternity Benefit Act, 1961**, female employees in India are entitled to certain benefits related to childbirth.

- **Maternity** **Leave:**
Female workers are entitled to 26 weeks of paid maternity leave (which can be availed in two installments). The leave can be extended in case of complications.
- **Other Benefits:**
 - **Payment:** The employer must pay the female employee during maternity leave, and the amount is calculated based on her average earnings.
 - **Protection from Dismissal:** Female employees are protected from dismissal during maternity leave.

d) Employee State Insurance (ESI) Benefits

In addition to medical benefits, employees covered under the **Employees' State Insurance Act** are entitled to the following:

- **Sickness Benefits:** As mentioned earlier, ESI provides cash benefits for periods of sickness.
- **Maternity Benefits:** Female workers covered under ESI are also eligible for maternity benefits.
- **Funeral Benefits:** ESI covers the funeral expenses for workers who pass away while covered under the scheme.

e) Bonus

The **Payment of Bonus Act, 1965** mandates that employers pay a bonus to employees in certain establishments based on profits or productivity. The bonus is calculated as a percentage of the employee's salary and is usually paid annually.

- **Eligibility:**
Employees earning up to ₹21,000 per month are eligible for the bonus, though this threshold may vary in certain industries.

f) Leave Benefits

Indian labor laws provide for a variety of leave entitlements, including:

- **Earned Leave:** Paid time off that accrues with each year of service. Typically, employees are entitled to 15 days of leave annually.
- **Casual Leave:** Leave for personal reasons, typically up to 7 days annually.
- **Sick Leave:** Entitlement to paid sick leave in case of illness (typically up to 12 days).

- **Public Holidays:** There are certain mandatory public holidays each year for employees, especially in sectors where the **National and State Holidays Act** applies.
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3. Recent Reforms and Changes

The Indian government has introduced recent reforms aimed at streamlining and simplifying employment-related health and benefits.

a) Labor Codes (2019-2020)

The Indian government has consolidated existing labor laws into **four major labor codes**, which seek to simplify and modernize the system:

1. **Code on Wages, 2019:** Simplifies the various existing laws related to wages and remuneration.
2. **Industrial Relations Code, 2020:** Streamlines dispute resolution and enhances the rights of workers.
3. **Code on Social Security, 2020:** Consolidates various social security laws, including the EPF, ESI, and maternity benefits.
4. **Occupational Safety, Health, and Working Conditions Code, 2020:** Focuses on ensuring safe working environments and enhancing the rights of workers in hazardous industries.

These reforms aim to improve the delivery of health and social benefits to workers and provide easier enforcement mechanisms.

Statutory Regulation of Conditions of Service in Certain Establishments in India

In India, labor laws govern the **conditions of service** in various establishments to ensure the welfare, safety, and rights of employees. The **statutory regulation of conditions of service** refers to the legal framework that sets out the rights and duties of both employers and employees concerning working conditions, pay, leave, and other employment-related aspects.

The regulations differ depending on the type and size of the establishment, the nature of work, and whether it falls under a specific set of labor laws. These regulations are typically enforced through statutory laws like the **Factories Act, 1948**, the **Shops and Establishments Act**, and specific provisions under the **Labour Codes**, among others.

1. The Factories Act, 1948

The **Factories Act, 1948** is one of the most important legislations regulating the working conditions of employees in factories. The Act applies to manufacturing establishments and factories where 10 or more workers are employed with the use of power, or 20 or more workers are employed without the use of power.

Key Provisions for Conditions of Service under the Factories Act

- **Working Hours:**
 - The working hours for adult workers in factories are limited to 48 hours per week, with a daily limit of 9 hours.
 - Workers are entitled to a weekly off-day and should not work beyond 48 hours in a week unless permitted by the appropriate government authority in case of exceptional situations (like an emergency).
 - **Rest Periods:**
 - Workers are entitled to a rest period of at least 30 minutes after working for more than 5 hours.
 - **Overtime:**
 - If a worker works beyond the normal hours, they are entitled to overtime pay, typically calculated at twice the normal hourly rate.
 - **Health and Safety:**
 - The Act mandates employers to provide a safe working environment, including measures for proper ventilation, cleanliness, and adequate lighting.
 - Workers must be provided with protective equipment where necessary (e.g., in hazardous environments).
 - **Wages:**
 - The Act ensures timely payment of wages and prohibits the deduction of wages for reasons not permitted by law.
 - **Employment of Young Workers:**
 - The employment of children under the age of 14 is strictly prohibited in factories.
 - Young workers (14-18 years) are allowed to work only under specific conditions that ensure their safety and welfare.
 - **Annual Leave with Wages:**
 - Workers are entitled to a minimum of one day of paid leave for every 20 days worked. This accumulates over the year and can be availed of by the employee.
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2. The Shops and Establishments Act

The **Shops and Establishments Act** applies to all commercial establishments, shops, and certain other types of workplaces that do not fall under the purview of the **Factories Act**. This includes offices, retail shops, hotels, restaurants, and other establishments. The Act regulates various aspects of employment, including hours of work, leave, wages, and termination.

Key Provisions for Conditions of Service under the Shops and Establishments Act

- **Working Hours:**
 - The Act regulates the number of working hours per day and per week. The standard working hours are usually 9-10 hours per day, and the weekly working hours are restricted to 48 hours.
- **Rest Breaks:**
 - Employees working for more than 6 hours in a day must be given a rest interval of at least one hour.
- **Leave Entitlements:**
 - Employees are entitled to paid leave, including annual leave, sick leave, and public holidays. The exact entitlements may vary from state to state, but it generally includes at least 12 days of annual leave, with some states offering more.
- **Wages and Payment:**
 - Employees must be paid their wages on time, and the act ensures that the wages should be paid at least once a month.
 - **Minimum Wage** laws also apply to these establishments, ensuring that employees are paid a legally specified minimum amount for their work.
- **Gratuity and Bonus:**
 - Similar to provisions under other labor laws, employees working for a certain number of years are entitled to gratuity upon termination of employment.
 - Employees in shops and commercial establishments are also entitled to a bonus, which is regulated under the **Payment of Bonus Act, 1965**.

3. The Industrial Disputes Act, 1947

The **Industrial Disputes Act, 1947** is applicable to industrial establishments (factories, mines, etc.), and it regulates the conditions of service, particularly regarding disputes, layoffs, retrenchments, and the termination of employees.

Key Provisions for Conditions of Service under the Industrial Disputes Act

- **Layoffs and Retrenchments:**
 - Employers are required to follow due process in case of layoffs and retrenchment. They must provide prior notice and compensation to the employee.
 - **Termination:**
 - The Act ensures that employees cannot be terminated without sufficient cause and proper procedure. Workers who have worked for more than one year are entitled to notice and severance pay.
 - **Dispute Resolution:**
 - The Act provides mechanisms for dispute resolution, including conciliation, mediation, and adjudication by labor courts or industrial tribunals.
 - **Transfer of Employees:**
 - The Act provides guidelines on the transfer of employees, ensuring that the employee's conditions of service are not adversely affected during such transfers.
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4. The Minimum Wages Act, 1948

The **Minimum Wages Act, 1948** ensures that workers in certain industries or establishments are paid no less than a specified minimum wage. It applies to both organized and unorganized sectors and covers industries like construction, agriculture, and others.

Key Provisions for Conditions of Service under the Minimum Wages Act

- **Minimum Wages:**
 - The Act mandates that employers must pay workers at least the minimum wage prescribed by the government. The wages differ based on the type of work, the geographical region, and whether the employee is skilled or unskilled.
 - **Payment of Wages:**
 - Wages must be paid in cash and cannot be deducted unless allowed by law (e.g., for absence from work or damage to property).
 - **Revision of Wages:**
 - The government periodically revises the minimum wage rates, ensuring that workers receive wages that reflect inflation and the cost of living.
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5. The Contract Labour (Regulation and Abolition) Act, 1970

The **Contract Labour (Regulation and Abolition) Act, 1970** regulates the conditions of service of contract workers, ensuring that they are treated fairly and provided with certain benefits.

Key Provisions for Conditions of Service under the Contract Labour Act

- **Regulation of Employment:**
 - The Act mandates that contractors must comply with certain conditions regarding the employment of contract labor. It requires that the principal employer provides welfare and health benefits to the contract workers.
 - **Wages and Benefits:**
 - Contract workers are entitled to the same wages and benefits as regular employees performing the same kind of work.
 - **Abolition of Contract Labor:**
 - The government has the authority to prohibit the employment of contract labor in specific establishments where it is deemed necessary for workers' welfare.
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6. The Payment of Gratuity Act, 1972

The **Payment of Gratuity Act, 1972** regulates the payment of gratuity to employees working in factories, mines, and other establishments with 10 or more employees. It ensures that employees receive a lump-sum payment when they leave the organization after a minimum of 5 years of continuous service.

Key Provisions for Conditions of Service under the Gratuity Act

- **Eligibility for Gratuity:**
 - Employees who have served for at least 5 years in the same establishment are eligible for gratuity, except in cases of death or disability where the 5-year requirement is waived.
 - **Gratuity Calculation:**
 - The gratuity is calculated as 15 days of wages for every year of service, based on the employee's last drawn salary.
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Factories Act, 1948

The **Factories Act, 1948** is one of the most significant pieces of legislation in India aimed at regulating working conditions in factories. The Act seeks to ensure the welfare, health, and safety of workers employed in factories. It applies to all factories, manufacturing establishments, or units involved in any kind of production or processing, and it covers both public and private sector establishments.

Key Provisions of the Factories Act, 1948

1. Applicability:

- The Act applies to any factory that employs **10 or more workers** using power, or **20 or more workers** without power.
- It also applies to manufacturing processes, operations, or processes in factories.

2. Health, Safety, and Welfare Provisions:

- **Cleanliness:** Employers are required to ensure cleanliness in the factory premises. This includes proper sanitation, ventilation, and the removal of waste and effluent.
- **Drinking Water:** Adequate and clean drinking water must be provided to workers.
- **Ventilation and Temperature:** Proper ventilation must be ensured to maintain a safe temperature and air quality in the workplace.
- **Lighting:** Factories must ensure adequate lighting in all work areas.
- **Washing Facilities:** Sufficient washing facilities must be provided to workers.
- **First Aid:** Every factory should have a first aid box, and it must ensure that workers receive immediate first aid treatment in case of injuries.
- **Restrooms and Canteens:** The Act mandates the provision of adequate restrooms and canteen facilities for workers, especially in large factories.

3. Working Hours:

- **Daily Working Hours:** The Act stipulates that the total working hours in a day cannot exceed **9 hours**.
- **Weekly Working Hours:** The maximum limit for weekly working hours is **48 hours**.
- **Overtime:** Employees working beyond the prescribed daily or weekly hours are entitled to overtime pay, typically at **double the normal wage rate**.

4. Wages:

- Wages must be paid regularly, and employers cannot make unauthorized deductions from the wages.
- The Act also mandates that workers be paid for overtime work.

5. **Employment of Young Persons and Children:**

- The employment of children below **14 years of age** is prohibited in factories.
- Adolescents (14-18 years old) can work but are restricted to certain types of work and working hours to ensure their safety and well-being.

6. **Annual Leave:**

- The Act provides for **annual leave** with wages. Employees are entitled to **one day of leave for every 20 days worked**.
- Workers can accumulate unused leave over time.

7. **Industrial Safety:**

- The Act mandates that factories must provide proper safety measures, especially when workers are exposed to hazardous machinery, chemicals, or toxic substances.
- Safety equipment like helmets, gloves, and other protective gear must be provided to workers.

8. **Health and Safety Inspections:**

- Factory inspectors are appointed by the government to ensure compliance with the provisions of the Act.
- Employers must allow inspectors to visit the factory and assess conditions.

9. **Penalties for Violation:**

- Employers who violate the provisions of the Act, such as failing to maintain safety standards or violating health regulations, can face fines and even imprisonment.

Employees' Compensation Act, 1923

The **Employees' Compensation Act, 1923** (formerly known as the **Workmen's Compensation Act, 1923**) is one of the earliest pieces of legislation in India designed to provide compensation to workers who are injured or killed while performing their duties in the course of employment. The Act applies to all workers employed in factories, mines, construction, and other industries.

Key Provisions of the Employees' Compensation Act, 1923

1. **Applicability:**

- The Act applies to workers who are employed in factories, mines, construction sites, and certain other specified industries.
- It applies to both manual laborers and employees working in various sectors, but **it does not apply to domestic workers**.
- The Act covers workers who have sustained injuries or fatalities during the course of employment.

2. **Compensation for Injury or Death:**

- **Injury:** The Act entitles a worker to compensation in case of injury caused by accidents arising out of and in the course of employment. This includes injuries resulting from accidents at the workplace or while traveling for work-related duties.
- **Death:** If a worker dies due to an accident at work, their family or dependents are entitled to compensation.

The amount of compensation varies based on the severity of the injury or the nature of the death.

3. **Calculation of Compensation:**

- The compensation is based on the **nature of the injury** (whether it's permanent or temporary), **the loss of earning capacity**, and **the wages of the worker**.
- **Permanent Total Disability:** If the worker is completely disabled and unable to perform any work, compensation is based on their monthly wages and a fixed percentage of the wages. The amount of compensation is typically calculated using the formula: $\text{Monthly wage} \times 60\% \times \text{Years of Service}$.
- **Permanent Partial Disability:** If the worker suffers partial disability, compensation is calculated as a percentage of the permanent total disability.
- **Temporary Disability:** Compensation is provided for workers who are temporarily unable to work due to injury. This includes paying for medical expenses and providing temporary benefits while the worker recovers.

4. **Occupational Diseases:**

- The Act covers workers who suffer from diseases caused by their work environment (e.g., lung diseases in miners or factory workers exposed to chemicals). If the worker is diagnosed with an occupational disease, they are entitled to compensation under the Act.

5. **Dependents' Benefits:**

- If a worker dies due to a work-related accident, their family or dependents (spouse, children, or parents) are entitled to compensation. The amount is calculated based on the deceased worker's earnings, and it is provided as a lump sum or periodic payments.

6. **Exclusions:**

- The Act does not cover injuries that are caused by the **intoxication** of the worker, **self-inflicted injuries**, or injuries caused by the **worker's own misconduct**.
- The Act also excludes workers who are employed in agricultural activities.

7. **Employer's Liability:**

- The employer is **liable to pay compensation** in cases where the injury occurs due to an accident in the course of employment.
 - In cases where the employer has violated the safety provisions or has acted negligently, the compensation may be increased.
8. **Medical Expenses:**
- The employer is required to cover **medical expenses** related to the treatment of the injury. This includes hospital bills, medication, and rehabilitation costs.
9. **Time Limits:**
- The worker must notify the employer about the injury within a specified period (typically **30 days** from the date of the accident). In case of occupational diseases, this period can vary.
 - Compensation claims must be made within a certain period, usually **2 years** from the date of the injury or the diagnosis of the occupational disease.
10. **Appeals and Dispute Resolution:**
- If there is a dispute regarding compensation, the employee or employer can appeal to the **Commissioner for Employees' Compensation**, who is appointed under the Act. The Commissioner is responsible for adjudicating claims and ensuring compliance.
 - Workers have the right to file a case in a **labor court** if they believe they are not being compensated fairly.

Comparison: Factories Act, 1948 vs. Employees' Compensation Act, 1923

Aspect	Factories Act, 1948	Employees' Compensation Act, 1923
Primary Purpose	Regulates the working conditions, health, and safety of workers in factories.	Provides compensation for workers injured or killed in the course of employment.
Coverage	Applies to factories and manufacturing establishments.	Applies to workers in factories, mines, construction sites, and certain other sectors.
Focus	Health, safety, welfare, and working hours of employees.	Compensation for injury, death, or occupational diseases at work.
Health and Safety	Mandates safety measures like ventilation, cleanliness, sanitation, and provision of safety equipment.	Focuses on compensating workers for injuries or deaths due to work-related accidents or diseases.
Leave and Wages	Prescribes working hours, rest intervals, and annual leave.	Does not deal directly with leave or wages but compensates for the loss of income due to work-related

		injuries.
Medical Assistance	Requires provision of first aid and medical facilities in factories.	Requires employers to cover medical expenses for injuries or diseases incurred at work.
Enforcement	Factory inspectors are appointed to ensure compliance.	Disputes are adjudicated by the Commissioner for Employees' Compensation or labor courts.

Conclusion

- The **Factories Act, 1948** primarily focuses on the health, safety, and welfare of workers within the workplace, ensuring that employers provide a safe working environment, regulate working hours, and offer facilities for workers' well-being.
- The **Employees' Compensation Act, 1923**, on the other hand, is concerned with compensating workers who are injured or killed due to work-related accidents or occupational diseases. It provides workers with financial compensation and medical assistance in case of work-related injuries or death.

Together, these Acts complement each other by ensuring both the prevention of accidents (through safety regulations) and providing financial security for workers in case accidents do occur.

MODULE-2

1. Minimum Wages Act, 1948

The **Minimum Wages Act, 1948** is one of the most important labor laws in India, aimed at ensuring that workers receive a minimum wage for their labor. This law applies to industries and sectors where workers are more likely to be exploited or paid below the standard of living required for a decent life.

Key Provisions of the Minimum Wages Act, 1948

- **Applicability:**
 - The Act applies to both **organized and unorganized sectors** and covers industries such as agriculture, construction, manufacturing, etc.
 - It applies to all workers who are **employed under a contract of employment** in any establishment or industry specified by the government.
- **Minimum Wages:**
 - The Act provides that the **appropriate government** (Central or State) will fix the minimum wages for different sectors or industries.
 - These wages are categorized by **skilled, semi-skilled, and unskilled** labor.
 - Wages can be fixed on a **time rate, piece rate, or a composite rate**, depending on the nature of the work.
- **Revisions and Reviews:**
 - The government is required to review and revise the minimum wages at regular intervals.
 - These revisions take into account the changes in the cost of living, inflation, and economic conditions.
- **Wages:**
 - The Act ensures that wages are paid **in cash** and prohibits employers from making unauthorized deductions.
 - Workers are entitled to receive their wages on a **monthly basis** or in a manner agreed upon between the employer and employee.
- **Enforcement and Compliance:**
 - The Act also provides for the **appointment of inspectors** to check compliance with the law.
 - Employers who fail to comply with the Act can face penalties, including fines and imprisonment.
- **Penalties for Violation:**
 - Employers who fail to pay the minimum wages are subject to fines and penalties.

2. Payment of Wages Act, 1936

The **Payment of Wages Act, 1936** is designed to ensure that workers in India are paid on time and that their wages are not delayed or withheld unjustifiably. It also provides safeguards against unauthorized deductions.

Key Provisions of the Payment of Wages Act, 1936

- **Applicability:**
 - The Act applies to establishments where **100 or more workers** are employed, including factories, railways, and other industrial sectors.
- **Wages Payment:**
 - The wages should be paid **on time** (within 7th to 10th day of the succeeding month).
 - Workers should receive wages **in cash** and employers cannot make deductions for reasons that are not allowed by law.
- **Authorized Deductions:**
 - Deductions from wages are allowed only for specific reasons, such as **provident fund, taxes, insurance, fine for misconduct**, and **absence from duty**.
 - Unauthorized deductions are prohibited.
- **Time of Payment:**
 - Wages must be paid without any delay. The Act mandates that wages should be disbursed **before the 10th day** of the month following the month in which the wages were earned.
 - If the wage payment is delayed, employers are required to pay **interest** to the worker.
- **Employer Obligations:**
 - Employers are required to **maintain records of wage payments** and submit the payment information as required by the government.
- **Penalties for Violation:**
 - Employers who do not comply with the Act's provisions, such as failing to pay wages on time or making unauthorized deductions, face penalties, including fines and imprisonment.

3. Employees' Provident Fund and Miscellaneous Provisions Act, 1952

The **Employees' Provident Fund and Miscellaneous Provisions Act, 1952** is a key social security legislation that provides financial security to workers through **Provident Fund (PF)** contributions, along with other benefits like pension and insurance.

Key Provisions of the Employees' Provident Fund Act, 1952

- **Applicability:**
 - The Act applies to **establishments** that employ **20 or more workers** and to workers who are earning below a certain wage ceiling.
 - It covers **factories, mines, and other establishments**.
 - **Provident Fund (PF):**
 - Employers and employees contribute a fixed percentage of the worker's wages to the **Employees' Provident Fund**.
 - The employee can withdraw the accumulated PF amount after leaving the job, at retirement, or after a specified duration.
 - **Pension Scheme:**
 - The Act also provides for a **Pension Scheme (EPS)**, which offers post-retirement pension benefits to employees.
 - Employees who have contributed to the Provident Fund are eligible for pension once they reach the age of **58 years**.
 - **Employees' Deposit Linked Insurance Scheme (EDLI):**
 - The Act includes the **EDLI scheme**, which provides a life insurance cover to the employee in case of death, based on the Provident Fund balance at the time of death.
 - **Employee's Contributions:**
 - The contribution to the Provident Fund is a **fixed percentage** (typically 12%) of the employee's salary.
 - Employers are also required to match the contribution made by the employee.
 - **Regulatory Authority:**
 - The **Employees' Provident Fund Organization (EPFO)** regulates the implementation and functioning of this Act.
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4. Employees' State Insurance Act, 1972

The **Employees' State Insurance (ESI) Act, 1972** is a social security legislation aimed at providing benefits such as medical care, sickness, maternity benefits, and disability benefits to employees in case of illness or injury.

Key Provisions of the Employees' State Insurance Act, 1972

- **Applicability:**
 - The Act applies to **factories** and **establishments** that employ **10 or more workers** (in some states, it is applicable to establishments with 20 or more employees).
 - It is mandatory for the employer to register under the ESI Act if the establishment meets the prescribed conditions.
 - **Insurance Benefits:**
 - The Act provides for **medical benefits** to workers, including free healthcare and medical treatment for employees and their families.
 - **Sickness benefits, maternity benefits, disability benefits, and pension** for workers with long-term disabilities are also part of the ESI Act.
 - **Funeral expenses** and **dependents' benefits** in case of death of the worker due to employment injury are covered.
 - **Contribution:**
 - Both the employee and employer contribute to the **ESI Fund**. The employee contributes a small percentage (around 0.75%) of their wages, and the employer contributes a higher percentage (around 3.25%).
 - **ESI Corporation:**
 - The **Employees' State Insurance Corporation (ESIC)** is responsible for managing and implementing the provisions of the ESI Act.
 - **Eligibility for Benefits:**
 - Employees must have contributed to the ESI Fund for a minimum period (usually 78 days) in order to be eligible for benefits.
-

5. Payment of Bonus Act, 1965

The **Payment of Bonus Act, 1965** is designed to provide annual bonuses to employees based on their productivity, performance, and the profitability of the employer. It aims to enhance the financial well-being of workers and encourage them to be productive.

Key Provisions of the Payment of Bonus Act, 1965

- **Applicability:**
 - The Act applies to all **factories** and **establishments** with **20 or more employees**.
 - It covers employees who are engaged in **manual work, supervisory work, and clerical work**.

- **Bonus Calculation:**
 - **Bonus is calculated as a percentage of the annual wages** of employees, based on the profits of the organization.
 - The **minimum bonus** is set at **8.33%** of the wages, and the maximum bonus is **20%**.
 - **Eligibility:**
 - Employees earning up to a specified ceiling (currently ₹21,000 per month) are eligible for the bonus.
 - To be eligible for a bonus, the employee must have worked for at least **30 working days** in a financial year.
 - **Profit-sharing:**
 - The Act is designed to distribute profits of an organization among employees, ensuring that workers benefit when the company performs well.
 - **Payment:**
 - The bonus is payable within a specified time frame after the end of the accounting year.
 - If the company does not declare profits, employees are still entitled to a minimum bonus.
 - **Calculation of Bonus:**
 - The bonus is typically based on the **aggregate profits** of the company or establishment.
 - If the employer is in loss, the bonus is calculated based on the provisions of the Act.
 - **Penalties for Violation:**
 - Employers who fail to pay the bonus are subject to penalties, which may include fines and imprisonment.
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Conclusion

- The **Minimum Wages Act, 1948** ensures that workers are paid a basic minimum wage to maintain a decent standard of living.
- The **Payment of Wages Act, 1936** ensures timely payment of wages to workers and limits unauthorized deductions.
- The **Employees' Provident Fund Act, 1952** provides long-term financial security to workers through provident fund contributions, pensions, and insurance.
- The **Employees' State Insurance Act, 1972** offers social security benefits, including medical care and financial compensation for workers in case of sickness, injury, or death.
- The **Payment of Bonus Act, 1965** ensures that employees receive a share of the profits made by their employer, enhancing their financial security.

These Acts together form an essential framework of worker protections and benefits in India, aiming to ensure fairness and provide financial security to the workforce.

MODULE-3

1. Industrial Employment (Standing Orders) Act, 1946

The **Industrial Employment (Standing Orders) Act, 1946** was enacted to provide a framework for standardizing and regulating the terms of employment in industrial establishments. This law applies to industrial establishments where **100 or more workers** are employed. Its primary aim is to ensure that workers understand their rights and responsibilities and to regulate the working conditions in industrial settings.

Key Provisions of the Industrial Employment (Standing Orders) Act, 1946

- **Applicability:**
 - The Act applies to industrial establishments employing **100 or more workers**. It applies to factories, mines, and other industrial establishments.
- **Standing Orders:**
 - **Standing Orders** are written rules that govern the **conditions of employment** and **disciplinary actions** for workers.
 - These orders must be **certified** by the appropriate government authority.
 - Employers are required to provide a copy of the Standing Orders to each worker, and they should be prominently displayed in the workplace.
- **Content of Standing Orders:**
 - The Act provides a standard set of conditions, which includes provisions about:
 - **Classification of workers:** Regular workers, temporary workers, probationers, etc.
 - **Work hours and shifts.**
 - **Leave entitlements and holidays.**
 - **Termination of employment** (including dismissal and suspension).
 - **Disciplinary procedures** for misconduct.
 - **Grievance redressal mechanisms.**
- **Model Standing Orders:**
 - The government can issue **model standing orders**, which employers can use as a template for creating their own orders.
 - Employers must submit their standing orders to the **Appropriate Government** for approval.

- **Modification of Standing Orders:**
 - The employer can revise the Standing Orders, but they must be approved by the relevant authority and shared with the workers.
 - **Penalties:**
 - Non-compliance with the Act (failure to submit Standing Orders, or violation of the provisions) can result in penalties for the employer.
 - **Dispute Settlement:**
 - In case of disputes related to the Standing Orders, workers and employers can seek the intervention of the **Labour Court** or **Industrial Tribunal** for resolution.
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2. Industrial Disputes Act, 1947

The **Industrial Disputes Act, 1947** is one of the most critical labor laws in India. It was enacted to provide a legal framework for the resolution of industrial disputes between employers and employees, especially regarding conditions of work, wages, and other related matters. The Act aims to promote industrial harmony and prevent conflicts that may disrupt industrial productivity.

Key Provisions of the Industrial Disputes Act, 1947

- **Applicability:**
 - The Act applies to **industries**, which include factories, mines, plantations, and other industrial establishments. It applies to both public and private sectors.
 - The Act covers workers who are involved in **any form of manual labor, skilled or unskilled work**.
- **Industrial Disputes:**
 - An **industrial dispute** is defined as a disagreement between employers and workers concerning employment conditions, wages, hours of work, and other terms of employment.
 - **Collective bargaining** plays a significant role in resolving industrial disputes.
- **Tribunal for Dispute Resolution:**
 - The Act establishes **Labor Courts** and **Industrial Tribunals** to resolve disputes and adjudicate matters.
 - Disputes related to **wages, hours of work, or unfair practices** (such as unfair dismissal or layoff) can be referred to these bodies.
- **Strike and Lockout:**
 - The Act regulates **strikes** and **lockouts**. Employees must give a notice before going on a strike, and employers must give notice before declaring a lockout.

- In the case of public utility services, the Act prohibits strikes or lockouts without prior notice and for a certain period.
 - **Layoff, Retrenchment, and Closure:**
 - The Act regulates the process of **layoff, retrenchment, and closure** of industrial establishments.
 - In case of retrenchment (laying off workers), the employer must provide notice and compensation as per the law.
 - **Grievance Redressal:**
 - The Act mandates the formation of **Grievance Redressal Committees** in certain industries to address grievances of workers.
 - The Act also provides a mechanism to resolve disputes through **conciliation** (informal resolution) or arbitration (formal resolution by a neutral third party).
 - **Settlement of Disputes:**
 - The government can intervene in disputes and offer a **conciliation process** to resolve matters amicably. If conciliation fails, the matter can be referred to an **Industrial Tribunal**.
 - A **compromise or settlement** reached through conciliation has the force of law.
 - **Penalties:**
 - The Act prescribes penalties for failure to comply with its provisions. These may include fines and imprisonment for offenses like unfair labor practices or failure to comply with dispute resolution procedures.
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3. Trade Unions Act, 1926

The **Trade Unions Act, 1926** is aimed at promoting the welfare of workers by ensuring the formation of **trade unions** (associations of workers) and securing certain legal protections for them. The Act allows workers to organize and safeguard their rights through collective representation.

Key Provisions of the Trade Unions Act, 1926

- **Applicability:**
 - The Act applies to all **trade unions** in India, regardless of whether the union is registered or not.
- **Formation of Trade Unions:**
 - The Act allows workers to **form unions** to safeguard their interests and represent workers' collective rights.

- A trade union must consist of **7 or more workers** and should have a written **constitution** that outlines the union's objectives, rules, and structure.
- **Registration of Trade Unions:**
 - The Act provides for the **registration of trade unions** with the **Registrar of Trade Unions**, which makes the union a legal entity.
 - The registration provides the union with certain legal rights and immunities, such as the ability to own property, enter into contracts, and take legal actions.
 - Unions must submit their **memorandum of association, names of office bearers, and rules of the union** to the registrar.
- **Rights of Trade Unions:**
 - Trade unions have the right to **collect funds** from workers as membership fees and utilize these funds for workers' welfare activities and litigation.
 - Trade unions can also engage in **collective bargaining** with employers regarding working conditions, wages, and other matters.
- **Immunities of Trade Unions:**
 - The Act provides certain **immunities to trade unions**, such as protection against being sued for activities conducted in good faith in connection with trade union activities.
 - The **Right to Strike**: Trade unions have the right to organize strikes or collective actions, but they must adhere to the legal procedures specified under the **Industrial Disputes Act, 1947**.
- **Disputes in Trade Unions:**
 - Disputes among members of the union or between unions and the employer can be resolved under the **Industrial Disputes Act, 1947**.
- **Annual Returns:**
 - Registered trade unions are required to submit **annual returns** to the Registrar, showing financial status and membership details.
- **Penalties for Violations:**
 - Failure to comply with the Act, such as not registering the union, improper use of funds, or violations of union rules, can result in penalties, including fines.

Comparison of Key Acts:

Aspect	Industrial Employment (Standing Orders) Act, 1946	Industrial Disputes Act, 1947	Trade Unions Act, 1926
Purpose	Standardizes terms of employment and	Resolves disputes between employers	Legalizes the formation of trade

	discipline in industrial establishments.	and employees, ensuring industrial peace.	unions and provides them with protections.
Applicability	Applies to establishments employing 100 or more workers.	Applies to industries and establishments with workers involved in industrial disputes.	Applies to all trade unions in India.
Primary Focus	Conditions of employment and industrial discipline.	Industrial dispute resolution (strikes, layoffs, retrenchment).	Formation, registration, and regulation of trade unions.
Dispute Resolution	Standing orders and government certification.	Conciliation, arbitration, and tribunals for dispute settlement.	Deals with internal trade union issues and representation of workers.
Legal Status	Requires standing orders to be certified by the government.	Creates mechanisms for resolving disputes in industries.	Provides for the formation of legal entities for workers.
Strike/Lockout Regulations	Does not cover strikes directly.	Regulates strikes and lockouts in industrial establishments.	Provides immunity to trade unions for actions taken in good faith.
Penalties for Non-Compliance	Penalties for not adhering to the Act's provisions.	Penalties for failure to resolve disputes or comply with dispute resolution procedures.	Penalties for failure to register or misuse of union funds.

Conclusion

- The **Industrial Employment (Standing Orders) Act, 1946** ensures that workers have clarity on the terms of their employment and discipline in industrial establishments.
- The **Industrial Disputes Act, 1947** is a comprehensive law that provides a structured process for resolving disputes between workers and employers, focusing on industrial harmony.
- The **Trade Unions Act, 1926** enables workers to form trade unions, protecting their right to collective bargaining and providing legal recognition and immunity to trade unions.

Together, these Acts create a framework to protect workers' rights, resolve industrial disputes, and ensure the proper functioning of trade unions, contributing to industrial peace and productivity in India.