

Programme Outcome

Industrial Law represents the principles of Factories Act, provisions relating to health safety and Welfare measures, Industrial Disputes Act and Provisions relating to Trading Union. This Paper gives the basics of Minimum Act and Payment of Bonus Act.

Programme Learning Outcome

To make students gain knowledge on various measures covered under Factories Act.

To enhance the knowledge of the student regarding trade union.

Unit-I

Factories Act 1948 – Provision Relating to Health Safety . Welfare – Employment of child, Young Men – Young Workers –Women – Workers.

Unit-II

Industrial Disputes Act 1947 – Provision Relation to Strike Lockout Retrenchment. Layoff-closure-Machinery to Solve Dispute.

Unit-III

Trade Union Act 1926 – Definitions Registration – Rights and Privileges – Cancellations of Registration – Payment of Wages Act 1926 – Permissible Deduction – Time and Mode of Payment – Provident Fund – payment of Gratuity Act 1972

Unit-IV

Payment of Bonus act 1965 – Meaning of Gross Profit – Computation of Available and Allocable Surplus – Eligibility For Bonus – Minimum & Maximum Bonus – Exemption – Applicability of The Act – Employee State Insurance Act of 1948 – Definition – Its Medical Board – Purpose For Which Funds can be spent – Benefits.

Unit-V

The Minimum Wages Act 1948 – Employees Compensation Act 1923 – Employers Liability & Non – Liability . Partial – Permanent – Total Disablement – Accusation Diseases.

Text Book

1.N.D.Kapoor,(2013),Industrial Law, Sultan chand& Sons, New Delhi.

REFERENCES

1.Sumeet Malik,(2013),Labor and Industrial law, Eastern Book Company, New Delhi.

2.Tusian P.C,(2012),Business and Industrial Law , Sultandchand& Company, New Delhi.

3.Baswarajan,(2008), Mercantile Law & Industrial Law, Yamuna Publication , New Delhi.



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Coimbatore – 641 021.

LECTURE PLAN

DEPARTMENT OF COMMERCE

STAFF NAME: DEEPTHI NIVASINI. K

SUBJECT NAME: BUSINESS PROCESS SERVICES IN FINANCE AND
ACCOUNTING

SUB.CODE: 16BPU301

SEMESTER: IV

CLASS: II B.Com (BPS)

S.No	Lecture Duration Period	Topics to be Covered	Support Material/Page Nos
		UNIT-I	
1.	1	Introduction	R2: 2.1-2.5
	1	Important definitions	
2.	1	Provisions relating to Health	T: 11-15
3.	2	Provisions relating to Safety	T: 15-21
4.	1	Welfare facilities available to workers	T: 25-27
5.	2	Employment of child	T: 30-34
6.	1	Employment of young men	
7.	1	Employment of adults	
8.	1	Provisions related to adult workers	R1: 17
9.	2	Women workers	R2: 5.3
10.	2	Recapitulation and discussion of important questions	
	Total No of Hours Planned For Unit I=15		
		UNIT-II	
1.	2	Industrial dispute-meaning, Definition	T: 211-215
2.	2	Provisions relating to strike	T:215
3.	2	Provisions relating to lockout	T:216
4.	1	Difference between strike and	W2

		lockout	
5.	2	Retrenchment	T: 218
6.	2	Layoff	R1: 43
7.	1	Closure	R1: 69
8.	2	Machinery to solve dispute	T: 223-230
9.	1	Recapitulation and Discussion of important questions	
		Total No of Hours Planned For Unit II=15	
		UNIT-III	
1.	1	Introduction, Meaning	R1: 26
2.	1	Definitions	R1: 27-29
3.	1	Registration of a trade union	
4.	1	Rights and privileges of a registered trade union	R1: 32-35
5.	1	Cancellation of Registration	R1: 30
6.	1	Payment of wages act1926-Introduction	T: 177
7.	2	Possible deductions	T: 181-184
8.	1	Time and mode of payment	T: 180,181
9.	2	Provident fund	T: 121-129
10.	2	Payment of Gratuity Act 1972, Introduction	T: 153-158
11.	1	Provisions relating to Gratuity Act	T: 163-165
12.	1	Recapitulation and discussion of important questions	
		Total No of Hours Planned For Unit III=15	
		UNIT-IV	
1.	1	Introduction, Meaning	T: 285
2.	1	Meaning of Gross profit	W1
3.	2	Computation of available and allocable surplus	T: 299-301

4.	2	Eligibility for Bonus	T: 291
5.	2	Minimum and Maximum Bonus	T: 299
6.	1	Applicability of the Act	R2: 15.4-15.6
7.	1	ESI Act of 1948- Definition	R1: 97-100
8.	1	ESI Medical Board	R1: 102-103
9.	1	Purpose for spending funds	R1: 108
10.	2	Benefits of ESI Act 1948	W2
11.	1	Recapitulation and discussion of important questions	
		Total No of Hours Planned For Unit IV=15	
		UNIT-V	
1.	1	Introduction, Meaning	T: 193
2.	1	Provisions relating to Wages	T: 196-199
3.	2	Employees Compensation Act 1923- Introduction	T: 45
4.	1	Employers Liability and Non-Liability	T: 50-54
5.	2	Partial and permanent disablement	T:58-59
6.	1	Total Disablement	R2: 19.2-19.4
7.	2	Occupational diseases	R2: 20.5, 20.6
8.	1	Recapitulation and discussion of important questions	
9.	2	Discussion of Previous Year ESE Question Papers	
10.	1	Discussion of Previous Year ESE Question Papers	
11.	1	Discussion of Previous Year ESE Question Papers	
		Total No of Hours Planned for unit V=15	
Total Planned Hours	75		

TEXT BOOK

T: TCS MATERIAL

WEBSITES

W1: [www. icaai. org](http://www.icaai.org), [www. bis.org/pub/bcbsca07.pdf](http://www.bis.org/pub/bcbsca07.pdf)

W2: www.coso.org/resources.html, www.sec.gov/about/laws/soa2002.pdf

UNIT 1**SYLLABUS****FACTORIES ACT 1948-Provisions relating to Health, Safety, Welfare-Employment of child, young men-adult workers-women workers****FACTORIES ACT 1948****DEFINITIONS****Factory**

“Factory” includes 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 a 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.

Young Person

“Young Person” means a person who is either a child or an adolescent. [Section 2(d)]

Day

“Day” means under Section 2(e), a period of twenty-four hours beginning at mid-night. [Section 2(e)]

Week

“Week” means a period of seven days beginning at mid-night on Saturday night or such other night as may be approved in writing for a particular area by the Chief Inspector of Factories. [Section 2(f)]

Power

“Power” means electrical energy or any other form of energy which is mechanically transmitted and is not generated by human or animal agency. [Section 2(g)]

Prime Mover

“Prime” Mover means any engine, motor or other appliance which generates or otherwise provides power. [Section 2(h)]

Transmission Machinery

“Transmission” Machinery means any shaft, wheel, drum, pulley, system of pulleys, coupling, clutch, driving belt or other appliance or device by which the motion of a prime-mover is transmitted to or received by any machinery or appliance. [Section 2(i)]

Machinery

The term includes prime-movers, transmission machinery and all other appliances whereby power is generated, transformed, transmitted or applied. [Section 2(j)]

Hazardous Process

“Hazardous Process” means any process or activity in relation to an industry specified in the First Schedule where, unless special care is taken, raw materials used therein or the intermediate or finished products, bye products, wastes or effluents thereof would

- (i) cause material impairment to the health of the persons engaged in or connected therewith, or
- (ii) result in the pollution of the general environment;

Provided that the State Government may by notification in the Official Gazette amend the First Schedule by way of addition, omission or variation of any industry specified in the said Schedule.

[Section 2(cb)]

Manufacturing Process

It means any process for

- (i) making, altering, repairing, ornamenting, finishing, packing, oiling, washing, cleaning, breaking up, demolishing, or otherwise, treating or adopting any article or substance with a view to its use, sale, transport, delivery or disposal; or
- (ii) pumping oil, water or sewage or any other substance; or
- (iii) generating, transforming, transmitting power; or
- (iv) composing types for printing, printing by letter-press, lithography, photogravure or other similar process, or book-binding; or
- (v) constructing, reconstructing, repairing, refitting, finishing or breaking up ships or vessels; or
- (vi) Preserving or storing any article in cold storage. [Section 2(k)]

Following processes have been held to be manufacturing processes:

- (1) Sun-cured tobacco leaves subjected to processes of moistening, stripping, breaking up, adaption, packing, with a view to transport to companys main factory for their use in manufacturing cigarette (*V.P. Gopala Rao v. Public Prosecutor*, AIR 1970 S.C. 66).
- (2) The operation of peeling, washing etc., of prawns for putting them in cold storage is a process with a view to the sale or use or disposal of the prawns (*R.E.DSouza v. Krishnan Nair*, 1968 F.J.R. 469).
- (3) Stitching old gunny bags and making them fit for use.
- (4) In paper factory, bankas grass packed into bundles manually and despatched to the factory.
- (5) Work of garbling of pepper or curing ginger.
- (6) Process carried out in salt works in converting sea water into salt.
- (7) Conversion of latex into sheet rubber.
- (8) A process employed for the purpose of pumping water.

- (9) The work done on the bangles of cutting grooves in them which later would be filled with colouring, is clearly a stage in ornamentation of the bangle with view to its subsequent use for sale.
- (10) Preparation of soap in soap works.
- (11) The making of bidies.
- (12) The raw film used in the preparation of movies is an article or a substance and when by the process of tracing or adapting, after the sound are absorbed and the photos imprinted, it is rendered fit to be screened in a cinema theatre, then such a change would come within the meaning of the term treating or adapting any article or substance with a view to its use.
- (13) Composing is a necessary part of printing process and hence it is a manufacturing process. It cannot be said that the definition should be confined to the process by which impression is created on the paper and to no other process preceding or succeeding the marking of the impression on the paper to be printed. Everything that is necessary before or after complete process, would be included within the definition of the word 'manufacturing process'. The definition takes in all acts which bring in not only some change in the article or substance but also the act done for the protection and maintenance of such article by packing, oiling, washing, cleaning, etc. (*P.Natrajan v. E.S.I. Corporation* (1973) 26 FLR 19).
- (14) Preparation of food and beverages and its sale to members of a club (*CCI v. ESIC*, 1992 LAB IC 2029 Bom.).
- (15) Receiving products in bulk, in packing and packing as per clients requirements (LLJ I 1998 Mad. 406).
- (16) Construction of railway - use of raw materials like sleepers, bolts, loose rails etc. to adaptation of their use for ultimately for laying down railway line (LAB IC 1999 SC 407; *Lal Mohmd. v. Indian Railway Construction Co. Ltd.*).

Following processes are not manufacturing processes:

- (1) Exhibition of films process.
- (2) Industrial school or Institute imparting training, producing cloth, not with a view to its sale.
- (3) Receiving of news from various sources on a reel in a teleprinter of a newspaper office, is not a manufacturing process in as much as news is not the article or substance to which Section 2(k)(i) has referred.
- (4) Any preliminary packing of raw material for delivering it to the factory (AIR 1969 Mad. 155).
- (5) Finished goods and packing thereof: *F. Hare v. State* AIR 1955, 2710.

Worker

“Worker” means a person employed directly or by or through any agency (including a contractor) with or without knowledge of the principal employer, whether for remuneration or not, in any manufacturing process, or in any other kind or work incidental to, or connected with, the

manufacturing process or the subject of the manufacturing process but does not include any member of the armed forces of the Union. [Section 2(1)]

MEANING

The concept of “employment” involves three ingredients, viz. employer, employee, and contract of employment. The ‘employer’ is one who employs, i.e., one who engages the services of other persons. The ‘employee’ is one who works for another for hire.

Occupier

Section 2(n) of the Act defines the term “occupier” as a person who has ultimate control over the affairs of the factory:

Provided that

- (i) in the case of a firm or other association of individuals, any one of the individual partners or members thereof shall be deemed to be the occupier;
- (ii) in the case of a company, any one of the directors, shall be deemed to be the occupier;
- (iii) in the case of a factory owned or controlled by the Central Government or any State Government, or any local authority, the person or persons appointed to manage the affairs of the factory by the Central Government, the State Government or the local authority, as the case may be, shall be deemed to be the occupier.

The Inspecting Staff

Appointment: Section 8 empowers the State Government to appoint Inspectors, Additional Inspectors and Chief Inspectors, such persons who possess prescribed qualifications.

Section 8(2) empowers the State Government to appoint any person to be a Chief Inspector. To assist him, the government may appoint Additional, Joint or Deputy Chief Inspectors and such other officers as it thinks fit [Section 8(2A)].

Every District Magistrate shall be an Inspector for his district.

The State Government may appoint certain public officers, to be the Additional Inspectors for certain areas assigned to them [Section 8(5)].

The appointment of Inspectors, Additional Inspectors and Chief Inspector can be made only by issuing a notification in the *Official Gazette*.

When in any area, there are more inspectors than one, the State Government may by notification in the *Official Gazette*, declare the powers which such Inspectors shall respectively exercise and the Inspector to whom the prescribed notices are to be sent.

Inspector appointed under the Act is an Inspector for all purposes of this Act. Assignment of local area to an inspector is within the discretion of the State Government.

A Chief Inspector is appointed for the whole State. He shall in addition to the powers conferred on a Chief Inspector under this Act, exercise the powers of an Inspector throughout the State. Therefore, if a Chief Inspector files a complaint, the court can legally take cognizance of an offence. Even assignment of areas under Section 8(6) does not militate in any way against the view that the Chief Inspector can file a complaint enabling the court to take cognizance. The Additional, Joint or

Deputy Chief Inspectors or any other officer so appointed shall in addition to the powers of a Chief Inspector, exercise the powers of an Inspector throughout the State.

Essential elements of a factory:

- (1) There must be premises.
- (2) There must be a manufacturing process which is being carried on or is so ordinarily carried on in any part of such a premises.
- (3) There must be ten or more workers who are/were working in such a premises on any day of the last 12 months where the said manufacturing process is carried on with the aid of power. But where the manufacturing process is carried on without the aid of power, the required number of workers working should be twenty or more.

Production of documents

The Factories Act requires the maintenance of certain registers and records. Inspectors have been empowered to ask for the production of any such documents maintained under law, and the non-compliance of this has been made an offence.

Certifying Surgeons

Section 10 provides for the appointment of the Certifying Surgeons by the State Government for the purpose of this Act to perform such duties as given below within such local limits or for such factory or class or description of factories as may be assigned to Certifying Surgeon:

- (a) the examination and certification of young persons under this Act;
- (b) the examination of persons engaged in factories in such dangerous occupations or processes as may be prescribed;
- (c) the exercising of such medical supervision as may be prescribed for any factory or class or description of factories.

Welfare Officer

Section 49 of the Act imposes statutory obligation upon the occupier of the factory of the appointment of Welfare Officer/s wherein 500 or more workers are ordinarily employed. Duties, qualifications and conditions of service may be prescribed by the State Government.

Safety Officer

Section 40-B empowers the State Government for directing a occupier of factory to employ such number of Safety Officers as specified by it where more than 1,000 workers are employed or where manufacturing process involves risk of bodily injury, poisoning or disease or any other hazard to health of the persons employed therein. The duties, qualifications and working conditions may be prescribed by the State Government.

MEASURES TO BE TAKEN BY FACTORIES FOR HEALTH, SAFETY AND WELFARE OF WORKERS**HEALTH****(i) Cleanliness**

Section 11 ensures the cleanliness in the factory. It must be seen that a factory is kept clean and it is free from effluvia arising from any drain, privy or other nuisance. The Act has laid down following provisions in this respect:

- (1) All the accumulated dirt and refuse on floors, staircases and passages in the factory shall be removed daily by sweeping or by any other effective method. Suitable arrangements should also be made for the disposal of such dirt or refuse.
- (2) Once in every week, the floor should be thoroughly cleaned by washing with disinfectant or by some other effective method [Section 11(1)(b)].
- (3) Effective method of drainage shall be made and maintained for removing water, to the extent possible, which may collect on the floor due to some manufacturing process.

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(4) To ensure that interior walls and roofs, etc. are kept clean, it is laid down that:

- (i) white wash or colour wash should be carried at least once in every period of 14 months;
- (ii) where surface has been painted or varnished, repair or revarnish should be carried out once in every five years, if washable then once in every period of six months;
- (iii) where they are painted or varnished or where they have smooth impervious surface, it should be cleaned once in every period of 14 months by such method as may be prescribed.

(5) All doors, windows and other framework which are of wooden or metallic shall be kept painted or varnished at least once in every period of five years.

(6) The dates on which such processes are carried out shall be entered in the prescribed register.

If the State Government finds that a particular factory cannot comply with the above requirements due to its nature of manufacturing process, it may exempt the factory from the compliance of these provisions and suggest some alternative method for keeping the factory clean. [Section 11(2)]

(ii) Disposal of waste and effluents

Every occupier of a factory shall make effective arrangements for the treatment of wastes and effluents due to the manufacturing process carried on in the factory so as to render them innocuous and for their disposal. Such arrangements should be in accordance with the rules, if any, laid down by the State Government. If the State Government has not laid down any rules in this respect, arrangements made by the occupier should be approved by the prescribed authority if required by the State Government. (Section 12)

(iii) Ventilation and temperature

Section 13 provides that every factory should make suitable and effective provisions for securing and maintaining

(1) adequate ventilation by the circulation of fresh air; and (2) such a temperature as will secure to the workers reasonable conditions of comfort and prevent injury to health. What is reasonable temperature depends upon the circumstances of each case. The State Government has been empowered to lay down the standard of adequate ventilation and reasonable temperature for any factory or class or description of factories or parts thereof. It may direct that proper measuring instruments at such places and in such position as may be specified shall be provided and prescribed records shall be maintained.

Measures to reduce excessively high temperature: To prevent excessive heating of any workroom following measures shall be adopted:

- (i) Walls and roofs shall be of such materials and so designed that reasonable temperature does not exceed but kept as low as possible.
- (ii) Where the nature of work carried on in the factory generates excessively high temperature, following measures should be adopted to protect the workers:
 - (a) by separating such process from the workroom; or
 - (b) insulating the hot parts; or
 - (c) adopting any other effective method which will protect the workers.

The Chief Inspector is empowered to direct any factory to adopt such methods which will reduce the excessively high temperature. In this regard, he can specify the measures which in his opinion should be adopted. (Section 13)

(iv) Dust and fume

There are certain manufacturing processes like chemical, textile or jute, etc., which generates lot of dust, fume or other impurities. It is injurious to the health of workers employed in such manufacturing process.

(v) Artificial humidification

Humidity means the presence of moisture in the air. In certain industries like cotton, textile, cigarette, etc., higher degree of humidity is required for carrying out the manufacturing process. For this purpose, humidity of the air is artificially increased. This increase or decrease in humidity adversely affects the health of workers.

Section 15(1) empowers the State Government to make rules (i) prescribing the standards of humidification, (ii) regulating methods to be adopted for artificially increasing the humidity of the air, (iii) directing prescribed tests for determining the humidity of the air to be correctly carried out, and recorded, and (iv) prescribing methods to be adopted for securing adequate ventilation and cooling of the air in the work-room.

Section 15(2) lays down that water used for artificial humidification should be either purified before use or obtained from a public supply or other source of drinking water.

Where the water is not purified as stated above. Section 15(3) empowers the Inspector to order, in writing, the manager of the factory to carry out specified measures, before a specified date, for purification of the water.

(vi) Overcrowding

Overcrowding in the work-room not only affect the workers in their efficient discharge of duties but their health also.

Section 16 has been enacted with a view to provide sufficient air space to the workers.

- (1) Section 16(1) prohibits the overcrowding in the work-rooms to the extent it is injurious to the health of the workers.
- (2) Apart from this general prohibition Section 16(2) lays down minimum working space for each worker as 14.2 cubic metres of space per worker in every workroom.

For calculating the work area, the space more than 4.2 meters above the level of the floor, will not be taken into consideration.

Posting of notice: Section 16(3) empowers the Chief Inspector who may direct in writing the display of a notice in the work-room, specifying the maximum number of workers which can be employed in that room. According to Section 108, notice should be in English and in a language understood by the majority of the workers. It should be displayed at some conspicuous and convenient place at or near, the entrance. It should be maintained in clean and legible conditions.

(vii) Lighting

Section 17 of the Factories Act makes following provisions in this respect:

- (1) every factory must provide and maintain sufficient and suitable lighting, natural, artificial or both, in every part of the factory where workers are working or passing;
- (2) all the glazed windows and sky lights should be kept clean on both sides;
- (3) effective provisions should be made for the prevention of glare from a source of light or by reflection from a smooth or polished surface;
- (4) formation of shadows to such an extent causing eye-strain or the risk of accident to any worker, should be prevented; and
- (5) the state government is empowered to lay down standard of sufficient and suitable lighting for factories for any class or description of factories or for any manufacturing process.

(viii) Drinking water

Section 18 makes following provisions with regard to drinking water.

- (1) every factory should make effective arrangements for sufficient supply of drinking water for all workers in the factory;

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- (2) water should be wholesome, i.e., free from impurities;
- (3) water should be supplied at suitable points convenient for all workers;
- (4) no such points should be situated within six metres of any washing place, urinals, latrine, spittoon, open drain carrying sullage or effluent or any other source of contamination, unless otherwise approved in writing by the Chief Inspector;
- (5) all such points should be legible marked Drinking Water in a language understood by majority of the workers;
- (6) in case where more than 250 workers are ordinarily employed, effective arrangements should be made for cooling drinking water during hot weather. In such cases, arrangements should also be made for the distribution of water to the workers; and
- (7) the State Government is empowered to make rules for the compliance of above stated provisions and for the examination, by prescribed authorities, of the supply and distribution of drinking water in factories.

(ix) Latrines and urinals

Every factory shall make suitable arrangement for the provision of latrines and urinals for the workers. These points as stated below, are subject to the provisions of Section 19 and the rules laid down by the State Government in this behalf.

- (1) every factory shall make provision for sufficient number of latrines and urinals of prescribed standard. These should be conveniently situated and accessible to all workers during working hours;
- (2) separate arrangement shall be made for male and female workers;
- (3) all these places shall have suitable provisions for lighting and ventilation;
- (4) no latrine or urinal shall communicate with any work-room unless in between them there is provision of open space or ventilated passage;
- (5) all latrines and urinals shall be kept in a clean and sanitary conditions at all times;
- (6) a sweeper shall be employed whose exclusive job will be to keep clean all latrines and urinals;
- (7) where more than 250 workers are ordinarily employed in a factory, following additional measures shall be taken under Section 19(2):
 - (i) all latrines and urinals accommodation shall be of prescribed sanitary type.

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(ii) all internal walls upto ninety centimetres, and the floors and the sanitary blocks shall be laid in glazed tiles or otherwise furnished to provide a smooth polished impervious surface;

(iii) the floors, walls, sanitary pan, etc., of latrines and urinals shall be washed and cleaned with suitable detergents and/or disinfectants, at least once in every seven days.

(8) the State Government is empowered to make rules in respect of following:

(i) prescribing the number of latrines and urinals to be provided to proportion to the number of male and female workers ordinarily employed in the factory.

(ii) any additional matters in respect of sanitation in factories;

(iii) responsibility of the workers in these matters.

(x) Spittoons

Every factory should have sufficient number of spittoons situated at convenient places. These should be maintained in a clean and hygienic condition. (Section 20)

SAFETY

(i) Fencing of machinery

Fencing of machinery in use or in motion is obligatory under Section 21. This Section requires that following types of machinery or their parts, while in use or in motion, shall be securely fenced by safeguards of substantial construction and shall be constantly maintained and kept in position, while the parts of machinery they are fencing are in motion or in use. Such types of machinery or their parts are:

(1) every moving parts of a prime-mover and flywheel connected to a prime-mover. It is immaterial whether the prime-mover or fly-wheel is in the engine house or not;

(2) head-race and tail-race of water wheel and water turbine;

(3) any part of stock-bar which projects beyond the head stock of a lathe;

(4) every part of an electric generator, a motor or rotary converter or transmission machinery unless they are in the safe position;

(5) every dangerous part of any other machinery unless they are in safe position.

(ii) Safety measures in case of work on or near machinery in motion

Section 22 lays down the procedure for carrying out examination of any part while it is in motion or as a result of such examination to carry out the operations mentioned under clause (i) or (ii) of the proviso to Section 21(1). Such examination or operation shall be carried out only by

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specially trained adult male worker wearing tight fitting clothing (which shall be supplied by the occupier) whose name has been recorded in the register prescribed in this behalf and who has been furnished with a certificate of appointment and while he is so engaged. No woman or young person shall be allowed to clean, lubricate or adjust any part of a prime-mover or any transmission machinery while the prime-mover or transmission machinery is in motion or to clean, lubricate or adjust any part of any machine if the cleaning, lubrication and adjustment thereof would expose the woman or the young person to risk of injury from any moving part either of that machine or of any adjacent machinery [Section 22(2)].

(iii) Employment of young persons on dangerous machines

Section 23 provides that no young person shall be required or allowed to work at any machine to which this section applies unless he has been fully instructed as to dangers arising in connection with the machine and the precautions to be observed and (a) has received sufficient training in work at the machine, or (b) is under adequate supervision by a person who has a thorough knowledge and experience of the machine.

(iv) Striking gear and devices for cutting off power

Section 24 provides that in every factory suitable striking gears or other efficient mechanical appliances shall be provided and maintained and used to move driving belts to and from fast and loose pulleys which form part of the transmission machinery and such gear or appliances shall be so constructed, placed and maintained as to prevent the belt from creeping back on the fast pulley. Further, driving belts when not in use shall not be allowed to rest or ride upon shafting in motion. Suitable devices for cutting off power in emergencies from running machinery shall be provided and maintained in every work-room in every factory. It is also provided that when a device which can inadvertently shift from 'off' to 'on position in a factory', cutoff power arrangements shall be provided for locking the devices on safe position to prevent accidental start of the transmission machinery or other machines to which the device is fitted.

(v) Self-acting machines

Section 25 provides further safeguard for workers from being injured by self-acting machines. It provides that no traverse part of self-acting machine in any factory and no material carried thereon shall, if the space over which it runs is a space over which any person is liable to pass whether in the course of his employment or otherwise, be allowed to run on its outward or inward traverse within a distance of forty five centimetres from any fixed structure which is not part of the machines. However, Chief Inspector may permit the continued use of a machine

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installed before the commencement of this Act, which does not comply with the requirement of this section, on such conditions for ensuring safety, as he may think fit to impose.

(vi) Casing of new machinery

Section 26 provides further safeguards for casing of new machinery of dangerous nature. In all machinery driven by power and installed in any factory (a) every set screw, bolt or key on any revolving shaft, spindle, wheel or pinion shall be so sunk, encased or otherwise effectively guarded as to prevent danger; (b) all spur, worm and other toothed or friction gearing which does not require frequent adjustment while in motion, shall be completely encased unless it is so situated as to be so safe as it would be if it were completely encased. The section places statutory obligation on all persons who sell or let on hire or as agent of seller or hire to comply with the section and in default shall be liable to punishment with imprisonment for a term which may extend to 3 months or with fine which may extend to Rs. 500 or with both.

(vii) Prohibition of employment of woman and children near cotton openers

According to Section 27, no child or woman shall be employed in any part of factory for pressing cotton in which a cotton opener is at work. However, if the feed-end of a cotton opener is in a room separated from the delivery end by a partition extending to the roof or to such height as the inspector may in any particular case specify in writing, women and children may be employed on the side of partition where the feed-end is situated.

(viii) Hoists and lifts

Section 28 provides that in every factory: (i) every hoist and lift shall be of good mechanical construction, sound material and adequate strength. It shall be properly maintained and thoroughly examined by a competent person at least once in every period of six months and a register shall be kept containing the prescribed particulars of every such examination, (ii) every hoist way and lift way shall be sufficiently protected by an enclosure fitted with gates and the hoist or lift and every such enclosure shall be so constructed as to prevent any person or thing from being trapped between any part of the hoist or lift and any fixed structure or moving part, (iii) the maximum safe working load shall be marked on every hoist or lift and no load greater, than such load shall be marked on every hoist or lift and no load greater than such load shall be carried thereon, (iv) the cage of every hoist and lift shall be fitted with a gate on each side from which access is afforded to a landing (v) such gates of the hoist and lift shall be fitted with interlocking or other efficient device to secure that the gate cannot be opened except when the cage is at the landing and that the cage cannot be moved unless the gate is closed.

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(ix) Lifting machines, chains, ropes and lifting tackles

In terms of Section 29, in any factory the following provisions shall be complied with respect of every lifting machine (other than a hoist and lift) and every chain, rope and lifting tackle for the purpose of raising or lowering persons, goods or materials:

- (a) all parts including the working gear, whether fixed or movable, shall be (i) of good construction, sound material and adequate strength and free from defects; (ii) properly maintained; (iii) thoroughly examined by a competent person at least once in every period of 12 months or at such intervals as Chief Inspector may specify in writing and a register shall be kept containing the prescribed particulars of every such examination;
- (b) no lifting machine or no chain, rope or lifting tackle, shall, except for the purpose of test, be loaded beyond the safe working load which shall be plainly marked thereon together with an identification mark and duly entered in the prescribed register and where it is not practicable, a table showing the safe working loads of every kind and size of lifting machine or chain, rope or lifting tackle in use shall be displayed in prominent positions on that premises;
- (c) while any person is employed or working on or near the wheel track of a travelling crane in any place where he would be liable to be struck by the crane, effective measures shall be taken to ensure that the crane does not approach within 6 metres of that place.

(x) Safety measures in case of use of revolving machinery

Section 30 of the Act prescribes for permanently affixing or placing a notice in every factory in which process of grinding is carried on. Such notice shall indicate maximum safe working peripheral speed of every grindstone or abrasive wheel, the speed of the shaft or spindle upon such shaft or spindle necessary to secure such safe working peripheral-speed. Speed indicated in the notice shall not be exceeded and effective measures in this regard shall be taken.

(xi) Pressure plant

Section 31 provides for taking effective measures to ensure that safe working pressure of any plant and machinery, used in manufacturing process operated at pressure above atmospheric pressure, does not exceed the limits. The State Government may make rules to regulate such pressures or working and may also exempt any part of any plant or machinery from the compliance of this section.

(xii) Floor, stairs and means of access

Section 32 provides that in every factory (a) all floors, steps, stairs passages and gangways shall be of sound construction and properly maintained and shall be kept free from obstruction and

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substances likely to cause persons to slip and where it is necessary to ensure safety, steps, stairs passages and gangways shall be provided with substantial handrails, (b) there shall, be so far as is reasonably practicable, be provided, and maintained safe means of access of every place at which any person is at any time required to work; (c) when any person has to work at a height from where he is likely to fall, provision shall be made, so far as is reasonably, practicable, by fencing or otherwise, to ensure the safety of the person so working.

(xiii) Pits, sumps, openings in floors etc.

Section 33 requires that in every factory every fixed vessel, sump, tank, pit or opening in the ground or in a floor which, by reason of its depth, situation, construction, or contents is or may be source of danger shall be either securely covered or securely fence. The State Government may exempt any factory from the compliance of the provisions of this Section subject to such conditions as it may prescribe.

(xiv) Excessive weights

Section 34 provides that no person shall be employed in any factory to lift, carry or make any load so heavy as to be likely to cause him injury. The State Government may make rules prescribing the maximum weights which may be lifted, carried or moved by adult men, adult women, adolescents and children employed in factories or in any class or description of factories or in carrying on any specified process.

(xv) Protection of eyes

Section 35 requires the State Government to make rules and require for providing the effective screens or suitable goggles for the protection of persons employed on or in immediate vicinity of any such manufacturing process carried on in any factory which involves (i) risk of injury to the eyes from particles or fragments thrown off in the course of the process or; (ii) risk to the eyes by reason of exposure to excessive light.

(xvi) Precautions against dangerous fumes, gases etc.

Section 36 provides (1) that no person shall be required or allowed to enter any chamber, tank, vat, pit, pipe, flue or other confined space in any factory in which any gas, fume, vapour or dust is likely to be present to such an extent as to involve risk to persons being overcome thereby, unless it is provided with a manhole of adequate size.

(2) No person shall be required or allowed to enter any confined space as is referred to in subsection (1), until all practicable measures have been taken to remove any gas, fume, vapour or dust, which may be present so as to bring its level within the permissible limits.

(xvii) Precautions regarding the use of portable electric light

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Section 36A of the Act provides that in any factory (1) no portable electric light or any other electric appliance of voltage exceeding 24 volts shall be permitted for use inside any chamber, tank, vat, pit, pipe, flue or other confined space unless adequate safety devices are provided; and (2) if any inflammable gas, fume or dust is likely to be present in such chamber, tank, vat, pit, pipe, flue or other confined space unless adequate safety devices are provided, no lamp or light other than that of flame proof construction shall be permitted to be used therein.

(xviii) Explosive or inflammable dust gas, etc.

Sub-section (1) of section 37 of the Act provides that in every factory where any manufacturing process produces dust, gas, fume or vapour of such character and to such extent to be likely to explode on ignition, all practicable measures shall be taken to prevent any such explosion by (a) effective enclosure of the plant or machinery used in the process (b) removal or prevention of the accumulation of such dust, gas fume or vapour, and (c) exclusion or effective enclosure of all possible sources of ignition.

(xix) Precautions in case of fire

Section 38 provides that in every factory all practicable measures shall be taken to outbreak of fire and its spread, both internally and externally and to provide and maintain (a) safe means of escape for all persons in the event of fire, and (b) the necessary equipment and facilities for extinguishing fire.

Effective measures shall be taken to ensure that in every factory all the workers are familiar with the means of escape in case of fire and have been adequately trained in the outline to be followed in such case.

(xx) Power to require specification of defective parts or test to stability

Section 39 states that when the inspector feels that the conditions in the factory are dangerous to human life or safety he may serve on the occupier or manager or both notice in writing requiring him before the specified date to furnish such drawings, specifications and other particulars as may be necessary to determine whether such building, machinery or plant can be used with safety or to carry out such test in such a manner as may be specified in the order and to inform the inspector of the results thereof.

(xxi) Safety of buildings or machinery

Section 40 provides that the inspectors in case of dangerous conditions of building or any part of ways, machinery or plant requires the manager or occupier or both to take such measures which in his opinion should be adopted and require them to be carried out before a specified date. In

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case the danger to human life is immediate and imminent from such usage of building, ways of machinery he may order prohibiting the use of the same unless it is repaired or altered.

(xxii) Maintenance of buildings

Section 40-A provides that if it appears to the inspector that any building or part of it is in such a state of disrepair which may lead to conditions detrimental to the health and welfare of workers he may serve on the manager or occupier or both, an order in writing specifying the measures to be carried out before a specified date.

(xxiii) Safety officers

Section 40-B provides that in every factory (i) where 1,000 or more workers are ordinarily employed or (ii) where the manufacturing process or operation involves risk of bodily injury, poisoning or disease or any other hazard to health of the persons employed therein, the occupier shall employ such number of safety officers as may be specified in the notification with such duties and qualifications and conditions of service as may be prescribed by State Government.

(xxiv) Power to make rules

This is vested in the State Government under Section 41 for such devices and measures to secure the safety of the workers employed in the factory.

WELFARE

Following provisions under Chapter (v) of the Act, relate to the measures to be taken for the welfare of workers.

(i) Washing facilities

Section 42 provides that every factory should provide and maintain adequate and suitable washing facilities for its workers. For the use of male and female, such facilities should be separate and adequately screened. Such facilities should be conveniently accessible for all workers and be kept in a state of cleanliness. The State Government is empowered to make rules prescribing standards of adequate and suitable washing facilities.

(ii) Facilities for storing and drying clothing

Section 43 empowers the State Government in respect of any factory or class or description of factories to make rules requiring the provision, therein of (i) suitable places for keeping clothing not worn during working hours, and (ii) for drying of wet clothing.

(iii) Facilities for sitting

There are certain operations which can be performed by the workers only in a standing position. This not only affects the health of a worker but his efficiency also.

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According to Section 44(1), every factory shall provide and maintain suitable facilities for sitting, for those who work in standing position so that they may make use of them as an when any opportunity comes in the course of their work. If, in the opinion of the Chief Inspector, any work can be efficiently performed in a sitting position, he may direct, in writing, the occupier of the factory, to provide before a specified date such seating arrangements as may be practicable, for all workers so engaged. The State Government, may by a notification in the Official Gazette, declare that above provisions shall not apply to any specified factory or any manufacturing process.

(iv) First aid appliances

As per Section 45, the following arrangements should be made in every factory in respect of first-aid facilities.

- (1) Provision of at least one first-aid box or cup-board, subject to following conditions, for every 150 workers ordinarily employed at any one time in the factory.
- (2) It should be equipped with prescribed contents and nothing else should be stored in it.
- (3) It should be properly maintained and readily accessible during all working hours.
- (4) A responsible person who holds a certificate in first-aid treatment, recognised by the State Government should be made the in-charge of such first-aid box or cup-board. Such a person should be readily available during working hours of the factory. Where there are different shifts in the factory, a separate person may be appointed for each shifts provided he is a responsible person and trained in first-aid treatment.
- (5) Where more than 500 workers are ordinarily employed in a factory, an ambulance room should be provided and maintained by every such factory. Such room should be of prescribed size containing prescribed equipments and is in charge of such medical and nursing staff as may be prescribed.

(v) Canteens

The State Government may make rules requiring that in any specified factory wherein more than 250 workers are ordinarily employed, a canteen shall be provided and maintained by the occupier for the use of workers.

(vi) Shelters, rest rooms and lunch rooms

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The provision of some sort of shelter is a must, where the workers can take their meals brought by them during rest interval. The following provisions under Section 47 of the Act have been made in this respect:

- (1) In every factory where more than 150 workers are ordinarily employed, the occupier should make adequate and suitable arrangements for shelters or rest rooms and lunch-room with provision of drinking water where the workers can take rest of or eat meals brought by them. However any canteen which is maintained in accordance with provisions of Section 45 shall be regarded as part of the requirements of this sub-section. Where a lunch room exists no worker shall eat any food in the workroom.
- (2) Such places should be equipped with the facility of drinking water.
- (3) Such places should be sufficiently lighted, ventilated and kept in cool and clean conditions.
- (4) The construction and accommodation, furniture and equipment of such place should conform to the standards, if any, laid down by the State Government.

By a notification in the Official Gazette, the State Government may exempt any factory from the compliance of these provisions. Further, where any canteen is maintained under Section 45, then provision of such shelter room, etc., is not necessary.

(vii) Crèches

Following provisions have been made in respect of crèches in the factories:

- (1) In every factory wherein more than 30 women workers are ordinarily employed, the facility of suitable room or rooms should be provided and maintained for the use of children under the age of six years of such women.
- (2) There should be adequate accommodation in such rooms.
- (3) These places should be sufficiently lighted and ventilated and kept in clean and sanitary conditions.
- (4) Women trained in the care of children and infants should be made incharge of such rooms.

(viii) Welfare officers

According to Section 49(1), in every factory wherein 500 or more workers are ordinarily employed, the occupier should employ such number of welfare officers as may be prescribed. The State Government is empowered to prescribe the duties, qualifications and conditions of

service of such welfare officers. The provisions of Section 49 also apply to seasonal factories like sugar factories etc.

(ix) Powers to make rules to supplement this chapter

The State Government is empowered to make rules exempting factory or class or description of factories from the compliance of provisions of this chapter, provided alternative arrangements for workers welfare have been made to the satisfaction of the authorities. Such rules may require that workers representatives shall be associated with the management of the welfare arrangements of the workers. (Section 50).

WORKING HOURS OF ADULTS

Chapter VI contains provision for regulating working hours for the adult workers

(i) Weekly hours

- An adult worker shall be allowed to work only for forty eight hours in any week. (Section 51).

(ii) Weekly holidays

- Section 52 provides that there shall be holiday for the whole day in every week and such weekly holiday shall be on the first day of the week. However, such holiday may be substituted for any one of the three days immediately before or after the first day of the week provided the manager of the factory has:

- 1) Delivered a notice at the office of the Inspector; and
- 2) Displayed a notice in the factory to this effect.

- The effect of all this is that subject to above said conditions (i) and (ii) there shall be a holiday during ten days. In other words no adult worker shall work for more than ten days consecutively without a holiday for the whole day.

(iii) Compensatory holidays

- When a worker is deprived of any of the weekly holiday as result of passing of an order or making of a rule exempting a factory or worker from the provisions of Section 52, he is entitled to compensatory holidays of equal number of the holidays so lost. These holidays should be allowed either in the same month in which the holidays became due or within next two months immediately following that month. (Section 53).

(iv) Daily hours

- According to Section 54, an adult worker, whether male or female shall not be required or allowed to work in a factory for more than 9 hours in any day. Section 54 should be read with Section 59. In other words, the daily hours of work should be so adjusted that the total weekly hours does not exceed 48. The liability of the employer under this Section cannot be absolved on the ground that the workers are willing to work for longer hours without any extra payment.

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The daily maximum hours of work specified in Section 54 can be exceeded provided

- it is to facilitate the change of shift; and
- the previous approval of the Chief Inspector has been obtained.

(v) Intervals for rest

- No adult worker shall work continuously for more than 5 hours unless a rest interval of at least half an hour is given to him. [Section 55(1)]
- The State Government or subject to the control of the State Government the Chief Inspector may, by written order for the reasons specified therein, exempt any factory, from the compliance of above provisions to the extent that the total number of hours worked without rest interval does not exceed six. [Section 55(2)]

(vii) Night shifts

- Where a worker in a factory works in night shifts, i.e., shift extending beyond mid-night:
 - (i) the weekly or compensatory holiday shall be a period of 24 consecutive hours beginning when his shift ends;
 - (ii) the following day shall be deemed to the period of 24 hours beginning when shift ends, and the hours he has worked after mid-night shall be counted in the previous day.
- (Section 57).

(viii) Prohibition of overlapping shifts

- According to Section 58(1), where the work in any factory is carried on by means of multiple shifts, the period of shifts should be arranged in such a manner that not more than one relay of workers is engaged in work of the same kind at the same time.

(ix) Extra wages for overtime

The following provisions have been made in respect of overtime wages:

Where a worker works in a factory for more than 9 hours in any day or more than 48 hours in any week, he shall, in respect of overtime work, be entitled to wages at the rate of twice his ordinary rate of wages. [Section 59(1)]

Meaning of ordinary rate of wages

According to Section 59(2) ordinary rate of wages means:

- (i) basic wages; plus,

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- (ii) allowances which include the cash equivalent of the advantage accruing through the concessional sale to workers of foodgrains and other articles as the worker is for the time being entitled to, but it does not include a bonus and wages for overtime work.

House rent allowance, though payable to employers who were not provided with accommodation, cannot be taken into account to calculate overtime wages of employees provided with such accommodation (*Govind Bapu Salve v. Vishwanath Janardhan Joshi*, 1995 SCC (L&S) 308). An employer requiring the workman to work for more than the maximum number of hours overtime work postulated by Section 64(4)(iv) cannot merely on this ground, deny him overtime wages for such excessive hours (*HMT v. Labour Court*, 1994 I LLN 156).

Rate of wages for piece rate workers

Where the workers in a factory are paid on piece rate basis, the time rate shall be deemed to be equivalent to the daily average of their full-time earnings for the days on which they actually worked on the same or identical job during the month immediately preceding the calendar month during which the over-time work was done and such time rates shall be deemed to be the ordinary rates of wages of those workers.

(x) Register of adult workers

The manager of every factory shall maintain a register of adult workers to be available to the Inspector at all times during working hours containing the following particulars:

- (i) the name of worker;
- (ii) the nature of his work;

PROVISIONS REGULATING EMPLOYMENT OF WOMEN IN A FACTORY

Section 66 makes following provisions

- (1) No exemption may be granted to female worker, from the provisions of Section 54 relating to daily hours of work.
- (2) Women workers shall not be employed except between the hours of 6 a.m. and 7 p.m. However, the State Government may by a notification in the Official Gazette, vary these limits to the extent that no woman shall be employed between the hours of 10 p.m. and 5 a.m.
- (3) There shall be no change of shifts except after a weekly holiday or any other holiday.

Exemptions from the above restriction

The State Government has been empowered to make rules granting exemptions from above stated restriction in respect of women working in fish-curing or fish canning factories. This has been done with a view to prevent damage to or deterioration in any raw material. However, before granting any exemption, the State Government may lay down any condition as it thinks

necessary. Such rules made by the State Government shall remain in force for not more than three years at a time. [Section 66(3)].

EMPLOYMENT OF YOUNG PERSONS AND CHILDREN

Most of the civilised nations restrict the employment of children in the factories. The Royal Commission on Labour observed that this is based on the principle that the supreme right of the State to the guardianship of children controls the natural rights of the parent when the welfare of society or of the children themselves conflicts with parental rights. Workers as young as five years of age may be found in some of these places working without adequate meal, intervals or weekly rest days at as low as 2 annas in the case of those tenderest years. Therefore, to curb these and other evil practices of employing children, following legislative measures have been adopted.

- According to Section 67, a child who has not completed his fourteenth year of age shall not be employed in any factory.
- According to Section 68, children completing their fourteenth year or an adolescent, shall not be required to work in any factory, unless following conditions are fulfilled:
 - (i) the manager of the factory has obtained a certificate of fitness granted to such young person under Section 69;
 - (ii) while at work, such child or adolescent carries a token giving reference to such certificate.

Certificate of fitness

Under Section 69 of the Act, before a young person is employed in the factory, a Certifying Surgeon has to certify that such person is fit for that work in the factory. To get this certificate, an application to a Certifying Surgeon has to made either:

- (i) by the young person himself; or
- (ii) by his parent or guardian; or
- (iii) by the manager of the factory.

If the application is made by a person other than the manager, it must be accompanied by a document, signed by the manager, that such young person will be employed in the factory if a certificate of fitness is granted in his favour. [Section 69(1)]

Certificate of fitness to work as a child

The Certifying Surgeon may grant or renew to any such young person, a certificate of fitness, in the prescribed form to work as a child, if, after examination, he is satisfied that

- (i) such young person has completed his 14th year;
- (ii) has attained the prescribed physical standards; and

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(iii) is fit for such work. [Section 69(2)(a)]

Certificate of fitness to work as an adult

If the Certifying Surgeon, after examination is satisfied that such a young person has completed his 15th year and is fit for a full days work in the factory, he may grant or renew a certificate of fitness, in the prescribed form, to such young person, to work as an adult. [Section 69(2)(b)].

Other features of certificate of fitness

(i) **Validity:** The certificate is valid for a period of 12 months from the date of issue [Section 69(3)(a)].

(ii) **Conditions of Issue:** It may be issued subject to conditions in respect to (i) the nature of work in which a young person may be employed, or (ii) the re-examination of such young person before the expiry of 12 months. [Section 69(3)(b)]. Such young person shall not be required or allowed to work except in accordance with these conditions. [Section 69(6)]

(iii) **Revocation of the certificate:** The certificate can be revoked by the certifying surgeon, at any time if, in his opinion, the worker is no longer fit to work as such in the factory. [Section 69(4)]

(iv) **Certifying Surgeon to state reasons for refusal or revocation:** Where a Certifying Surgeon refuses to grant or renew a certificate or revokes a certificate he shall state his reasons in writing if requested by any person, for doing so. [Section 69(5)]

(v) **Fee for the certificate:** Any fee payable for a certificate shall be paid by the occupier and it cannot be recovered from the young person, his parents, or guardian. [Section 69(7)].

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SYLLABUS

Industrial Disputes Act 1947- Provisions relating to strike lockout retrenchment. Layoff-Closure- Machinery to solve disputes.

INDUSTRIAL DISPUTES ACT 1947

INTRODUCTION

The objective of the Industrial Disputes Act 1947 is to secure industrial peace and harmony by providing machinery and procedure for the investigation and settlement of industrial disputes by negotiations. This act deals with the retrenchment process of the employees, procedure for layoff, procedure and rules for strikes and lockouts of the company.

MEANING

According to Section 2(a) where any employer discharges, dismisses, retrenches or otherwise terminates the services of an individual workman, any dispute or difference between that workman and his employer connected with, or arising out of, such discharge, dismissal, retrenchment or termination shall be deemed to be an industrial dispute notwithstanding that no other workman nor any union of workmen is a party to the dispute.

STRIKE

A strike can be defined as “a refusal to work, organised by a body of employees as a form of protest, typically in an attempt to gain a concession or concessions from their employer”. They are usually started by labor unions in order to convince the management to give them higher salaries or benefits or to improve their working conditions. They may be specific to a particular employer, workplace or even a unit within a workplace, but at the same time, they might also involve the entire industry or every worker in the country. For example, a strike in a garment factory may persuade all garment employees in the country to go on a strike or all the workers in garment factories may collectively ask for better working conditions and benefits. A strike has the power to affect the economy of the entire country. A strike can take different forms; it may involve employees refusing to attend work or standing

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outside the workplace to prevent others from work. It may also involve employees occupying the workplace, but refusing to work or leave the premises. This is known as a sit-down strike.

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LAYOFF

To layoff is to temporarily or permanently terminate or get rid of the staff / employee. This is usually done by a company / firm on account of a business slowdown as a result of which there is insufficient work to be allotted to an employee who is registered with the establishment and who has not yet been retrenched.

It is suspension or termination of employment (with or without notice) by an employer or management. A company layoff involves the cessation of employee benefits such as salary or wages. The laid-off employees are paid laid-off compensation. All of the laid-off employees should be taken back in their usual posts, as soon as the layoff lifted out. It may be due to, one of the given reasons:

- Shortage of raw materials
- Economic recession
- Breakdown of machinery
- Accumulation of stocks

RETRENCHMENT

Retrenchment is to reduce the amount of corporate expenses. When a company/firm implements retrenchment, it cuts off or minimises all the unnecessary expenditures, usually by cutting back on the diversity of products or services it offers and often reducing the size of its company by closing down some of its offices that don't necessarily mean a reduction in a company's workforce. It simply means termination of employee's services, because of replacement of the worker by machines or closure of the unit due to the lack of product's demand, produced by the unit. In retrenchment, the termination of services of several employees takes place where they are sent to the home and their connection with the organisation are completely and immediately severed.

PROVISIONS UNDER THE ACT FOR STRIKE, LAYOFF AND RETRENCHMENT

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The Industrial Disputes act specifies conditions for lock outs, layoffs retrenchment and closures of enterprise. A lockout is the closing of a place of employment or suspension of

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work, or refusal by an employer to give work. (Section 2(I)): The act also specifies conditions under which a lockout can be prohibited or deemed illegal.

Layoffs as defined in the act, are the failure refusal, or inability of an employer to give employment to those whose name appear on the employment roll of the establishment. Laid off employees (who fulfill certain conditions) are entitled to lay off compensation at the rate of 50% of their basic and dearness allowance. A layoff is a temporary situation and once the situation improves laid off employees have to be taken back.

According to the act, establishments are allowed to retrench (separate) employees by giving on months" notice and by paying compensation at the rate of 15 days" for each completed year of service . The last to be employed will be retrenched first and if the employer decides to recruit at a later stage, the retrenched employees have to be given preference. Prior concurrence of the appropriate government has to be obtained for retrenchment

Closure of establishments employing more than 100 workmen can be done only after obtaining prior permission of the government. (Section 25 FFA) Workers with service not less than one year affected by closure are eligible to receive retrenchment compensation.

DIFFERENCES BETWEEN STRIKES AND LOCKOUTS

Both strikes and lockouts involve cessation of work in a factory or any other workplace. The key difference between strike and lockout lies on the parties who initiate the cessation of work. In a strike, it is the employees who stop working, but in a lockout, it is the employers who stop the work of the employees.

A strike can be defined as "a refusal to work, organised by a body of employees as a form of protest, typically in an attempt to gain a concession or concessions from their employer".

They are usually started by labor unions in order to convince the management to give them higher salaries or benefits or to improve their working conditions. They may be specific to a particular employer, workplace or even a unit within a workplace, but at the same time, they might also involve the entire industry or every worker in the country. For example, a strike in

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a garment factory may persuade all garment employees in the country to go on a strike or all the workers in garment factories may collectively ask for better working conditions and benefits. A strike has the power to affect the economy of the entire country.

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A strike can take different forms; it may involve employees refusing to attend work or standing outside the workplace to prevent others from work. It may also involve employees occupying the workplace, but refusing to work or leave the premises. This is known as a sit-down strike.

Lockout can be defined as a “The exclusion of employees by their employer from their place of work until certain terms are agreed to” .

It is a temporary stoppage of work initiated by the management of the company. Lockouts are often used during labor disputes.

A lockout is usually implemented by refusing to admit workers onto company premises. This may be done simply by changing the locks or using security guards to secure the premises.

A lockout is known to be the opposite of a strike. They are used by the management to enforce terms of employment upon a group of employees during a dispute. For example, it can force unionized workers to accept lower wages. If the union is demanding for higher salaries or other benefits, the management can convince them to back down with the threat of a lockdown.

Definitions:

Strike: A strike is a refusal to work, organised by a body of employees as a form of protest, typically in an attempt to gain a concession or concessions from their employer.

Lockout: A lockout is the exclusion of employees by their employer from their place of work until certain terms are agreed to.

Initiators:

Strikes are initiated by the employees.

Lockouts are initiated by the employers.

Aim:

Strikes are conducted with the aim of gaining concessions from the employer.

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Lockouts are used to enforce terms of employment upon a group of employees during a dispute.

Methods:

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Strikes may involve employees refusing to attend work, employees standing outside the workplace as a form of protest (picket) or employees occupying the workplace but refusing to work (sit down strike).

Lockouts involve refusing to admit workers onto company premises.

MEASURES TO SOLVE INDUSTRIAL DISPUTES

Conciliation, is a form of mediation. Mediation is the act of making active effort to bring two conflicting parties to compromise. Mediation, however, differs from conciliation in that whereas conciliator plays only a passive and indirect role, and the scope of his functions is provided under the law, the mediator takes active part and the scope of his activities are not subject to any statutory provisions.

Conciliation is the “practice by which the services of a neutral party are used in a dispute as a means of helping the disputing parties to reduce the extent of their differences and to arrive at an amicable settlement of agreed solution.”

The Industrial Disputes Act, 1947 provides for conciliation, and can be utilised either by appointing conciliation officers (permanently or for a limited period) or by constituting a board of conciliation. This conciliation machinery can take a note of a dispute or apprehend dispute either on its own or when approached by either party.

Conciliation Officer:

The law provides for the appointment of Conciliation Officer by the Government to conciliate between the parties to the industrial dispute. The Conciliation Officer is given the powers of a civil court, whereby he is authorised to call the witness the parties on oath. It should be remembered, however, whereas civil court cannot go beyond interpreting the laws, the conciliation officer can go behind the facts and make judgment which will be binding upon the parties.

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On receiving information about a dispute, the conciliation officer should give formal intimation in writing to the parties concerned of his intention to commence conciliation proceedings from a specified date. He should then start doing all such things as he thinks fit

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for the purpose of persuading the parties to come to fair and amicable settlement of the dispute.

Conciliation is an art where the skill, tact, imagination and even personal influence of the conciliation officer affect his success. The Industrial Disputes Act, therefore, does not prescribe any procedure to be followed by him.

The conciliation officer is required to submit his report to the appropriate government along with the copy of the settlement arrived at in relation to the dispute or in case conciliation has failed, he has to send a detailed report giving out the reasons for failure of conciliation.

The report in either case must be submitted within 14 days of the commencement of conciliation proceedings or earlier. But the time for submission of the report may be extended by an agreement in writing of all the parties to the dispute subject to the approval of the conciliation officer.

If an agreement is reached (called the memorandum of settlement), it remains binding for such period as is agreed upon by the parties, and if no such period is agreed upon, for a period of six months from the date on which the memorandum of settlement is signed by the parties to the dispute, and continues to be binding on the parties after the expiry of the period aforesaid, until the expiry of two months from the date on which a notice in writing of an intention to terminate the settlement is given by one of the party or parties to the settlement.

Board of Conciliation:

In case Conciliation Officer fails to resolve the differences between the parties, the government has the discretion to appoint a Board of Conciliation. The Board is tripartite and ad hoc body. It consists of a chairman and two or four other members.

The chairman is to be an independent person and other members are nominated in equal number by the parties to the dispute. Conciliation proceedings before a Board are similar to those that take place before the Conciliation Officer. The Government has yet another option of referring the dispute to the Court of Inquiry instead of the Board of Conciliation.

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The machinery of the Board is set in motion when a dispute is referred to it. In other words, the Board does not hold the conciliation proceedings of its own accord. On the dispute being referred to the Board, it is the duty of the Board to do all things as it thinks fit for the purpose of inducing the parties to come to a fair and amicable settlement. The Board must submit its

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report to the government within two months of the date on which the dispute was referred to it. This period can be further extended by the government by two months.

2. Court of Inquiry:

In case of the failure of the conciliation proceedings to settle a dispute, the government can appoint a Court of Inquiry to enquire into any matter connected with or relevant to industrial dispute. The court is expected to submit its report within six months. The court of enquiry may consist of one or more persons to be decided by the appropriate government.

The court of enquiry is required to submit its report within a period of six months from the commencement of enquiry. This report is subsequently published by the government within 30 days of its receipt. Unlike during the period of conciliation, workers' right to strike, employers' right to lockout, and employers' right to dismiss workmen, etc. remain unaffected during the proceedings in a court to enquiry.

A court of enquiry is different from a Board of Conciliation. The former aims at inquiring into and revealing the causes of an industrial dispute. On the other hand, the latter's basic objective is to promote the settlement of an industrial dispute. Thus, a court of enquiry is primarily fact-finding machinery.

3. Voluntary Arbitration:

On failure of conciliation proceedings, the conciliation officer may persuade the parties to refer the dispute to a voluntary arbitrator. Voluntary arbitration refers to getting the disputes settled through an independent person chosen by the parties involved mutually and voluntarily.

In other words, arbitration offers an opportunity for a solution of the dispute through an arbitrator jointly appointed by the parties to the dispute. The process of arbitration saves time and money of both the parties which is usually wasted in case of adjudication.

Voluntary arbitration became popular as a method of settling differences between workers and management with the advocacy of Mahatma Gandhi, who had applied it very successfully in the Textile industry of Ahmedabad. However, voluntary arbitration was lent legal identity

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only in 1956 when Industrial Disputes Act, 1947 was amended to include a provision relating to it.

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The provision for voluntary arbitration was made because of the lengthy legal proceedings and formalities and resulting delays involved in adjudication. It may, however, be noted that arbitrator is not vested with any judicial powers. He derives his powers to settle the dispute from the agreement that parties have made between themselves regarding the reference of dispute to the arbitrator. The arbitrator should submit his award to the government. The government will then publish it within 30 days of such submission. The award would become enforceable on the expiry of 30 days of its publication.

Voluntary arbitration is one of the democratic ways for settling industrial disputes. It is the best method for resolving industrial conflicts and is a close supplement to collective bargaining. It not only provides a voluntary method of settling industrial disputes, but is also a quicker way of settling them. It is based on the notion of self-government in industrial relations. Furthermore, it helps to curtail the protracted proceedings attendant on adjudication, connotes a healthy attitude and a developed outlook; assists in strengthening the trade union movement and contributes for building up sound and cordial industrial relations.

4. Adjudication:

The ultimate remedy for the settlement of an industrial dispute is its reference to adjudication by labour court or tribunals when conciliation machinery fails to bring about a settlement. Adjudication consists of settling disputes through intervention by the third party appointed by the government. The law provides the adjudication to be conducted by the Labour Court, Industrial Tribunal or National Tribunal.

A dispute can be referred to adjudication if both the employer and the recognised union agree to do so. A dispute can also be referred to adjudication by the Government even if there is no consent of the parties in which case it is called „compulsory adjudication“. As mentioned above, the dispute can be referred to three types of tribunals depending on the nature and facts of dispute in questions.

These include:

(a) Labour courts,

(b) Industrial tribunals, and

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(c) National tribunals.

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The procedure, powers, and provisions regarding commencement of award and period of operation of award of these three bodies are similar. The first two bodies can be set up either by State or Central Government but the national tribunal can be constituted by the Central Government only, when it thinks that the adjudication of a dispute is of national importance. These three bodies are into hierarchical in nature. It is the Government's prerogative to refer a dispute to any of these bodies depending on the nature of dispute.

(a) Labour Court:

A labour court consists of one person only, who is normally a sitting or an ex-judge of a High Court. It may be constituted by the appropriate Government for adjudication of disputes which are mentioned in the second schedule of the Act.

The issues referred to a labour court may include:

- (i) The propriety or legality of an order passed by an employer under the Standing Orders.
- (ii) The application and interpretation of Standing Orders.
- (iii) Discharge and dismissal of workmen and grant of relief to them.
- (iv) Withdrawal of any statutory concession or privilege.
- (v) Illegality or otherwise of any strike or lockout.
- (vi) All matters not specified in the third schedule of Industrial Disputes Act, 1947. (It deals with the jurisdiction of Industrial Tribunals).

(b) Industrial Tribunal:

Like a labour court, an industrial tribunal is also a one-man body. The matters which fall within the jurisdiction of industrial tribunals are as mentioned in the second schedule or the third schedule of the Act. Obviously, industrial tribunals have wider jurisdiction than the labour courts.

Moreover an industrial tribunal, in addition to the presiding officer, can have two assessors to advise him in the proceedings; the appropriate Government is empowered to appoint the assessors.

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The Industrial Tribunal may be referred the following issues:

1. Wages including the period and mode of payment.

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2. Compensatory and other allowances.
3. Hours of work and rest intervals.
4. Leave with wages and holidays.
5. Bonus, profit sharing, provident fund and gratuity.
6. Shift working otherwise than in accordance with the standing orders.
7. Rule of discipline.
8. Rationalisation.
9. Retrenchment.
10. Any other matter that may be prescribed.

(c) National Tribunal:

The Central Government may constitute a national tribunal for adjudication of disputes as mentioned in the second and third schedules of the Act or any other matter not mentioned therein provided in its opinion the industrial dispute involves “questions of national importance” or “the industrial dispute is of such a nature that undertakings established in more than one state are likely to be affected by such a dispute”.

The Central Government may appoint two assessors to assist the national tribunal. The award of the tribunal is to be submitted to the Central Government which has the power to modify or reject it if it considers it necessary in public interest. It should be noted that every award of a Labour Court, Industrial Tribunal or National Tribunal must be published by the appropriate Government within 30 days from the date of its receipt. Unless declared otherwise by the appropriate government, every award shall come into force on the expiry of 30 days from the date of its publication and shall remain in operation for a period of one year thereafter.

Conciliation Officer:

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The Industrial Disputes Act, 1947, under its Section 4, provides for the appropriate government to appoint such number of persons as it thinks fit to be conciliation officers. Here, the appropriate government means one in whose jurisdiction the disputes fall.

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While the Commissioner /additional commissioner/deputy commissioner is appointed as conciliation officer for undertakings employing 20 or more persons, at the State level, officers from central Labour Commission office are appointed as conciliation officers, in the case of Central government. The conciliation officer enjoys the powers of a civil court. He is expected to give judgment within 14 days of the commencement of the conciliation proceedings. The judgement given by him is binding on the parties to the dispute.

Board of Conciliation:

In case the conciliation officer fails to resolve the dispute between the disputants, under Section 5 of the Industrial Disputes Act, 1947, the appropriate government can appoint a Board of Conciliation. Thus, the Board of Conciliation is not a permanent institution like conciliation officer. It is an adhoc body consisting of a chairman and two or four other members nominated in equal numbers by the parties to the dispute.

The Board enjoys the powers of civil court. The Board admits disputes only referred to it by the government. It follows the same conciliation proceedings as is followed by the conciliation officer. The Board is expected to give its judgment within two months of the date on which the dispute was referred to it.

In India, appointment of the Board of Conciliation is rare for the settlement of disputes. In practice, settling disputes through a conciliation officer is more common and flexible.

2. Arbitration:

Arbitration is a process in which the conflicting parties agree to refer their dispute to a neutral third party known as „Arbitrator“ . Arbitration differs from conciliation in the sense that in arbitration the arbitrator gives his judgment on a dispute while in conciliation, the conciliator disputing parties to reach at a decision.

The arbitrator does not enjoy any judicial powers. The arbitrator listens to the view points of the conflicting parties and then gives his decision which is binding on all the parties. The judgment on the dispute is sent to the government. The government publishes the judgment within 30 days of its submission and the same becomes enforceable after 30 days of its publication. In India, there are two types of arbitration: Voluntary and Compulsory.

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Voluntary Arbitration: In voluntary arbitration both the conflicting parties appoint a neutral third party as arbitrator. The arbitrator acts only when the dispute is referred to him/her. With

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a view to promote voluntary arbitration, the Government of India has constituted a tripartite National Arbitration Promotion Board in July 1987, consisting of representatives of employees (trade employers and the Government. However, the voluntary arbitration could not be successful because the judgments given by it are not binding on the disputants. Yes, moral binding is exception to it.

Compulsory Arbitration:

In compulsory arbitration, the government can force the disputing parties to go for compulsory arbitration. In other form, both the disputing parties can request the government to refer their dispute for arbitration. The judgment given by the arbitrator is binding on the parties of dispute.

3. Adjudication:

The ultimate legal remedy for the settlement of an unresolved dispute is its reference to adjudication by the government. The government can refer the dispute to adjudication with or without the consent of the disputing parties. When the dispute is referred to adjudication with the consent of the disputing parties, it is called „voluntary adjudication.“ When the government herself refers the dispute to adjudication without consulting the concerned parties, it is known as compulsory adjudication.

The Industrial Disputes Act, 1947 provides three-tier machinery for the adjudication of industrial disputes:

1. Labour Court
2. Industrial Tribunal
3. National Tribunal

Labour Court:

Under Section 7 of the Industrial Disputes Act, 1947, the appropriate Government by notifying in the official Gazette, may constitute Labour Court for adjudication of the industrial disputes. The labour court consists of one independent person who is the presiding officer or has been a judge of a High Court, or has been a district judge or additional district

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judge for not less than 3 years, or has been a presiding officer of a labour court for not less than 5 years. The labour court deals with the matters specified in the second schedule of the Industrial Disputes Act, 1947.

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These relate to:

1. The property or legality of an employer to pass an order under the standing orders.
2. The application and interpretation of standing orders.
3. Discharge or dismissal of workers including reinstatement or grant of relief to workmen wrongfully dismissed.
4. Withdrawal of any statutory concession or privilege.
5. Illegality or otherwise of a strike or lockout.
6. All matters other than those reserved for industrial tribunals.

Industrial Tribunal:

Under Section 7A of the Act, the appropriate Government may constitute one or more Industrial tribunals for the adjudication of industrial disputes. Compared to labour court, industrial tribunals have a wider jurisdiction. An industrial tribunal is also constituted for a limited period for a particular dispute on an adhoc basis.

The matters that come within the jurisdiction of an industrial tribunal include the following:

1. Wages, including the period and mode of payment.
2. Compensatory and other allowances.
3. Hours of work and rest periods.
4. Leave with wages and holidays.
5. Bonus, profit sharing, provident fund, and gratuity.
6. Classification by grades.
7. Rules of discipline.
8. Rationalisation.
9. Retrenchment of employees and closure of an establishment or undertaking.

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10. Any other matter that can be prescribed.

National Tribunal:

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This is the third one man adjudicatory body appointed by the Central Government by notification in the Official Gazette for the adjudication of industrial disputes of national importance. The central Government may, if it thinks fit, appoint two persons as assessors to advise the National Tribunal. When a national tribunal has been referred to, no labour court or industrial tribunal shall have any jurisdiction to adjudicate upon such matter.

UNIT III
SYLLABUS

Trade Unions Act, 1926- Definition registration-rights and privileges-cancellation of registration- payment of wages act 1926-Permissible deductions time and mode of payment- Provident fund- payment of gratuity act 1972.

Trade Unions Act, 1926

INTRODUCTION

Trade Unions Act, 1926 deals with the registration of trade unions, their rights, their liabilities and responsibilities as well as ensures that their funds are utilised properly. It gives legal and corporate status to the registered trade unions. It also seeks to protect them from civil or criminal prosecution so that they could carry on their legitimate activities for the benefit of the working class. The Act is applicable not only to the union of workers but also to the association of employers. It extends to whole of India.

MEANING AND DEFINITION

Trade union means 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. [Section 2 (h)]

Registered trade union means a trade union registered under this Act.[Section 2 (e)]

Trade dispute means any dispute between employers and workmen, or between workmen and workmen, or between employers and employers which is connected with the employment or non-employment, or the terms of employment or the conditions of labor, of any person, and “workmen” means all persons employed in trade or industry whether or not in the employment of the employer with whom the trade dispute arises.[Section 2 (g)]

REGISTRATION OF TRADE UNION

Section 4 provides that any seven or more members of a Trade Union may by subscribing their names to the rules of the Trade Union and by otherwise complying with the provisions of this Act with respect to registration, apply for registration of the Trade Union.

However, no Trade Union of workmen shall be registered unless at least ten per cent. or one hundred of the workmen, whichever is less, engaged or employed in the establishment or industry with which it is connected are the members of such Trade Union on the date of making of application for registration.

APPLICATION FOR REGISTRATION

Section 5 stipulates that every 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 statement of the following particulars, namely:

- the names, occupations and address of the members making application;
- in the case of a Trade Union of workmen, the names, occupations and addresses of the place of work of the members of the Trade Union making the application;
- the name of the Trade Union and the address of its head office; and
- the titles, names, ages, addresses and occupations of the office-bearers of the Trade Union.

Where a Trade Union has been in existence for more than one year before the making of an application for its registration, there shall be delivered to the Registrar, together with the application, a general statement of the assets and liabilities of the Trade Union prepared in such form and containing such particulars as may be prescribed.

RULES OF A TRADE UNION

A Trade Union shall not be entitled to registration under the Act, unless the executive thereof is constituted in accordance with the provisions of the Act, and the rules thereof provide for the following matters, namely:—

- the name of the Trade Union;
- the whole of the objects for which the Trade Union has been established;

- the whole of the purposes for which the general funds of the Trade Union shall be applicable, all of which purposes shall be purposes to which such funds are lawfully applicable under this Act;
- the maintenance of a list of the members of the Trade Union and adequate facilities for the inspection thereof by the office-bearers and members of Trade Union;
- the admission of ordinary members who shall be persons actually engaged or employed in an industry with which the Trade Union is connected, and also the admission of the number of honorary or temporary members as office-bearers required under section 22 to form the executive of the Trade Union;
- the payment of a minimum subscription by members of the Trade Union
- the conditions under which any member shall be entitled to any benefit assured by the rules and under which any fine or forfeiture may be imposed on the members;
- the manner in which the rules shall be amended, varied or rescinded;
- the manner in which the members of the executive and the other office-bearers of the Trade Union shall be elected and removed;
- the duration of period being not more than three years, for which the members of the executive and other office-bearers of the Trade Union shall be elected;
- the safe custody of the funds of the Trade Union, an annual audit, in such manner as may be prescribed, of the accounts thereof, and adequate facilities for the inspection of the account books by the office-bearers and members of the Trade Union; and
- the manner in which the Trade Union may be dissolved.

CERTIFICATE OF REGISTRATION

The Registrar, on being satisfied that the Trade Union has complied with all the requirements of the Act in regard to registration, shall register the Trade Union by entering in a register, to be maintained in such form as may be prescribed, the particulars relating to the Trade Union contained

in the statement accompanying the application for registration. The Registrar, on registering a Trade Union under section 8, shall issue a certificate of registration in the prescribed form which shall be conclusive evidence that the Trade Union has been duly registered under the Act.

PAYMENT OF WAGES ACT 1936

The main object of the Act is to eliminate all malpractices by laying down the time and mode of payment of wages as well as securing that the workers are paid their wages at regular intervals, without any unauthorised deductions.

RESPONSIBILITY FOR PAYMENT OF WAGES

Section 3 provides that every employer shall be responsible for the payment to persons employed by him of all wages required to be paid under the Act. However, in the case of persons employed in factories if a person has been named as the manager of the factory; in the case of persons employed in industrial or other establishments if there is a person responsible to the employer for the supervision and control of the industrial or other establishments; in the case of persons employed upon railways if the employer is the railway administration and the railway administration has nominated a person in this behalf for the local area concerned; in the case of persons employed in the work of contractor, a person designated by such contractor who is directly under his charge; and in any other case, a person designated by the employer as a person responsible for complying with the provisions of the Act, the person so named, the person responsible to the employer, the person so nominated or the person so designated, as the case may be, shall be responsible for such payment.

It may be noted that as per section 2(ia) “employer” includes the legal representative of a deceased employer.

FIXATION OF WAGES

As per section 4 of the Act every person responsible for the payment of wages shall fix wage-periods in respect of which such wages shall be payable. No wage-period shall exceed one month.

TIME OF PAYMENT OF WAGES

Section 5 specifies the time payment of wages. The wages of every person employed upon or in any railway factory or industrial or other establishment upon or in which less than one thousand persons are employed, shall be paid before the expiry of the seventh day.

The wages of every person employed upon or in any other railway factory or industrial or other establishment shall be paid before the expiry of the tenth day, after the last day of the wage-period in respect of which the wages are payable.

DEDUCTIONS FROM WAGES OF EMPLOYEES

Section 7 of the Act allows deductions from the wages of an employee on the account of the following:- (i) fines;

(ii) absence from duty; (iii) damage to or loss of goods expressly entrusted to the employee; (iv) housing accommodation and amenities provided by the employer; (v) recovery of advances or adjustment of over-payments of wages; (vi) recovery of loans made from any fund constituted for the welfare of labour in accordance with the rules approved by the State Government, and the interest due in respect thereof; (vii) subscriptions to and for repayment of advances from any provident fund; (viii) income-tax; (ix) payments to co-operative societies approved by the State Government or to a scheme of insurance maintained by the Indian Post Office; (x) deductions made with the written authorisation of the employee for payment of any premium on his life insurance policy or purchase of securities.

FINES

Section 8 deals with fines. It provides that :

- (1) No fine shall be imposed on any employed person save in respect of such acts and omissions on his part as the employer with the previous approval of the State Government or of the prescribed authority may have specified by notice under sub-section (2).
- (2) A notice specifying such acts and omissions shall be exhibited in the prescribed manner on the premises in which the employment carried on or in the case of persons employed upon a railway (otherwise than in a factory) at the prescribed place or places.
- (3) No fine shall be imposed on any employed person until he has been given an opportunity of showing cause against the fine or otherwise than in accordance with such procedure as may be prescribed for the imposition of fines.

- (4) The total amount of fine which may be imposed in any one wage-period on any employed person shall not exceed an amount equal to three per cent of the wages payable to him in respect of that wage-period.
- (5) No fine shall be imposed on any employed person who is under the age of fifteen years.
- (6) No fine imposed on any employed person shall be recovered from him by installments or after the expiry of ninety days from the day on which it was imposed.
- (7) Every fine shall be deemed to have been imposed on the day of the act or omission in respect of which it was imposed.
- (8) All fines and all realisations thereof shall be recorded in a register to be kept by the person responsible for the payment of wages under section 3 in such form as may be prescribed; and all such realisations shall be applied only to such purposes beneficial to the persons employed in the factory or establishment as are approved by the prescribed authority.

It may be noted that when the persons employed upon or in any railway, factory or industrial or other establishment are part only of a staff employed under the same management all such realisations may be credited to a common fund maintained for the staff as a whole provided that the fund shall be applied only to such purposes as are approved by the prescribed authority.

The Employees Provident Funds Act 1952

Provident Fund schemes for the benefit of the employees had been introduced by some organisations even when there was no legislation requiring them to do so. Such schemes were, however, very few in number and they covered only limited classes/groups of employees. In 1952, the Employees Provident Funds Act was enacted to provide institution of Provident Fund for workers in six specified industries with provision for gradual extension of the Act to other industries/classes of establishments. The Act is now applicable to employees drawing pay not exceeding Rs. 6,500/- per month. The Act extends to whole of India except Jammu and Kashmir. The term pay includes basic wages with dearness allowance, retaining allowance (if any), and cash value of food concession.

The following three schemes have been framed under the Act by the Central Government:

- (a) The Employees' Provident Fund Schemes, 1952;
- (b) The Employees' Pension Scheme, 1995; and

(c) The Employees' Deposit-Linked Insurance Scheme; 1976.

The three schemes mentioned above confer significant social security benefits on workers and their dependents.

APPLICATION OF THE ACT

According to Section 1(3), the Act, subject to the provisions of Section 16, applies:

- (a) to every establishment which is a factory engaged in any industry specified in Schedule I and in which twenty or more persons are employed; and
- (b) to any other establishment employing twenty or more persons or class of such establishments which the Central Government may, by notification in the Official Gazette, specify in this behalf:

Provided that the Central Government may, after giving not less than two months notice of its intention to do so by notification in the Official Gazette, apply the provisions of this Act to any establishment employing such number of persons less than twenty as may be specified in the notification.

SCHEMES UNDER THE ACT

In exercise of the powers conferred under the Act, the Central Government has framed the following three schemes:

1. Employees Provident Fund Scheme.

The Central Government has framed a Scheme called Employees Provident Fund Scheme. The Fund vests in and is administered by the Central Board constituted under Section 5A.

Board of Trustees or Central Board: Section 5A provides for the administration of the Fund. The Central Government may by notification in the Official Gazette constitute with effect from such date as may be specified therein, a Board of Trustees, for the territories to which this Act extends.

The Employees Provident Fund Scheme contains provisions regarding the terms and conditions subject to which a member of the Central Board may be appointed and of procedure of the meetings of the Central Board. The Scheme also lays down the manner in which the Board shall administer the funds vested in it however subject to the provisions of Section 6AA and 6C of the Act. The Board also performs functions under the Family Pension Scheme and the Insurance Scheme.

Contributions

As per Section 6, the contribution which shall be paid by the employer to the Fund shall be 10%, of the basic wages, dearness allowance and retaining allowance, if any, for the time being payable to each of the employees whether employed by him directly or through a contractor and the employees contribution shall be equal to the contribution payable by the employer. Employees, if they desire,

may make contribution exceeding the prescribed rate but subject to the condition that employer shall not be under any obligation to contribute over and above the contribution payable as prescribed by the Government from time to time under the Act. The Government has raised the rate of Provident Fund Contribution from the current 8.33% to 10% in general and in cases of establishments specially notified by the Government, from 10% to 12% with effect from September 22, 1997.

Each contribution shall be calculated to the nearest rupee, fifty paise or more to be counted as the next higher rupee and fraction of a rupee less than fifty paise to be ignored.

Dearness allowance shall include the cash value of any food concession allowed to an employee. Retaining allowance is the allowance payable to an employee for retaining his services, when the establishment is not working.

The Provident Fund Scheme has made the payment of contribution mandatory and the Act provides for no exception under which a specified employer can avoid his mandatory liability.

2. EMPLOYEES PENSION SCHEME

Under Section 6A, Government has introduced a new pension scheme styled Employees' Pension Scheme, 1995 w.e.f. 16.11.1995, in place of Family Pension Scheme, 1971.

The Employees' Pension Scheme is compulsory for all the persons who were members of the Family Pension Scheme, 1971. It is also compulsory for the persons who become members of the Provident Fund from 16.11.1995 i.e. the date of introduction of the Scheme. The PF subscribers who were not members of the Family Pension Scheme, have an option to join this Pension Scheme. The Scheme came into operation w.e.f. 16.11.1995, but the employees, including those covered under the Voluntary Retirement Scheme have an option to join the scheme w.e.f. 1.4.1993.

Minimum 10 years contributory service is required for entitlement to pension. Normal superannuation pension is payable on attaining the age of 58 years. Pension on a discounted rate is also payable on attaining the age of 50 years. Where pensionable service is less than 10 years, the member has an option to remain covered for pensionary benefits till 58 years of age or claim return of contribution/ withdrawal benefits.

The Scheme provides for payment of monthly pension in the following contingencies (a) Superannuation on attaining the age of 58 years; (b) Retirement; (c) Permanent total disablement; (d) Death during service; (e) Death after retirement/ superannuation/permanent total disablement; (f) Children Pension; and (g) Orphan pension.

The amount of monthly pension will vary from member to member depending upon his pensionable salary and pensionable service.

The formula for calculation of monthly members pension is as under:

Members Pension = *Pensionable Salary x (Pensionable Service + 2)

To illustrate, if the contributory service is 33 years and pensionable salary is

Rs. 5,000 per month, the above formula operates as given below:

$$5,000 \times (33 + 2) = \text{Rs. } 2,500$$

Members Pension = p.m

In case where the contributory service is less than 20 years but more than 10 years, monthly pension is required to be determined as if the member has rendered eligible service of 20 years. The amount so arrived shall be reduced at the rate of 3 per cent for every year by which the eligible service falls short of 20 years, subject to maximum reduction of 25 per cent.

3. Employees' Deposit-Linked Insurance Scheme

The Act was amended in 1976 and a new Section 6B was inserted empowering the Central Government to frame a Scheme to be called the Employees' Deposit-Linked Insurance Scheme for the purpose of providing life insurance benefit to the employees of any establishment or class of establishments to which the Act applies.

The Central Government has accordingly framed the Employees' Deposits-Linked Insurance Scheme, 1976. It came into force on the 1st August, 1976.

1. Application of the Scheme: The Employees Deposit-Linked Insurance Scheme, 1976 is applicable to all factories/establishments to which the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 applies.

All the employees who are members of the Provident Funds in both the exempted and the unexempted establishments are covered under the scheme.

2. Contributions to the Insurance Fund: The employees are not required to contribute to the Insurance Fund.

The employers are required to pay contributions to the Insurance Fund at the rate of 1% of the total emoluments, i.e., basic wages, dearness allowance including, cash value of any food concession and retaining allowance, if any.

3. Administrative expenses: The employers of all covered establishments are required to pay charges to the Insurance Fund, at the rate of 0.01% of the pay of the employee-members for meeting the administrative charges, subject to a minimum of Rs. 2/- per month.

4. Nomination: The nomination made by a member under the Employee Provident Fund Scheme 1952 or in the exempted provident fund is treated as nomination under this scheme. Provisions of

Section 5 have overriding effect and will override the personal laws of the subscriber in the matters of nominations (LLJ I 1996 All. 236).

5. *Payment of assurance benefit:* In case of death of a member, an amount equal to the average balance in the account of the deceased during the preceding 12 months or period of membership, whichever is less shall be paid to the persons eligible to receive the amount or the Provident Fund accumulations. In case the average balance exceeds Rs. 50,000, the amount payable shall be Rs. 50,000 plus 40% of the amount of such excess subject to a ceiling of Rs. one lakh

6. *Exemption from the Scheme:* Factories/establishments, which have an Insurance Scheme conferring more benefits than those provided under the statutory Scheme, may be granted exemption, subject to certain conditions, if majority of the employees are in favour of such exemption.

THE PAYMENT OF GRATUITY ACT 1972

Gratuity is a lump sum payment made by the employer as a mark of recognition of the service rendered by the employee when he retires or leaves service. The Payment of Gratuity Act provides for the payment of gratuity to employees engaged in factories, mines, oilfields, plantations, ports, railway companies, shops or other establishments.

The Payment of Gratuity Act has been amended from time to time to bring it in tune with the prevailing situation. Recently the Act has been amended twice to enhance the ceiling on amount of gratuity from Rs.3.50 lakh to Rs.10 lakh as well as to widen the scope of the definition of “employee” under section 2 (e) of the Act.

APPLICABILITY OF THE ACT

Application of the Act to an employed person depends on two factors. Firstly, he should be employed in an establishment to which the Act applies. Secondly, he should be an “employee” as defined in Section 2(e).

According to Section 1(3), the Act applies to:

- (a) every factory, mine, oilfield, plantation, port and railway company;
- (b) every shop or establishment within the meaning of any law for the time being in force in relation to shops and establishments in a State, in which ten or more persons are employed, or were employed, on any day of the preceding twelve months;
- (c) such other establishments or class of establishments in which ten or more employees are employed, or were employed, on any day of the preceding twelve months as the Central Government may, by notification specify in this behalf.

In exercise of the powers conferred by clause (c), the Central Government has specified Motor transport undertakings, Clubs, Chambers of Commerce and Industry, Inland Water Transport establishments, Solicitors offices, Local bodies, Educational Institutions, Societies, Trusts and Circus industry, in which 10 or more persons are employed or were employed on any day of the preceding 12 months, as classes of establishments to which the Act shall apply.

A shop or establishment to which the Act has become applicable once, continues to be governed by it, even if the number of persons employed therein at any time after it has become so applicable falls below ten. (Section 3A).

CONTINUOUS SERVICE – DEFINITION UNDER THE ACT

According to Section 2A, for the purposes of this Act:

- (1) An employee shall be said to be in ‘continuous service’ for a period if he has, for that period been in un-interrupted service, including service which may be interrupted on account of sickness, accident, leave, absence from duty without leave (not being absence in respect of which an order treating the absence as break in service has been passed in accordance with the standing orders, rules or regulations governing the employees of the establishment), layoff, strike or a lock-out or cessation of work not due to any fault of the employee, whether such uninterrupted or interrupted service was rendered before or after the commencement of this Act;
- (2) Where an employee (not being an employee employed in a seasonal establishment) is not in continuous service within the meaning of clause (1) for any period of one year or six months, he shall be deemed to be in continuous service under the employer:
 - (a) for the said period of one year, if the employee during the period of twelve calendar months preceding the date with reference to which calculation is to be made, has actually worked under the employer for not less than:

- (i) one hundred and ninety days in the case of an employee employed below the ground in a mine or in an establishment which works for less than six days in a week; and
 - (ii) two hundred and forty, days in any other case;
- (b) for the said period of six months, if the employee during the period of six calendar months preceding the date with reference to which the calculation is to be made, has actually worked under the employer for not less than:
- (i) ninety five days, in the case of an employee employed below the ground in a mine or in an establishment which works for less than six days in a week; and
 - (ii) one hundred and twenty days in any other case;
- (3) Where an employee, employed in a seasonal establishment, is not in continues service within the meaning of clause (1) for any period of one year or six months, he shall be deemed to be in continuous service under the employer for such period if he has actually worked for not less than seventy-five per cent, of the number of days on which the establishment was in operation during such period.

Service is not continuous, in case of legal termination of service and subsequent re-employment.

TIME OF PAYMENT OF GRATUITY

According to Section 4(1) of the Payment of Gratuity Act, 1972, gratuity shall be payable to an employee on the termination of his employment after he has rendered continuous service for not less than five years:

- (a) on his superannuation, or
- (b) on his retirement or resignation, or
- (c) on his death or disablement due to accident or disease.

AMOUNT OF GRATUITY PAYABLE

Gratuity is calculated on the basis of continuous service as defined above i.e. for every completed year of service or part in excess of six months, at the rate of fifteen days wages last drawn. The maximum amount of gratuity allowed under the Act is Rs. 10 lakh. The ceiling on the amount of gratuity from Rs.3.50 lakh to Rs.10 lakh has been enhanced by the Payment of Gratuity (Amendment) Act, 2010.

FORFEITURE OF GRATUITY

The Act deals with this issue in two parts. Section 4(6)(a) provides that the gratuity of an employee whose services have been terminated for any act of willful omission or negligence causing any damage or loss to, or destruction of, property belonging to the employer, gratuity shall be

forfeited to the extent of the damage or loss or caused. The right of forfeiture is limited to the extent of damage. In absence of proof of the extent of damage, the right of forfeiture is not available.

Section 4(6)(b) deals with a case where the services of an employee have been terminated:

- (a) for riotous and disorderly conduct or any other act of violence on his part, or
- (b) for any act which constitutes an offence involving moral turpitude provided that such offence is committed by him in the course of his employment.

In such cases the gratuity payable to the employee may be wholly or partially forfeited. Where the service has not been terminated on any of the above grounds, the employer cannot withhold gratuity due to the employee. Where the land of the employer is not vacated by the employee, gratuity cannot be withheld.

Application for Payment of Gratuity

Section 7(1) lays down that a person who is eligible for payment of gratuity under the Act or any person authorised, in writing, to act on his behalf shall send a written application to the employer. Rule 7 of the Payment of Gratuity (Central) Rules, 1972, provides that the application shall be made ordinarily within 30 days from the date gratuity becomes payable. The rules also provides that where the date of superannuation or retirement of an employee is known, the employee may apply to the employer before 30 days of the date of superannuation or retirement.

A nominee of an employee who is eligible for payment of gratuity in the case of death of the employee shall apply to the employee ordinarily within 30 days from the date of the gratuity becomes payable to him. [Rule 7(2)]

Although the forms in which the applications are to be made have been laid down, an application on plain paper with relevant particulars is also accepted. The application may be presented to the employer either by personal service or be registered post with acknowledgement due. An application for payment of gratuity filed after the period of 30 days mentioned above shall also be entertained by the employer if the application adduces sufficient cause for the delay in preferring him claim. Any dispute in this regard shall be referred to the Controlling Authority for his decision.

Dispute as to the Amount of Gratuity or Admissibility of the Claim

If the claim for gratuity is not found admissible, the employer shall issue a notice in the prescribed form to the applicant employee, nominee or legal heir, as the case may be, specifying reasons why the claim for gratuity is not considered admissible. A copy of the notice shall be endorsed to the Controlling Authority.

If the disputes relates as to the amount of gratuity payable, the employer shall deposit with the Controlling Authority such amount as he admits to be payable by him. According to Section 7(4)(e), the Controlling Authority shall pay the amount of deposit as soon as may be after a deposit is made

(i) to the applicant where he is the employee; or

(ii) where the applicant is not the employee, to the nominee or heir of the employee if the Controlling Authority is satisfied that there is no dispute as to the right of the applicant to receive the amount of gratuity.

RECOVERY OF GRATUITY

Section 8 provides that if the gratuity payable under the Act is not paid by the employer within the prescribed time, the Controlling Authority shall, on an application made to it in this behalf by the aggrieved person, issue a certificate for that amount to the Collector, who shall recover the same together with the compound interest thereon at such rate as the Central Government may be notified, specify, from the date of expiry of the prescribed time, as arrears of land revenue and pay the same to the person entitled thereto:

“Provided that the controlling authority shall, before issuing a certificate under this section, give the employer a reasonable opportunity of showing cause against the issue of such certificate:

Provided further that the amount of interest payable under this section shall, in no case, exceed the amount of gratuity payable under this Act”.

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SYLLABUS

Payment of bonus act-1965- Meaning of gross profit-computation of available and allocable surplus-eligibility for bonus-bonus minimum and maximum- Exemption-Applicability of act-Employees State Insurance Act 1948- Definition – Purpose for which funds can be spent-Benefits.

BONUS ACT 1965

INTRODUCTION

The object of the Act is to provide for the payment of bonus to persons employed in certain establishments and for matters connected therewith.

APPLICABILITY OF THE ACT

According to Section 1(2), the Act extends to the whole of India, and as per Section 1(3) the Act shall apply to

- (a) every factory; and
- (b) every other establishment in which twenty or more persons are employed on any day during an accounting year.

THE ACT DOES NOT APPLY TO THE FOLLOWING ESTABLISHMENTS

Section 32 of this Act provides that the Act shall not apply to the following classes of employees:

- (i) employees employed by any insurer carrying on general insurance business and the employees employed by the Life Insurance Corporation of India;
- (ii) seamen as defined in clause (42) of Section 3 of the Merchant Shipping Act, 1958;
- (iii) employees registered or listed under any scheme made under the Dock Workers (Regulation of Employment) Act, 1948 and employed by registered or listed employers;
- (iv) employees employed by an establishment engaged in any industry called on by or under the authority of any department of Central Government or a State Government or a local authority;

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(v) employees employed by

(a) the Indian Red Cross Society or any other institution of a like nature including its branches;

(b) universities and other educational institutions;

(c) institutions (including hospitals, chambers of commerce and social welfare institutions) established not for the purpose of profit;

(viii) employees employed by the Reserve Bank of India;

(ix) employees employed by

(a) the Industrial Finance Corporation of India;

(b) any Financial Corporation established under Section 3, or any Joint Financial Corporation established under Section 3A of the State Financial Corporations Act, 1951;

(c) the Deposit Insurance Corporation;

(d) the National Bank for Agriculture and Rural Development;

(e) the Unit Trust of India;

(f) the Industrial Development Bank of India;

(fa) the Small Industries Development Bank of India established under Section 3 of the Small Industries Development Bank of India Act, 1989;

(fb) the National Housing Bank;

(g) any other financial Institution (other than Banking Company) being an establishment in public sector, which the Central Government may by notification specify having regard to (i) its capital structure;

(ii) its objectives and the nature of its activities; (iii) the nature and extent of financial assistance or any concession given to it by the Government; and (iv) any other relevant factor;

ALLOCABLE SURPLUS

It means –in relation to an employer, being a company (other than a banking company) which has not made the arrangements prescribed under the Income-tax Act for the

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declaration and payment within India of the dividends payable out of its profits in accordance with the provisions of Section 194 of that Act, sixty-seven per cent of the available surplus in an accounting year; in any other case sixty per cent of such available surplus. [Section 2(4)]

AVAILABLE SURPLUS

It means the available surplus under Section 5. [Section 2(6)]

DISQUALIFICATION FOR BONUS

An employee shall be disqualified from receiving bonus under this Act, if he is dismissed from service for:

- (a) fraud; or
- (b) riotous or violent behaviour while on the premises or the establishment; or
- (c) theft, misappropriation or sabotage of any property of the establishment. (Section 9)

This provision is based on the recommendations of the Bonus Commission which observed "after all bonus can only be shared by those workers who promote the stability and well-being of the industry and not by those who positively display disruptive tendencies. Bonus certainly carries with it obligation of good behaviour".

PAYMENT OF MINIMUM BONUS

Section 10 states that subject to the other provisions of this Act, every employer shall be bound to pay to every employee in respect of any accounting year a minimum bonus which shall be 8.33 per cent of the salary or wage earned by the employee during the accounting year or one hundred rupees whichever is higher, whether or not the employer has any allocable surplus in the accounting year:

Provided that where an employee has not completed fifteen years of age at the beginning of the accounting year, the provisions of this Section shall have effect in relation to such employee as if for the words one hundred rupees the words sixty rupees were substituted.

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Section 10 of the Act is not violative of Articles 19 and 301 of the Constitution. Even if the employer suffers losses during the accounting year, he is bound to pay minimum bonus as prescribed by Section 10.

MAXIMUM BONUS

(1) Where in respect of any accounting year referred to in Section 10, the allocable surplus exceeds the amount of minimum bonus payable to the employees under that Section, the employer shall, in lieu of such minimum bonus, be bound to pay to every employee in respect of that accounting year bonus which shall be an amount in proportion to the salary or wage earned by the employee during the accounting year subject to a maximum of twenty per cent of such salary or wage.

(2) In computing the allocable surplus under this Section, the amount set on or the amount set off under the provisions of Section 15 shall be taken into account in accordance with the provisions of that Section. (Section 11)

SET ON AND SET OFF OF ALLOCABLE SURPLUS

a) Where for any accounting year, the allocable surplus exceeds the amount of maximum bonus payable to the employees in the establishment under Section 11, then, the excess shall, subject to a limit of twenty per cent of the total salary or wage of the employees employed in the establishment in that accounting year, be carried forward for being set on in the succeeding accounting year and so on up to and inclusive of the fourth accounting year to be utilized for the purpose of payment of bonus in the manner illustrated in the Fourth Schedule. (Section 15).

b) Where for any accounting year, there is no available surplus or the allocable surplus in respect of that year falls short of the amount of minimum bonus payable to the employees in the establishment under Section 10, and there is no amount or sufficient amount carried forward and set on under sub-section (1) which could be utilized for the purpose of payment of the minimum bonus, then, such minimum amount or the deficiency, as the case may be, shall be carried forward for being set off in the succeeding accounting year and so on up to and inclusive of the fourth accounting year in the manner illustrated in the Fourth Schedule.

TIME LIMIT FOR PAYMENT OF BONUS

- a) Where there is a dispute regarding payment of bonus pending before any authority under Section 22, all amounts payable to an employee by way of bonus under this Act shall be paid in cash by his employer, within a month from the date from which the award becomes enforceable or the settlement comes into operation, in respect of such dispute;
- b) In any other case, the bonus should be paid within a period of eight months from the close of the accounting year. However, the appropriate Government or such authority as the appropriate Government may specify in this behalf may, upon an application made to it by the employer and for sufficient reasons, by order, extend the said period of 8 months to such further period or periods as it thinks fit, so, however, that the total period so extended shall not in any case exceed two years. (Section 19).

The Employees' State Insurance Act, 1948

The Employees' State Insurance Act, 1948 provides for certain benefits to employees in case of sickness, maternity and employment injury and also makes provisions for certain other matters in relation thereto. The Act extends to the whole of India. The Central Government is empowered to enforce the provisions of the Act by notification in the Official Gazette, to enforce different provisions of the Act on different dates and for different States or for different parts thereof [Section 1(3)].

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PURPOSES FOR WHICH THE FUND IS EXPENDED

Section 28 provides that Fund shall be expended only for the following purposes:

- (i) payment of benefits and provisions of medical treatment and attendance to insured persons and, where the medical benefit is extended to their families, in accordance with the provisions of this Act and defraying the charge, and costs in connection therewith;
- (ii) payment of fees and allowances to members of the Corporation, the Standing Committee and Medical Benefit Council, the Regional Boards, Local Committees and Regional and Local Medical Benefit Councils;
- (iii) payment of salaries, leave and joining time allowances, travelling and compensatory allowances, gratuities and compassionate allowances, pensions, contributions to provident or other benefit fund of officers and servants of the Corporation and meeting the expenditure in respect of officers and other services set up for the purpose of giving effect to the provisions of this Act;
- (iv) establishment and maintenance of hospitals, dispensaries and other institutions and the provisions of medical and other ancillary services for the benefit of insured persons and where the medical benefit is extended to their families, their families;
- (v) payment of contribution to any State Government, local authority or any private body or individual towards the cost of medical treatment and attendance provided to insured persons and where the medical benefit is extended to their families, their families including the cost of any building and equipment, in accordance with any agreement entered into by the Corporation;
- (vi) defraying the cost (including all expenses) of auditing the accounts of the Corporation and of the valuation of the assets and liabilities;
- (vii) defraying the cost (including all expenses) of Employees Insurance Courts set up under this Act;
- (viii) payment of any sums under any contract entered into for the purposes of this Act by the Corporation or the Standing Committee or by any officer duly authorised by the Corporation or the Standing Committee in that behalf;

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- (ix) payment of sums under any decree, order or award, of any court or tribunal against the Corporation or any of its officers or servants for any act done in execution of his duty or under a compromise or settlement of any suit or any other legal proceedings or claims instituted or made against the Corporation;
- (x) defraying the cost and other charges of instituting or defending any civil or criminal proceedings arising out of any action taken under this Act;
- (xi) defraying expenditure within the limits prescribed, on measure for the improvement of the health and welfare of insured persons and for the rehabilitation and re-employment of insured persons who have been disabled or injured; and
- (xii) such other purposes as may be authorised by the Corporation with the previous approval of the Central Government.

CONTRIBUTIONS

The contributions have to be paid at such rates as may be prescribed by the Central Government. The present rates of contribution are 4.75 percent and 1.75 percent of workers wages by employers and employees respectively. The wage period in relation to an employee shall be the unit in respect of which all contributions shall be payable. The contributions payable in respect of each wage period shall ordinarily fall due on the last day of the wage period and where an employee is employed for part of the wage period, or is employed under two or more employers during the same wage period, the contributions shall fall due on such days as may be specified in the regulations.

METHODS OF PAYMENT OF CONTRIBUTION

Section 43 provides for the Corporation to make regulations for payment and collection of contribution payable under this Act and such regulations may provide for:

- (a) the manner and time for payment of contribution;
- (b) the payment of contributions by means of adhesive or other stamps affixed to or impressed upon books, cards or otherwise and regulating the manner, times and conditions in, at and under which, such stamps are to be affixed or impressed;
- (c) the date by which evidence of contributions having been paid is to be received by the Corporation;

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- (d) the entry in or upon books or cards or particulars of contribution paid and benefits distributed in the case of the insured persons to whom such books or card relate; and
- (e) the issue, sale, custody, production, inspection and delivery of books or cards and the replacement of books or cards which have been, lost, destroyed or defaced.

BENEFITS

Under Section 46 of the Act, the insured persons, their dependants are entitled to the following benefits on prescribed scale:

- (a) periodical payments in case of sickness certified by medical practitioner;
- (b) periodical payments to an insured workman in case of confinement or miscarriage or sickness arising out of pregnancy, confinement;
- (c) periodical payment to an insured person suffering from disablement as a result of employment injury;
- (d) periodical payment to dependants of insured person;
- (e) medical treatment and attendance on insured person;
- (f) payment of funeral expenses on the death of insured person at the prescribed rate of.

UNIT-V**SYLLABUS****MINIMUM WAGES ACT 1948:**

Minimum Wages Act 1948- Employees compensation act 1923- Employers Liability and Non-liability, Partial-Permanent- Total disablement- occupational diseases.

UNIT V**The Minimum Wages Act 1948****INTRODUCTION**

The Minimum Wages Act was passed in 1948 and it came into force on 15th March, 1948.

“Wages” means all remunerations capable of being expressed in terms of money, which would, if the terms of the contract of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment and includes house rent allowance but does not include:

- (i) the value of:
 - (a) any house accommodation, supply of light, water medical;
 - (b) any other amenity or any service excluded by general or special order of the appropriate Government;
- (ii) contribution by the employer to any Pension Fund or Provident Fund or under any scheme of social insurance;
- (iii) any traveling allowance or the value of any traveling concession;
- (iv) any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment;
- (v) any gratuity payable on discharge.

MINIMUM RATE OF WAGES

According to Section 4 of the Act, any minimum rate of wages fixed or revised by the appropriate Government under Section 3 may consist of –

- (i) a basic rate of wages and a special allowance at a rate to be adjusted, at such intervals and in such manner as the appropriate Government may direct to accord as nearly as practicable with the variation in the cost of living index number applicable to such worker (hereinafter referred to as the cost of living allowance); or

(ii) a basic rate of wages or without the cost of living allowance and the cash value of the concession in respect of supplies of essential commodities at concessional rates where so authorized; or

(iii) an all inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any.

The cost of living allowance and the cash value of the concessions in respect of supplies essential commodities at concessional rates shall be computed by the competent authority at such intervals and in accordance with such directions specified or given by the appropriate Government.

MINIMUM WAGES

Section 11 of the Act provides that minimum wages payable under the Act shall be paid in cash. But where it has been the custom to pay wages wholly or partly in kind, the appropriate Government, on being satisfied, may approve and authorize such payments. Such Government can also authorize for supply of essential commodities at concessional rates. Where payment is to be made in kind, the cash value of the wages in kind or in the shape of essential commodities on concessions shall be estimated in the prescribed manner.

OVERTIME WAGES

Section 14 provides that when an employee, whose minimum rate of wages is fixed under this Act by the hours, the day or by such longer wage period as may be prescribed, works on any day in excess of the number of hours constituting a normal working day, the employer shall pay him for every hour or part of an hour so worked in excess at the overtime rate fixed under this Act or under any other law of the appropriate Government for the time being in force whichever is higher. Payment for overtime work can be claimed only by the employees who are getting minimum rate of wages under the Act and not by those getting better wages.

PIECE RATE WAGES

Where an employee is engaged in work on piece work for which minimum time rate and not a minimum piece rate has been fixed, wages shall be paid in terms of Section 17 of the Act at minimum time rate.

The Employees' Compensation Act 1923

The Employees' Compensation Act is social security legislation. It imposes statutory liability upon an employer to discharge his moral obligation towards his employees when they suffer from physical disabilities and diseases during the course of employment in hazardous working conditions. The Act also seeks to help the dependents of the employee rendered destitute by the 'accidents' and from the hardship arising out from such accidents. The Act provides for cheaper and quicker mode of disposal of disputes relating to compensation through special proceedings than possible under the civil law. The Act extends to the whole of India.

DEPENDANT- DEFINITION UNDER THE ACT

Section 2(1)(d) of the Act defines "dependant" as to mean any of the following relatives of a deceased employee, namely:

- (i) a widow, a minor legitimate or adopted son, an unmarried legitimate or adopted daughter, or a widowed mother, and
- (ii) if wholly dependent on the earnings of the employee at the time of his death, a son or a daughter who has attained the age of 18 years and who is infirm; and
- (iii) if wholly or in part dependent on the earnings of the employee at the time of his death:
 - (a) a widower,
 - (b) a parent other than a widowed mother,
 - (c) a minor illegitimate son, an unmarried illegitimate daughter or a daughter legitimate or illegitimate or adopted if married and a minor, or if widowed and a minor,
 - (d) a minor brother or an unmarried sister, or a widowed sister if a minor,
 - (e) a widowed daughter-in-law,
 - (f) a minor child of a pre-deceased son,
 - (g) a minor child of a pre-deceased daughter where no parent of the child is alive or
 - (h) a paternal grandparent, if no parent of the employee is alive.

DISABLEMENT- DEFINITION UNDER THE ACT

The Act does not define the word Disablement. It only defines the partial and total disablement. After reading the partial or total disablement as defined under the Act one may presume that disablement is loss of earning capacity by an injury which depending upon the nature of injury and percentage of loss of earning capacity will be partial or total. The Act has classified disablement into two categories, viz. (i) Partial disablement, and (ii) Total disablement.

PARTIAL DISABLEMENT

Partial disablement can be classified as temporary partial disablement and permanent partial disablement.

- (a) *Where the disablement is of a temporary nature:* Such disablement as reduces the earning capacity of an employee in the employment in which he was engaged at the time of the accident resulting in the disablement; and
- (b) *Where the disablement is of a permanent nature:* Such disablement as reduces for all time his earning capacity in every employment which he was capable of undertaking at the time. [Section 2(1)(g)] But every injury specified in Part II of Schedule I shall be deemed to result in permanent partial disablement.

Schedule I contains list of injuries deemed to result in Permanent Total/Partial disablement.

In case of temporary partial disablement, the disablement results in reduction of earning capacity in respect of only that employment in which he was engaged at the time of accident. This means the employee's earning capacity in relation to other employment is not affected. But in case of permanent partial disablement, the disablement results in reduction in his earning capacity in not only the employment in which he was engaged at the time of accident but in all other employments.

Whether the disablement is temporary or permanent and whether it results in reduction of earning capacity, the answer will depend upon the fact of each case, except when the injury is clearly included in Part II of Schedule I.

TOTAL DISABLEMENT

Total disablement can also be classified as temporary total disablement and permanent total disablement. "Total disablement" means, such disablement whether of a temporary or permanent nature, which incapacitates an employee for all work which he was capable of performing at the time of accident resulting in such disablement. Provided further that permanent total disablement shall be deemed to result from every injury specified in Part I of Schedule I or similarly total disablement shall result from any combination of injuries specified in Part II of Schedule I, where the aggregate percentage of loss of earning capacity, as specified in the said Part II against these injuries amount to one hundred per cent or more. [Section 2(1)(l)]

EMPLOYER IS NOT LIABLE FOR COMPENSATION UNDER THE FOLLOWING CASES

In the following cases, the employer shall not be liable:

- (i) When the injury does not result in disablement for a period exceeding 3 days.

(ii) When the injury not resulting in death or permanent total disability is due to any of the following reasons:

- (a) the employee was at the time of accident, under the influence of drink or drugs, or
- (b) the employee wilfully disobeyed an order expressly given or a rule expressly framed for the purpose of securing safety of workers, or
- (c) the employee, wilfully disregards or removes any safety guards or safety devices which he knew to have been provided for the safety of the employee.

Thus, where a employee dies due to an accident arising out of and in the course of employment, it cannot be pleaded that death was due to any of the reasons stated from (a) to (c).

COMPENSATION

MEANING OF COMPENSATION

“Compensation” has been defined under Section 2(1)(c) of the Act to mean compensation as provided for by this Act. The meaning of the term will be clearer in the following paragraph.

AMOUNT OF COMPENSATION

Amount of compensation is payable in the event of an employee meeting with an accident resulting into temporary or permanent disability or disease as stated in Schedule II and III in terms of Section 4 of the Act, read with Schedule IV.

Schedule II contains a list of persons engaged in different employments/ operations specified therein who are covered by the definition of employee and entitled to compensation e.g. a person employed for loading/unloading of materials in a factory or ship, persons employed in work incidental or connected with manufacturing process. Schedule III contains a list of occupational diseases which if contracted while in employment entitles a employee to compensation such as disease caused by lead, mercury, etc. Schedule IV lays down the relevant factor (a certain figure) related to the age of the employee at the time of death, injury or accident by which wages are multiplied to arrive at compensation.

EMPLOYER'S LIABILITY FOR COMPENSATION

Section 3 of the Act provides for employers liability for compensation in case of occupational disease or personal injuries and prescribes the manner in which his liability can be ascertained.

OCCUPATIONAL DISEASES

- (i) Where an employee employed in any employment specified in Part A of Schedule III contracts any disease specified therein, as an occupational disease, peculiar to that employment, the contracting of disease shall be deemed to be an injury by accident arising out of and in the course of employment.

Where the employee employed in any employment specified in Part B of Schedule III, for a continuous period of not less than six months under the same employer, and whilst in the service contracts any disease specified in the Part B of Schedule III, the contracting of disease shall be deemed to be an injury by accident arising out of and in the course of employment. The employer shall be liable even when the disease was contracted after the employee ceased to be in the service of the employer, if such disease arose out of the employment.

- (iii) If an employee whilst in service of one or more employers (not necessarily the same employer) in any employment specified in Part C of Schedule III for such continuous period as the Central Government may specify, contracts any disease, even after he ceased to be in the service of any employer and disease arose out of such employment, specified in the Schedule, the contracting of disease shall be deemed to be an injury by accident arising out of and in the course of employment.

However, where the employment was under more than one employer, all such employers shall be liable for the payment of the compensation in such proportion as the Commissioner may in circumstances deem just. [Section 3(2A)]

- (a) If it is proved: that the employee whilst in the service of one or more employers in any employment specified in Part C of Schedule III has contracted a disease specified therein as an occupational disease peculiar to that employment during a continuous period which is less than the period specified under this sub-section for that employment, and
- (b) that the disease has arisen out of and in the course of the employment;
- the contracting of such disease shall be deemed to be an injury by accident within the meaning of this section.
- (v) The Central Government or the State Government after giving, by notification in the Official Gazette, not less than three months notice of its intention so to do, may, by a like notification, add any description of employment to the employments specified in Schedule III, and shall specify in the case of employments so added the diseases which shall be deemed for the purposes of this section to be occupational diseases peculiar to those employments

respectively, and thereupon the provisions of Sub-section (2) shall apply in the case of a notification by the Central Government, within the territories to which this Act extends or, in case of a notification by the State Government, within the State as if such diseases had been declared by this Act to be occupational diseases peculiar to those employments.

- (vi) Except as mentioned above no compensation shall be payable to an employee in respect of any disease unless the disease is directly attributable to a specific injury by accident arising out of and in the course of his employment.

PERSONAL INJURY

As regards personal injury, the employer becomes liable if the injury is caused to an employee by accident arising out of and in the course of his employment.

(i) Personal injury

There must be personal injury caused to an employee.

Normally, Injury implies physical or bodily injury caused by an accident. However, such personal injury will also include nervous shock or break-down or mental strain. In the case of *Indian News Chronicle v. Mrs. Lazarus*, A.I.R. 1961, Punj. 102, an electrician who had to go frequently to a heating room from a cooling plant, contracted pneumonia which resulted in his death. It was held that the injury caused by an accident is not confined to physical injury and the injury in the instant case was due to his working and going from a heating room to a cooling plant as it was his indispensable duty.

(ii) Accident

The personal injury must be caused by an “accident”.

iii) Arising out of employment and in the course of employment

To make the employer liable, it is necessary that the injury is caused by an accident which must be raised out of and in the course of employment.

Arising out of employment

The expression “arising out of employment” suggests some causal connection between the employment and the accidental injury. The cause contemplated is the proximate cause and not any remote cause. Thus, where a workman suffers from heart disease and dies on account of strain of work by keeping continuously standing or working, held that the accident arose out of employment (*Laxmibai Atma Ram v. Bombay Port Trust*, AIR 1954 Bom.180). Generally if an employee is

suffering from a particular disease and as a result of wear and tear of his employment he dies of that disease, employer is not liable. But if the employment is contributory cause or has accelerated the death that the death was due to disease coupled with the employment, then the employer would be liable as arising out of the employment.

Arising in the course of employment

The expression “in the course of employment” suggests the period of employment and the place of work. In other words, the workman, at the time of accident must have been employed in the performance of his duties and the accident took place at or about the place where he was performing his duties.

The expression “employment” is wider than the actual work or duty which the employee has to do. It is enough if at the time of the accident the employee was in actual employment although he may not be actually turning out the work. Even when the employee is resting, or having food, or taking his tea or coffee, proceeding from the place of employment to his residence, and accident occurs, the accident is regarded as arising out of and in the course of employment.

UNIT 1

QUESTIONS

option 1

- 1 Eye-strain, glare and formation of shadows affect white washing
- 2 The _____ has power to make rules in case state government
- 3 Effective measures should be taken in factories room temperature
- 4 No traversing part of of a self-acting machinery sl 25
- 5 Premises means _____ pressure
- 6 _____ is an appliance that generates or prov Prime mover
- 7 _____ means a person employed Worker
- 8 _____ means a person who has complete adult
- 9 _____ means who is either a child Adult
- 10 Section _____ requires the appoinment of saf 20
- 11 _____ means a person employed directly worker
- 12 The maximum safe working load should be mark Hoist
- 13 In a factory when counting the number of workers excluded
- 14 Which of the following is not a factory? saw mill
- 15 No woman or child shall be employed in any part bottle-opener
- 16 No person shall be appointed a _____ i employer
- 17 The floor of every workroom shall be cleant at lea 2days
- 18 Section 22 requires that examination of the machi Loose
- 19 There shall be atleast _____ cubic meters for 14.2
- 20 The penalty for violation of the provision of spito Rs. 10
- 21 Sections 21 to 41 of the factories act contain prov welfare
- 22 Section _____ applies to machinery in motion 21
- 23 The maximum safe working _____ should b speed
- 24 No portable electric light of voltage exceeding ___ 45
- 25 In factories facilities should be made for storing c worn
- 26 Under Section 44 where every worker is obliged t sitting
- 27 Supply of wholesome drinking water must be max Comments
- 28 Section 46 provides for factories to maintain _____ shelter
- 29 In every factory where _____ workers are emp 250
- 30 _____ appliance may be necessarily appli air- cooling
- 31 No adult worker shall be allowed to work in a fac 24
- 32 An adult worker shall have a holiday on the first c Saturday
- 33 _____ meters of space shall be provided for e 15 cubic meters
- 34 _____ does not include a mine, mobile unit company
- 35 Precints means _____ enclosed by walls machine
- 36 The mere fact that a computer installed in any pre company
- 37 The factories act extends to _____ of India whole
- 38 Section _____ lays down that the state government 15
- 39 _____ means a period of 12 months beginr Calendar year
- 40 _____ means a person who has complete Adolescent
- 41 _____ is any electrical energy that is mechan Prime mover
- 42 In every factory where more than _____ worke 200
- 43 _____ means a person who is either a chilc Young person
- 44 The occupier has to serve a notice to the inspector 12
- 45 Painting or varnishing of doors and windows in a 12
- 46 Section 54 restricts the daily hours of work to ___ 9
- 47 _____ means a person who has not comple Young person
- 48 Section 40-B provides for a safety officer in every 500

- 49 Water used for _____ in a factory shall be for washing
- 50 The main duty to look after the welfare of the _____ welfare officer
- 51 In every factory, vessels, sumps, tanks, pits or open covered
- 52 Washing facilities for employees in a factory shall be screened
- 53 In every factory wherein more than _____ women are employed
- 54 In case where more than 250 workers are ordinarily employed
- 55 The certificate of fitness is valid for a period of _____ 2
- 56 The walls and roofs of workrooms should be made warm
- 57 The main objective of the Factories Act is to regulate _____ working
- 58 The walls of factories should be whitewashed or painted
- 59 Any fee payable for a certificate shall be paid by the occupier
- 60 Arrangement for provision of cool drinking water

150

option 2	option 3	option 4	ANSWERS
ventilation	lighting	sanitation	lighting
central government	occupier	company	state govern
Atmospheric pressure	normal pressure	air	Atmospheri
32	45	15	45
presence	buildings	distance	buildings
pulley	occupier	fitter	Prime move
Employer	Occupier	Inspector	Worker
adoloscent	child	senior	adoloscent
child	Young person	Director	Young pers
40B	30	31	40B
occupier	inspector	prime mover	worker
Machine	device	gate	Hoist
included	eliminated	proved	included
mines	railway workshop	electricity department of municipality	mines
cotton-opener	wool-opener	spinning machine	cotton-open
certifying surgeon	inspector	prime mover	certifying su
week	3weeks	month	week
long	tight	moderate	tight
9	9.2	8	14.2
Rs. 5	Rs. 25	Rs. 100	Rs. 5
safety	health	disputes	safety
41	12	14	21
hours	load	length	load
30	50	24	24
not worn	damaged	torn	not worn
resting	working	washing	sitting
language	manner	symbol	language
canteen	washroom	first-aid box	canteen
100	150	500	150
exhaust	periodic	emergency	exhaust
48	12	15	48
Monday	Sunday	Wednesday	Sunday
16 cubic meters	9.9 cubic meters	14 cubic meters	9.9 cubic m
factory	organisation	army	factory
space	goods	salt	space
factory	organisation	army	factory
parts	cities	states	whole
12	20	10	10
Assessment year	Accounting year	Previous year	Calendar ye
Adult	child	Young person	Adult
power	electricity	energy	power
300	500	100	500
Adoloscent	Adult	child	Young pers
13	15	10	15
3	5	4	5
8	6	5	9
Adoloscent	Adult	child	child
600	1000	3000	1000

cleaning
safety officer
removed
cleaned
50
pure
12
moderate
sleeping
10
state government
200

humidification
inspector
altered
added
30
cool
5
high
resting
14
central government
250

drinking
occupier
kept open
removed
15
hot
6
low
atmospheric
9
guardian
300

humidificati
welfare offic
covered
screened
30
cool
12
low
working
14
occupier
250

ment
c pressure

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on

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urgeon

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on

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UNIT 2

- 1 _____ means the failure of an employer to give employment o
- 2 It means the permanent closing down of a place of employment
- 3 Strike and lockout does not involve the _____ of the relationship
- 4 The workmen dispute must be connected with employment or non-emp
- 5 _____ means discharge of surplus labour or staff
- 6 _____ is the difference between employers and employers, wo
- 7 The term _____ includes retrenchment.
- 8 A cessation of work by a body of persons employed in any industry acti
- 9 _____ is a weapon in the hands of workers.
- 10 A _____ is an independent agency created under the industrial
- 11 A _____ indicates the temporary closure of a place of business an
- 12 The duty of _____ officers is to mediate and promote the sett
- 13 _____ is a instrument of coercion exerted by an emplo
- 14 Retrenchment may not be due to _____
- 15 There are _____ modes of settling industrial disputes between emp
- 16 The law relating to labour and employment is also known as _____
- 17 When the capital and _____ goes hand in hand the industry can
- 18 Peace and harmony in the organizations is very important for the
- 19 To bring peace and harmony in industries there needs to be a _____
- 20 It is important for the _____ to concentrate in the area of harmo
- 21 No employer can pay less than the _____ to any employee
- 22 _____ Act requires that companies employing more
- 23
- 24 Which one of the following is not a machinery for settlement of
- 25 Under which Schedule of the Industrial Disputes Act, 1947 Public
- 26 'First come last go and last come first go' is the principle of
- 27 Which of the following is a machinery for settlement of industrial dispu
- 28 Grievance Handling Machinery is given in
- 29 The dispute of individual workman is deemed to be industrial dispute
- 30 List of unfair labour practices on the part of the trade unions and
- 31 Under the Industrial Disputes Act, which of the following cannot be
- 32 Which of the following statements about the Grievance Redressal
- 33 _____ means the failure of an employer to give employment on acc
- 34 It means the permanent closing down of a place of employment
- 35 Strike and lockout does not involve the _____ of the relationship
- 36 The workmen dispute must be connected with employment or non-emp
- 37 _____ means discharge of surplus labour or staff
- 38 _____ is the difference between employers and employers, wo
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- 44 The duty of _____ officers is to mediate and promote the sett
- 45 _____ is a instrument of coercion exerted by an emplo

- 46 Retrenchment may not be due to _____
- 47 There are _____ modes of settling industrial disputes between emp
- 48 When the capital and _____ goes hand in hand the industry can
- 49 Peace and harmony in the organizations is very important for the
- 50 To bring peace and harmony in industries there needs to be a _____
- 51 It is important for the _____ to concentrate in the area of harmo
- 52 No employer can pay less than the _____ to any employee
- 53 _____ Act requires that companies employing more
- 54
- 55 Which one of the following is not a machinery for settlement of
- 56 Under which Schedule of the Industrial Disputes Act, 1947 Public
- 57 'First come last go and last come first go' is the principle of
- 58 Which of the following is a machinery for settlement of industrial dispu
- 59 Grievance Handling Machinery is given in
- 60 The court of enquiry must submit its report within _____ months

option A

lockout
closure
determination
safety
lockout
Dispute
Entertainment
Strike
Strike
welfare officer
lockout
inspector
Strike
retirement
three
company

technology

GDP

Reward

Employers

Agreed wages

Factories

Conciliation Officer

I

Lay-off

Indian Labour Conference

Industrial Disputes Act

Grievance of an individual

Factories Act

When employer fails to keep h

Every industrial

lockout

closure

determination

safety

lockout

Dispute

Entertainment

Strike

Strike

welfare officer

lockout

inspector

Strike

option B

lay-off
lockout
termination
labour
lay-off
strike
retirement
Style
Style
safety officer
lay-off
central govt.
Style
economy
two
factory

Machines

economic development

Punishment

Public

Trade union demand

Industrial Dispute

Board of Conciliation

II

Closure

Joint Management

Factories Act

Discharge of an

Industrial Dispute Act

When closure is a

Grievance Redressal

lay-off

lockout

termination

labour

lay-off

strike

retirement

Style

Style

safety officer

lay-off

central govt.

Style

option C

turn-off
layoff
restriction
life
turn-off
layoff
employment
Lay- off
Lay- off
inspector
turn-off
Conciliation
Lay- off
installation of new machine
new
industrial

Manpower

Manpower

Law

committee

earnings

Companies

Collective Bargaining

III

Retrenchment

Industrial Tribunal

Both (A) and (B)

Dismissal of an individual

Trade union Act

When demand made for

It is a bipartite committee

turn-off

layoff

restriction

life

turn-off

layoff

employment

Lay- off

Lay- off

inspector

turn-off

Conciliation

Lay- off

retirement	economy	installation of new machir
three	two	new
technology	Machines	Manpower
GDP	economic development	Manpower
Reward	Punishment	Law
Employers	Public	committee
Agreed wages	Trade union demand	earnings
Factories	Industrial Dispute	Companies
Conciliation Officer	Board of Conciliation	Collective Bargaining
I	II	III
Lay-off	Closure	Retrenchment
Indian Labour Conference	Joint Management	Industrial Tribunal
Industrial Disputes Act	Factories Act	Both (A) and (B)
	2	3
		6

option D

ANSWERS

retrenchment	lay-off
retrenchment	closure
renewal	termination
health	labour
retrenchment	retrenchment
lockout	Dispute
non-employment	non-employment
lockout	Strike
lockout	Strike
conciliation officer	conciliation officer
retrenchment	lockout
executive	Conciliation
lockout	lockout
rationalisation of industry	retirement
few	two
employee	industrial
None of the above	Manpower
None of the above	economic development
None of the above	Law
government	government
minimum wages	minimum wages
Trade Union	Industrial Dispute
Labour Court	Collective Bargaining
IV	I
Dismissal	Retrenchment
Standing Labour Committees	Industrial Tribunal
None of the above	Industrial Disputes
Discharge, dismissal, retrenchment or c	Discharge, dismissal, retrenchment or otherwise termination of s
None of the above	Industrial Dispute
When the lock-out is in disguise of clo	When demand made
There is a 45 days time limit from the c	Grievance Redressal
retrenchment	lay-off
retrenchment	closure
renewal	termination
health	labour
retrenchment	retrenchment
lockout	Dispute
non-employment	non-employment
lockout	Strike
lockout	Strike
conciliation officer	conciliation officer
retrenchment	lockout
executive	Conciliation
lockout	lockout

rationalisation of industry
few
None of the above
None of the above
None of the above
government
minimum wages
Trade Union

Labour Court
IV
Dismissal
Standing Labour Committees
None of the above

5

retirement
two
Manpower
economic development
Law
government
minimum wages
Industrial Dispute

Collective Bargaining
I
Retrenchment
Industrial Tribunal
Industrial Disputes

6

services of an individual workman.

UNIT III

- 1 The law requires minimum _____ workers to form a trade
- 2 Which of the following is not included under the definition of wages given
- 3 The _____ can make rules for the distribution of protected workman an
- 4 What should be the percentage of "protected workmen" of the total number of w
- 5 Under which of the following legislations there is a provision called 'protected v
- 6 A workmen who is a member of the executive or other office bearer of a
- 7 The payment of wages Act is applicable to _____
- 8 In case the state government wants to extent the applicability of Payment of wag
- 9 In the case of the factory, _____ of that factory shall be liable to pay the
- 10 In the case of industrial or other establishments, persons responsibility of
- 11 In the case of railways, a person nominated by the _____ for
- 12 Responsibility for Payment if wages is covered under section _____ of Payment c
- 13 Fixation of wage period is covered under section _____ of Payment of Wages Ac
- 14 Time of Payment of Wages is covered under section _____ of Payment of
- 15 As per Payment of Wages Act, if the employment of any employee is
- 16 As per Payment of Wages Act, the wages must be paid on _____
- 17 _____ is responsible for Fixation of wage Period as per Payment o
- 18 As per the Payment of Wages Act the factories employing less than 1000
- 19 As per Payment of Wages Act the factories employing more than 1000
- 20 As per payment of wages Act payment of wages in kind is _____
- 21 Payment of wages will become risky when
- 22 The wages of an employed person must be paid to him without any deductions
- 23 Under the Payment of Wages Act, 1936 the maximum limit on deductions
- 24 If deduction is made contrary to the provisions of the Payment of Wages Act,
- 25 Under which labour legislation in India the provision of check-off has been acce
- 26 The present wage ceiling per month for the purpose of the Payment of Wages A
- 27 As per Payment of Wages Act, 1936, in railway factory or industrial or other
- 28 According to this Act, the maximum wage period or payment of wages to
- 29 If the employee is terminated or removed for the employment by the employer,
- 30 The total amount of deductions from wages of employees should not exceed ----
- 31 If wage period exceed one month, the employer may be punished with fine whic
- 32 Creation of a political fund by trade unions under the Trade Union Act is
- 33 What will be the minimum number of workers required for organizing a trade
- 34 The minimum subscription rate for members of trade unions of rural workers
- 35 A union may claim recognition for an industry in a local area, if it has
- 36 A person is qualified to be chosen as a member of the executive or any other
- 37 The registered trade union can collect political fund from its members as a
- 38 Not more than 50% of members of the office bearers of Trade union can be outs
- 39 Trade union means any combination formed primarily for the purpose of regulat
- 40 A trade union purchased shares in the Unit Trust of India to enhance its
- 41 The basic principle underlying the enactment of the Trade Unions Act is
- 42 The following persons are considered as insider of a registered trade union.
- 43 Recognition of trade union is made by the provision of
- 44 Under the Payment of Gratuity Act, 1972 the maximum gratuity payable is
- 45 What is the qualifying service to claim gratuity?
- 46 The eligibility condition for obtaining gratuity under the Payment of Gratuity Ac
- 47 The maximum amount of gratuity has now been enhanced to Rs. 10 lakhs from
- 48 Payment of Gratuity Act, 1972 is applicable to every shop or establishment with

- 49 For every completed year of service or part thereof in excess of six months, the (
- 50 In the case of a monthly rated employee, the fifteen days' wages shall be calcula
- 51 In the case of an employee who is employed in a seasonal establishment and wh
- 52 The employer shall arrange to pay the amount of gratuity within ----- days fro
- 53 The formula for calculating gratuity is
- 54 Which section deals with the determination of the amount of gratuity
- 55 Under which of the following legislations there is a provision called 'protected v
- 56 A workmen who is a member of the executive or other office bearer of a
- 57 The payment of wages Act is applicable to _____
- 58 In case the state government wants to extent the applicability of Payment of wag
- 59 In the case of the factory, _____ of that factory shall be liable to pay the
- 60 In the case of industrial or other establishments, persons responsibility of

option A	option B	option C
	10	21
Basic Wage	Dearness Allowance	15
Central government	State authority	Incentive
	1	5
Trade Unions Act, 1926	Industrial Employment Act	10
Badli workmen	Conciliation officer	Factories Act, 1948
Whole of India	India except Jammu & Kashmir	Skilled labour
90 days	3 months	Only to Jammu & Kashmir
HR manager	Manager	60 days
Production	administration	Production manager
Central Government	railway administration	supervision
	4	State Government
	4	3
	4	5
	4	5
	15	2
7th working	10th working	12
HR manager	Manager	any Working
10th	2nd	Production manager
10th	2nd	3rd
Not permitted	permitted after obtaining	3rd
Number of workers is large	Industry is in remote area	Always Permitted
Fine	Damage	Total wages is very high
50 percent generally and 6	60 percent generally and 7	Absence
two years	one year	50 percent generally and
Industrial Disputes Act,	Trade Unions Act, 1926	twelve weeks
10000	150000	Payment of Wages Act, 19
Seventh day of the	Tenth Day of the month	80000
	45	Third Day of the month
	7	50
	50	15
		30
Rs.1000/- and Rs.7500/-	Rs.1000/- and Rs.10,000/-	25
Compulsory	Optional	Rs. 500/- and Rs. 5000/-
7 workers	10%	by donation from political
	12	100
		1
10% of the workers in that	15% of the workers in that	25% of the workers of
Fifteen years	Eighteen years	Twenty one years
General fund	Cannot collect political	Separate fund from the
Industrial Dispute Act	Trade Union Act	Mines Act
Workmen and employers	Workmen and workmen p	Workmen and employers,
The trade union can raise	The trade union can raise	The trade union can raise
To protect interests of wor	To regulate the	To provide strength to wor
Honorary member from	Honorary member from	Politician who guides the
Trade Unions Act of	Industrial Dispute Act	Code of Discipline
Rs. 10 lakhs	Rs. 8 lakhs	Rs. 5 lakhs
15 years	10 years	1 year
Completion of 2 years of	Completion of 3 years of	Completion of 4 years of
2.5 lakhs	3.5 lakhs	5 lakhs
10 or more persons		20
		30

	25	15	30
	30	15	26
	14	15	10
	30	15	60
Gratuity = (Monthly Salary × Number of years of service) / 30	Gratuity = (Monthly Salary × Number of years of service) / 30	Gratuity = (Monthly Salary × Number of years of service) / 30	
Section 7	Section 32	Section 20	
Trade Unions Act, 1926	Industrial Employment Act, 1946	Factories Act, 1948	
Badli workmen	Conciliation officer	Skilled labour	
Whole of India	India except Jammu & Kashmir	Only to Jammu & Kashmir	
90 days	3 months	60 days	
HR manager	Manager	Production manager	
Production	administration	supervision	

option D

	7
Gratuity	
Conciliation officer	15
Industrial Disputes Act, 1947	
Protected workmen	
Only to limited factories	
2 months	
Trade Union	
finance	
Trade Union	13
	14
	14
	5
any holiday	
Trade Union Leader	
7th	
7th	
Permitted for employees	
All of the above	
all authorized deductions	
40 percent generally and	
six weeks	
Industrial Employment	18000
None of the above	60
	2
	40
Rs.750/- and Rs.6000/-	
No such provision in the Act	
10% or 100 or 7	5
30% of the workers in	
Twenty five years	
Only from political	
ESI Act	
Workmen and employers,	
The trade union cannot	
To provide security to	
Retired and retrenched members of the trade union.	
Factories Act of 1948	
Rs. 3.5 lakhs	
5 years	
Completion of 5 years of Service	
7.5 lakhs	
40 or more persons	

ANSWERS

	7
Gratuity	
Appropriate government	1
Trade Unions Act, 1926	
Protected workmen	
Whole of India	
3 months	
Manager	
supervision	
railway administration	3
	4
	5
	2
any Working	
Manager	
7th	
10th	
Not permitted	
All of the above	
all authorized deductions	
50 percent generally and	
twelve weeks	
Payment of Wages Act, 19	18000
Third Day of the month	30
	2
	50
Rs.1000/- and Rs.7500/-	
Optional	
10% or 100 or 7	1
25% of the workers of	
Eighteen years	
Separate fund from the	
Trade Union Act	
Workmen and employers,	
The trade union cannot	
To regulate the	
Retired and retrenched me	
Code of Discipline	
Rs. 10 lakhs	
5 years	
Completion of 5 years of S	
3.5 lakhs	
10 or more persons	

7	15
25	26
7	7
75	30

Gratuity = (Monthly Salary/15) X 15 X No. of years c	Gratuity = (Monthly Salary
Section 30	Section 7
Industrial Disputes Act, 1947	Trade Unions Act, 1926
Protected workmen	Protected workmen
Only to limited factories	Whole of India
2 months	3 months
Trade Union	Manager
finance	supervision

136

members of the trade union.

service

$\frac{y}{26}) \times 15 \times \text{No. of years of service}$

Unit 4

- 1 On what grounds an employee will be dismissed? Fraud
- 2 What is the minimum amount of bonus payable? 8.33%
- 3 The maximum amount of bonus to be paid? 10%
- 4 Which section deals with the computation? Section 10
- 5 What is the mode of paying bonus to the employee? cash
- 6 The payment of bonus shall be made within? 15 days
- 7 The payment of bonus should be made within? 2 months
- 8 The bonus act is the outcome of the recommendations of? State government
- 9 On which date was the bonus act implemented? 2nd September, 1980
- 10 The act is not applicable to _____ except Public enterprises
- 11 Which section in the act deals with the computation? Section 3
- 12 As per the act what is the minimum number of working days? 240 working days
- 13 Which formula was given by labour appellate tribunal? Full bench formula
- 14 Which of the following statements is not correct? It is applicable to construction workers
- 15 The ceiling on wage or salary for calculation? Rs. 2,500
- 16 Under the payment of Bonus Act, 1965, the bonus is payable in case of Banking Companies? In case of Banking Companies
- 17 The Payment of Bonus Act, 1965 is applicable to employees earning Rs. 3500 in case of apprentices? Rs. 3500 in case of apprentices
- 18 Payment of Bonus Act 1965 is applicable to employees who have worked for? 20 or more
- 19 Every employee receiving salary or wages exceeding? 15 working days
- 20 The minimum bonus which an employer is required to pay? 8.33%
- 21 If in an accounting year, the allocable surplus is? 25
- 22 The bonus should be paid in cash within? 2 months
- 23 An employer has which of the following rights? Right to forfeit bonus of an employee
- 24 The employer has to submit an annual return? 10
- 25 The contravention of the provisions of the act is punishable by imprisonment upto? 3 months
- 26 Excess allocable surplus that remains after setting off? Set-Off
- 27 Which section states about the classes of employees? Section 16
- 28 When there are no profits or the amount is insufficient? Set-Off
- 29 Which of the following benefits have not been provided? Sick Leave Benefit
- 30 Under ESI Act, 1948 a member of the Corporation? Two consecutive meetings
- 31 What is the content of the Schedule I of the Act? List of injuries deemed to be due to employment
- 32 Who is an 'exempted employee' under the Act? Employee who is minor
- 33 Which of the following legislations was enacted? Maternity Benefit Act
- 34 Unemployment allowance payable is stated in? Maternity Benefit Act
- 35 Which of the following legislations extend to? Maternity Benefit Act
- 36 Employees' share of contribution under the Act? 8.33%
- 37 What is the wage limit for employees to be covered? Rs. 15,000 per month
- 38 Which of the following legislations in India is not? Factories Act
- 39 As per the latest amendment under the ES Act? TRUE
- 40 Employees who are getting a daily average wage of? Rs 70
- 41 The age of dependent for obtaining dependent status? 20 years
- 42 Which of the following labour legislations is not? Industrial Disputes Act

- 43 Under Section 2(12) the ESI Act is applicable to 10 or more persons
- 44 The State Governments, as per provisions Rs.1000/-
- 45 Medical care is provided to retired and pensioners Rs.75/-
- 46 Sickness benefit in the form of cash compensation 91 days
- 47 In order to qualify for sickness benefit, the 91
- 48 Extended Sickness Benefit(ESB) is extended 90
- 49 Enhanced Sickness Benefit equal to full wages 6 days and 14 days
- 50 Maternity Benefit for confinement/pregnancy 70
- 51 Minimum wage limit for Physically Disabled Rs.15000/-
- 52 How much amount is payable to the dependent Rs.15000/-
- 53 If an Insured Women is at a place where Rs.25000/-
- 54 Dependents' Benefit paid at the rate of ---- 90
- 55 An employer is liable to pay his contribution 7
- 56 Which one of the following Labour Legislations Maternity Benefit Act
- 57 Unemployment allowance payable is stated Maternity Benefit Act
- 58 Which of the following legislations extend Maternity Benefit Act
- 59 Employees' share of contribution under the 8.33%
- 60 What is the wage limit for employees to be Rs. 15,000 per month

option B	option C	option D
Riotous or violent behavior	Theft, misappropriation or sabotage	All of the above
8.50%	8	8.3
20%	50%	60%
Section 11	Section 14	Section 13
cheque	account transfer	in cash
On the day of settlement	1 month	None of the above
6 months	8 months	5 months
Central government	Labour Court	Tripartite commission
2nd September, 1965	1st September, 1965	3rd September, 1965
Private enterprises	Factories	Banks except RBI and LIC
Section 3A	Section 5	Section 1
30 working days	120 working days	365 working days
Accrual formula	Rounding formula	None of the above
It does not apply to employees	Allocable surplus means 67% of	Employee means any person included
3,500	4,500	6,500
In case of Banking Company and in Rs. 5000 in case of employee only	In case of Banking Company and in Rs. 7500 in case of employee only	In case of Banking Company and in Rs. 10,000 in case of employee only
10 or more	30 or more	50 or more
30 working days	60 working days	90 working days
8.50%	8	8.3
30	10	20
6 months	8 months	5 months
Right to make permissible	Right to refer any disputes relating to	all the above
20	30	60
imprisonment upto 2 months, or fine upto Rs. 1000, or both	imprisonment upto 6 months, or fine upto Rs. 1000, or both	imprisonment upto 6 months, or fine upto Rs. 1000, or both
Set-Off	Take-On	Take-Off
Section 32	Section 20	Section 30
Set-Off	Take-On	Take-Off
Unemployment Allowance	Children's Allowance	Disablement Benefit
Three meetings intermittently	Three consecutive meetings	four consecutive meetings
List of injuries deemed to be occupational diseases.	List of occupational diseases.	None of the above
Employee who is not liable for compensation	Minor employee who is not liable for compensation	None of the above
Employees' Compensation Act, 1948	Employees' Provident Funds Act, 1952	Employees' State Insurance Act, 1948
Employees' Compensation Act, 1948	Employees' Provident Funds Act, 1952	Employees' State Insurance Act, 1948
Employees' Compensation Act, 1948	Employees' Provident Funds Act, 1952	Employees' State Insurance Act, 1948
8.50%	8	1.75%
Rs. 18,000 per month	Rs. 20,000 per month	Rs. 25,000 per month
Industrial Dispute Act	Trade union Act	ESI Act
FALSE	Partly True	The Act is silent
Rs. 80	Rs. 100	Rs. 300
22 years	25 years	24 years
Trade Unions Act	Factories Act	Employees' State Insurance Act

20	30	40 or more persons
Rs.1500/-	Rs.850/-	Rs.2000/-
Rs.125/-	Rs.120/-	Rs.85/-
100	74	90
78	75	60
75	80	85
5 days and 10 days	7 days and 14 days	14 days and 7 days
91	75	65
Rs.25000/-	Rs.20000/-	Rs.50000/-
Rs.25000/-	Rs.20000/-	Rs. 10000
Rs.20000/-	Rs. 10000	Rs. 5000
50	75	80
5	21	30
Employees' Compensatio	Employees' Provident Funds Ac	Employees' State Insurance Act, 19
Employees' Compensatio	Employees' Provident Funds Ac	Employees' State Insurance Act, 19
Employees' Compensatio	Employees' Provident Funds Ac	Employees' State Insurance Act, 19
8.50%	8	1.75%
Rs. 18,000 per month	Rs. 20,000 per month	Rs. 25,000 per month

ANSWERS

All of the above

8.33%

20%

Section 14

cash

1 month

8 months

Tripartite commission

2nd September, 1965

Public enterprises

Section 5

30 working days

Full bench formula

Employee means any person including apprentice.

3,500

In case of Banking Company according to schedule I and in any other case schedule II.

Rs. 10,000 in case of employee only

20 or more

30 working days

8.33%

20

8 months

all the above

30

imprisonment upto 6 months, or fine up to Rs.1000, or both

Set-On

Section 32

Set-Off

Children's' Allowance

Three consecutive meetings

None of the above

Employee who is not liable under the Act to pay the employee's contribution

Employees' State Insurance Act, 1948

Employees' State Insurance Act, 1948

Employees' State Insurance Act, 1948

1.75%

Rs. 15,000 per month

ESI Act

TRUE

Rs. 100

25 years

Employees' State Insurance Act

10 or more persons

Rs.1500/-

Rs.120/-

91 days

78

80

7 days and 14 days

70

Rs.25000/-

Rs. 10000

Rs. 5000

90

21

Employees' State Insurance Act, 1948

Employees' State Insurance Act, 1948

Employees' State Insurance Act, 1948

1.75%

Rs. 15,000 per month

option A

Unit 5

- 1 Under Workmen's Individual manager subordinate to
- 2 If there is willful removal or Employer is liable to pay
- 3 The employer shall not be liable to 7
- 4 Under this Act, employer shall Under the influence of drink or drugs
- 5 The Workmen's Compensation Act Together can be applicable.
- 6 Statutory Minimum wage is fixed Payment of Wages Act, 1936
- 7 Under the Minimum Wages Act, Schedule I part I
- 8 Which of the following is not a notification Method
- 9 The minimum wages as fixed 2 years
- 10 The Minimum Wages Act, 1948 One schedule covering different types
- 11 Which one of the following is not Mica Mines Labour Welfare Fund
- 12 Which of the following legislations Minimum Wages Act
- 13 Under the Minimum Wages Act, Any commissioner for
- 14 In order to protect the minimum Wholesale Price Index Number for
- 15 Which of the following are the responsibilities Advising the Central and State Governments
- 16 The Central Advisory Board shall The employers
- 17 Procedure for fixing and revising 6
- 18 Minimum rate of wages deals with 4
- 19 If an employee works on any day for a full normal working day
- 20 To provide guidelines for wage surveys 1946
- 21 Under this act, the appropriate Government 500 or more
- 22 A single application may be presented Section 10
- 23 What is the penalty for those who 100 rs
- 25 The payment of wages Act is Whole of India
- 27 In which year did the payment of 23rd April, 1925
- 28 The power is vested in the _____ Central Government
- 29 . What is the maximum wage per month
- 30 In any factory or industrial establishment 5th
- 31 Which of these deductions under Deduction for Fines
- 32 What is the maximum limit of fine Should not exceed an amount equivalent to
- 33 Which section of the act covers deduction Section 10
- 34 Which section takes care of payment Section 25A
- 35 Under the Payment of Wages 50 percent generally and 65 percent
- 36 If deduction is made contrary to two years
- 37 The employer shall not be liable to 7
- 38 Under this Act, employer shall Under the influence of drink or drugs
- 39 The Workmen's Compensation Act Together can be applicable.
- 40 Minimum rate of wages deals with 4
- 41 Choose the correct date and year . 23rd April, 1936
- 42 In case the state government wants 90 days
- 43 In the case of the factory, HR manager
- 44 In the case of industrial or other Production
- 45 In the case of railways, a person Central Government
- 46 Responsibility for Payment if wages 4
- 47 Fixation of wage period is covered 4
- 48 Time of Payment of Wages is 4
- 49 As per Payment of Wages Act, 15
- 50 As per Payment of Wages Act, 7th working

- 51 _____ is responsible HR manager
- 52 As per the Payment of Wages Act 10th
- 53 As per Payment of Wages Act 10th
- 54 As per payment of wages Act Not permitted
- 55 Payment of wages will become ri Number of workers is large
- 56 Which of the following is not Basic Wage
- 57 The _____ can make rule Central government
- 58 What should be the percentage of
- 59 Under which of the following leg Trade Unions Act, 1926
- 60 A workmen who is a member of Badli workmen

option B	option C	option D	
Managing agent includes an Employer is not liable to pay	Only employer can act as managing agent Appropriate government is	The appropriate government The Trade Union is liable to pay	
5	3	2	
Due to the wilful disobedience The Maternity Benefit Act and the Equal Remuneration Act, 1976 Schedule I part II Committee Method 3 years	Due to the wilful removal or The Workmen's Compensation Act, 1948 Workmen's Compensation Act, 1948 Schedule I, Part I, II and the employment Bargaining Method 5 years	All the above If the Workmen's Compensation Act, 1948 Minimum Wages Act, 1948 Schedule I and II All the above Not mention under the Act	
One schedule covering different types of Iron Ore Mines Labour Welfare Fund Child Labour (Prohibition and Regulation) Act, 1947	One schedule covering shops and premises Minimum Wages Act Contract Labour (Regulation and Abolition) Act, 1947	Two schedules covering industrial workers Dock Workers (Safety, Health, and Welfare) Act, 1948 All of the above	
Any officers of the Central Government Consumer Price Index Number for Advising the Central and State Governments	Any officer of the State Government Consumer Price Index Number for Co-ordinate the work of State and District	Any officer not less than the Wholesale Price Index Number for All the above	
The employees	Independent persons	All the above	
7	5	4	
5	6	7	
for the hours he had worked	for a half working day	None of the above	
1948	1952	1960	
100 or more	1000 or more	250 or more	
Section 15	Section 12	Section 11	
Upto 500 Rupees	5000 Rupees	None of the above	
India except Jammu & Kashmir	Only to Jammu & Kashmir	Only to limited factories	
28th March, 1940	23rd April, 1936	28th March, 1937	
Acting Government	State Government	Judicial Court	
2months	3months	4months	
4th	7th	8th	
Deduction for payment of Income Tax	Deduction for Payment of insurance premium	Deduction for payment of uniform	
Should not exceed an amount equivalent to 10 percent of the basic pay	Should not exceed an amount equivalent to 10 percent of the basic pay	Should not exceed an amount equivalent to 10 percent of the basic pay	
Section 9	Section 12	Section 11	
Section 25	Section 26	Section 22A	
60 percent generally and 75 percent in special cases	50 percent generally and 75 percent in special cases	40 percent generally and 75 percent in special cases	
one year	twelve weeks	six weeks	
5	3	2	
Due to the wilful disobedience The Maternity Benefit Act and the Equal Remuneration Act, 1976 Schedule I part II Committee Method 3 years	Due to the wilful removal or The Workmen's Compensation Act, 1948 Workmen's Compensation Act, 1948 Schedule I, Part I, II and the employment Bargaining Method 5 years	All the above If the Workmen's Compensation Act, 1948 Minimum Wages Act, 1948 Schedule I and II All the above Not mention under the Act	
5	6	7	
28th March, 1937	25th April, 1937	27th April, 1936	
3 months	60 days	2 months	
Manager administration railway administration	Production manager supervision State Government	Trade Union finance Trade Union	
3	5	13	
14	5	14	
14	5	14	
2	12	5	
10th working	any Working	any holiday	

Manager	Production manager	Trade Union Leader
2nd	3rd	7th
2nd	3rd	7th
permitted after obtaining written	Always Permitted	Permitted for employees earning
Industry is in remote area	Total wages is very high	All of the above
Dearness Allowance	Incentive	Gratuity
State authority	Appropriate government	Conciliation officer
5		10
Industrial Employment Act, 1946	Factories Act, 1948	Industrial Disputes Act, 1947
Conciliation officer	Skilled labour	Protected workmen
		15

ANSWERS

The appropriate government
Employer is not liable to pay

3

All the above

Act and the Maternity Benefit Act If the Workmen's Compensation Act and the Maternity Benefit Act

Minimum Wages Act, 1948

Schedule I, Part I, II and the employments and added under section

Bargaining Method

5 years

in establishments and agriculture. Two schedules covering industrial establishments and agriculture.

(Welfare) Act Minimum Wages Act

All of the above

Any officer not less than the

for all Urban Consumers (WPI-UC Consumer Price Index Number for Industrial Workers (CPI – IW)

All the above

All the above

5

4

for a full normal working day

1948

1000 or more

Section 15

Upto 500 Rupees

Whole of India

28th March, 1937

State Government

1month

7th

in and property Deduction for payment of uniform and property

equal to 10% of the wages payable Should not exceed an amount equal to 3% of the wages payable

Section 10

Section 25A

50 percent generally and 75

twelve weeks

3

All the above

Act and the Maternity Benefit Act If the Workmen's Compensation Act and the Maternity Benefit Act

4

. 23rd April, 1936

3 months

Manager

supervision

railway administration

3

4

5

2

any Working

Manager
7th
10th
Not permitted
All of the above
Gratuity
Appropriate government

1

Trade Unions Act, 1926
Protected workmen

t are applicable, the Employees State Insurance Act is not applicable.

t are applicable, the Employees State Insurance Act is not applicable.