



LABOUR LAWS

–

An Overview

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30.11.2013

HANDS THAT SERVE



LET US CELEBRATE
THE SOCIAL AND
ECONOMIC
ACHIEVEMENTS OF
ALL LABOURS
WITHOUT WHOM THE
WHEELS OF ECONOMY
WILL GET JAMMED.
WORLD LABOUR DAY

Work isn't to make money; you work to justify life.

~Marc Chagall

Contents of this module

- History of Labour legislation in India
- Development after Independence
- Various Legislations – Central & State
- List of Legislations
- Overview of few labour laws
- Compliance



History of Legislation

○ What is Law?

- Intention of the society to fulfill the need to correct any wrong or promote harmony
 - Labour Law is the body of laws, administrative rulings and precedents which address the legal rights of and restrictions on working people and their organisation
 - Every state enacts different laws to fulfill their needs to cover the specific requirement
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Who is Labour?

- Every person who works for emoluments in any form is a worker.
 - Various pieces of legislations have tried to define differently.
 - Plethora of laws has added diversity and confusion in the minds of workers and employers.
 - Uniformity and harmony is required.
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Labour Laws

- Labour Laws arose due to demands of workers for better conditions, right to organise.
 - These also arose out of demands of employers to restrict the powers of workers and to keep labour costs low.
 - Every labour law recognises that the relation exists based on contract of employment.
 - This has been the case since the fall of feudalism and the necessity of modern economic relation.
 - Many terms and conditions of contract of employment are implied by legislation or common law.
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- Existence of employer and employee relationship is necessary.
 - Various enactments have direct or presumptive relationships recognised.
 - As such, the thrust has always been on the basic relations and recognition thereof.
 - Diverse judgments have also led to diversity in interpretation of various provisions of law.
 - The recent trend indicates relaxation of stringency in compliance.
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Factors broadly covered in common labour legislations

- Minimum Wages
 - Working Time
 - Health and Safety
 - Anti-Discrimination
 - Unfair dismissal
 - Child Labour
 - Collective Labour Law
 - Trade Unions
 - Strikes
 - Lockouts, Closure, Retrenchments
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Implementation of labour laws

- Ministry of Labour has the responsibility to protect and safeguard the interest of workers in general and those constituting the deprived and the marginal classes of the society.
 - Ministry seeks to achieve this through enacting and implementing labour laws regulating the terms and conditions of service and employment of workers.
 - First National Labour Commission was appointed in 1966 to review the changes in the conditions of labour since independence.
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- Its report was received in 1969.
 - Many of its recommendations were accepted through amendments of various labour laws.
 - Second National Labour Commission was constituted in 1999.
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General

- All labour laws provide for an inspectorate to supervise implementation and also have penalties ranging from fines to imprisonment.
 - Experience is that very few cases are filed, rarely violator found guilty and almost in nil cases is the employer sent to prison.
 - This does not mean that the provisions are not implemented at all.
 - Collective bargaining and unionisation, forces speedy implementation of provisions of various labour laws.
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Contd. . .

- A recent trend has been to seek the creation of welfare fund through the collection of a levy from which medical benefits and/or pension benefits are made.
 - Another contemporary effort is to provide an umbrella statute to take care of employment conditions and social welfare benefits for all the unorganised sections.
 - Common central legislation for all agricultural workers is also on the anvil.
 - For the unorganised sector, a renewed attempt to focus on the core of labour standard identified by ILO in its Declaration on Fundamental Rights at Work would also be welcomed.
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List of 43 labour laws enacted by central government

- **(a) Labour laws enacted by the Central Government, where the Central Government has the sole responsibility for enforcement**
- 1. The Employees' State Insurance Act, 1948
- 2. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- 3. The Dock Workers (Safety, Health and Welfare) Act, 1986
- 4. The Mines Act, 1952
- 5. The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labour Welfare (Cess) Act, 1976
- 6. The Iron Ore Mines, Manganese Ore Mines and Chrome Ore Mines Labor Welfare Fund Act, 1976
- 7. The Mica Mines Labour Welfare Fund Act, 1946
- 8. The Beedi Workers Welfare Cess Act, 1976
- 9. The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972
- 10. The Cine Workers Welfare (Cess) Act, 1981
- 11. The Beedi Workers Welfare Fund Act, 1976
- 12. The Cine Workers Welfare Fund Act, 1981

List of 43 labour laws enacted by central government Contd..

- **(b) Labour laws enacted by Central Government and enforced both by Central and State Governments**
- 1. The Child Labour (Prohibition and Regulation) Act, 1986.
- 2. The Building and Other Constructions Workers' (Regulation of Employment and Conditions of Service) Act, 1996.
- 3. The Contract Labour (Regulation and Abolition) Act, 1970.
- 4. The Equal Remuneration Act, 1976.
- 5. The Industrial Disputes Act, 1947.
- 6. The Industrial Employment (Standing Orders) Act, 1946.
- 7. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
- 8. The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988
- 9. The Maternity Benefit Act, 1961
- 10. The Minimum Wages Act, 1948
- 11. The Payment of Bonus Act, 1965
- 12. The Payment of Gratuity Act, 1972
- 13. The Payment of Wages Act, 1936
- 14. The Cine Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981
- 15. The Building and Other Construction Workers Cess Act, 1996
- 16. The Apprentices Act, 1961

List of 43 labour laws enacted by central government Contd..

- **(c) Labour laws enacted by Central Government and enforced by the State Governments**
- 1. The Employers' Liability Act, 1938
- 2. The Factories Act, 1948
- 3. The Motor Transport Workers Act, 1961
- 4. The Personal Injuries (Compensation Insurance) Act, 1963
- 5. The Personal Injuries (Emergency Provisions) Act, 1962
- 6. The Plantation Labour Act, 1951
- 7. The Sales Promotion Employees (Conditions of Service) Act, 1976
- 8. The Trade Unions Act, 1926
- 9. The Weekly Holidays Act, 1942
- 10. The Working Journalists and Other Newspapers Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955
- 11. The Workmen's Compensation Act, 1923
- 12. The Employment Exchange (Compulsory Notification of Vacancies) Act, 1959
- 13. The Children (Pledging of Labour) Act 1938
- 14. The Bonded Labour System (Abolition) Act, 1976
- 15. The Beedi and Cigar Workers (Conditions of Employment) Act, 1966

LABOUR JURISDICTION: CONSTITUTIONAL STATUS	
Union List	Concurrent List
Entry No.55 - Regulation of labour and safety in mines and oil fields.	Entry No.22 - Trade Unions; industrial and labour disputes.
Entry No.61 - Industrial disputes concerning Union employees.	Entry No.23 Social security and social insurance; employment and unemployment.
Entry No.65- Union agencies and institutions for "vocational... training..."	Entry No.24 - Welfare of labour including conditions of work, provident funds, employers' liability, workmen's compensation, invalidity and old age pensions and maternity benefit

Overview of Few Labour Laws

- Employees' State Insurance Act, 1948
- Employees' Provident Funds AND Miscellaneous Provisions Act, 1952
- Payment of Gratuity Act, 1972
- Payment of Bonus Act, 1965
- Minimum Wages Act, 1948
- The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

IP
VIP



Shri Sis Ram Ola
Minister of Labour & Employment, Government of India



Shri Kodikunnil Suresh
Minister, State Government of Kerala

ESIC
Chinta Se Mukti

Employees' State Insurance Act, 1948



SUVIDHA SAMAGAM

Your One-Stop Solution
to Problems Related to ESI Scheme



If you have any complaint, suggestion or query related to ESI Scheme, simply visit our Offices as per the following schedule:

- ESIC Regional Offices / Sub-Regional Offices / Divisional Offices on 2nd Wednesday of every Month
- ESIC Branch Offices on 2nd Friday of every Month



श्रम एवं रोजगार मंत्रालय
Ministry of Labour & Employment
भारत सरकार (Government of India)



कर्मचारी राज्य बीमा निगम
Employees' State Insurance Corporation
Panchdeep Bhawan, CIG Marg, New Delhi-110 032

Main Benefits of ESI Scheme: • Medical Benefit • Sickness Benefit • Maternity Benefit • Disablement Benefit • Dependents' Benefit • Unemployment Allowance / *Rajiv Gandhi Shramik Kalyan Yojana*
• Physical Rehabilitation • Vocational Rehabilitation • Old Age Medical Care • Confinement Expenses • Funeral Expenses

For more details, contact the nearest ESIC Office or log in to website: www.esic.nic.in, www.esic.in or call Toll Free No. 1800112526

Employees' State Insurance Act, 1948

- It provides to the workers not only accident benefits but also other benefits such as sickness benefits, maternity benefits and medical benefits.
 - The workers are also required to contribute to a social insurance fund which is to be utilised for conferring benefits to them.
 - It is a social welfare measure for the benefits of workers.
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Applicability

- The Act applies to –
 - All factories excluding seasonal factories employing 10 or more persons.
 - Any establishment including shop, hotel, restaurants, road motor transport establishments, cinemas including preview theaters, newspapers establishments, educational institutions run by an individual, trust, society or other organisations and medical institutions (including corporate, joint sector, trust, charitable and private ownership hospitals, nursing homes, diagnostic centers, pathological labs).
 - Any other establishment, which the Govt. may specifically notify as being covered by giving one month notice by notification in official gazette.
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Eligibility of Employees

- Any person employed for wages up to Rs. 15,000/- in or in connection with the work of a factory or establishment; AND
 - Any person who is directly employed by the employer in a factory or through his agent on work which is ordinarily part of the work of the factory or incidental to the purpose of the factory.
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Obligations of Employer

- To deduct ESI Contribution @1.75% from the wages of such employee regularly and deposit the same along with Employer's contribution @4.75% of the wages with specified banks.
- No contribution shall be deductible from an employee whose daily wages are Rs. 50/- or less. Employer's contribution shall, however, be payable for all such employees.
- S. 40 requires Principal Employer to pay the contributions in respect of employees employed by him, directly or indirectly, in the first instance.

Benefits under the Act

- Free medical treatment at ESI Hospitals, Dispensaries and Other recognised shops by ESI.
- Sickness Benefits, Accident Injury Benefits and Death Benefits are payable as specified in the act.
- One time payment of Rs. 10,000/- is payable to help meet the funeral expenses.
- Payment of Long Term Benefits are made through ECS.
- Cashless provisions of super specialty services through network hospitals have been introduced.
- Issue of smart cards called 'Pehchan' and networking all ESI Institutions has been underway for easy access.

Other Issues

- Once the act applies, it continues to apply, even if the strength falls below 10.
- Various registers are required to be maintained.
- Return of Contributions to be filed for half year ending 30th September and 31st March, on or before 11th November and 12th May respectively.
- These returns are required to be certified by Chartered Accountant, in cases where the number of employees exceeds 40.
- Penalties for non compliance have been provided under the act.

Registers and Records

- Registers and Records to be maintained are:
 - Register of Employees under Regulation 32
 - Inspection Book under Regulation 102A
 - File for copies of Return of Declaration Forms
 - File for Copies of Return of Contributions, Chalans, etc.
 - File for General Correspondence with ESI Office
 - File for Copies of Accident Reports and correspondence
 - Register recording receipt and issue of TIC & PIC.
 - Use E-service for various compliances

Employees Provident Funds and Miscellaneous Provisions Act, 1952

- APPLICABILITY OF ACT
 - To Any Establishment which is a factory engaged in any industry specified in Schedule I and employing 20 or more persons.
 - Any other establishment or class of establishment employing 20 or more persons, as may be notified by the Central Government.
 - SCHEMES
 - Employees Provident Funds Scheme, 1952 – sec 5
 - Employees Pension Scheme, 1995 – sec 6A
 - Employees Deposit-Linked Insurance Scheme, 1976 – sec 6C
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The Schemes-EPF Act- contd..

Employees Provident Fund Scheme, 1952

- ❑ Fund – Created under Sec 5 and vested in and administered by the Board created under sec 5A
 - ❑ Contributions to the Fund – Clause 29 :
 - By Employer - 10% of basic, DA and Retention Allowance – 12% in respect of establishments/class specified by CG
 - Matching contribution by employee
 - ❑ Scheme Applicable to :
 - All factories and other establishments to which Act applies or is applied – does not apply to Tea Factories in Assam
 - All employees drawing pay up to Rs 6,500 per month
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The Schemes-EPF Act- contd..

Employees Provident Fund Scheme, 1952

- ❑ Corpus of the Fund under the Scheme to be deposited with RBI, SBI or any other approved scheduled bank – clause 48, 52
 - ❑ Corpus to be invested as per direction of CG, in securities referred to in Section 20 of Indian Trusts Act – clause 52
 - ❑ Fund cannot be expended for any purpose other than to credit of individual members
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The Schemes-EPF Act- contd..

Employees Pension Scheme, 1995

- Pension Fund – Created under Sec 6A and vested in and administered by the Board created under sec 5A
 - Contributions to the Pension Fund – Clause 3:
 - By Employee – 8.33% of basic, DA and Retention Allowance – This is a part of the contribution made to the Fund under the EPF Scheme
 - By CG – 1.16% of the pay
 - Scheme Applicable to :
 - All employees of factories and other establishments to which Act applies or is applied in terms thereof
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The Schemes- EPF Act

Employees Pension Scheme, 1995

Scheme to provide for :

- ❑ Replaces Family Pension Scheme which merges with this scheme
 - ❑ Superannuation pension, retiring pension, disablement
 - ❑ Widow/widower, children or orphan pension
 - Corpus of the Pension Fund, except the CG contribution shall be invested as per directions of CG in securities referred to in Section 20 of Indian Trusts Act – clause 26
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The Schemes- EPF Act

Employees Pension Scheme, 1995

- Pension Fund cannot be expended for any purpose other than payments envisaged in the scheme, i.e. payment of family pension, life assurance benefit and retirement cum withdrawal benefits – clause 27
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The Schemes-EPF Act- contd..

Employees Deposit Linked Insurance Scheme 1976

- ❑ Deposit Linked Insurance Fund – Created under Sec 6C and vested in and administered by the Board created under sec 5A
 - ❑ Contributions to the Insurance Fund :
 - By Employer – 1% of aggregate of basic, DA and Retention Allowance - Sec 6C(2)
 - Up to 0.25% to meet expenses etc. - Sec 6C(4)(a)
 - ❑ Scheme Applicable to :
 - All employees of establishments to which the Act applies
-

The Schemes –EPF Act- contd..

Employees Deposit Linked Insurance Scheme,1976.

- ❑ To provide life insurance benefits
 - ❑ Investment of funds in the Insurance Fund :
 - Funds contributed into the Insurance Fund upto 31.3.1997 to be deposited with CG and shall fetch statutory interest @8.5% per annum.
 - From 1.4.1997- Corpus of the Fund under the scheme to be deposited with RBI,SBI or any other approved scheduled bank and invested as per direction of CG in securities referred to in Section 20 of Indian Trusts Act
 - ❑ Insurance Fund cannot be expended for any purpose other than payment of benefits under the scheme – clause 17(1)
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The Payment of Gratuity Act, 1972

- **Object:** Provides for a scheme for the payment of gratuity to employees engaged in factories, mines, oilfields, plantations, ports, railway companies, shops or other establishments.
 - **Authority:** Different controlling authorities to be appointed by appropriate government for different states for the administration of this act.
 - **Gratuity Fund:** Employer to maintain a gratuity fund or shall obtain a insurance from the Life Insurance Corporation of India for his liability for payment towards the gratuity under this Act.
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The Payment of Gratuity Act, 1972

- ◆ An Act to provide for a scheme for the payment of gratuity to employees engaged in –
 - ◆ Factories,
 - ◆ Mines,
 - ◆ Oilfields,
 - ◆ Plantations,
 - ◆ Ports,
 - ◆ Railway companies,
 - ◆ Shops or
 - ◆ Other establishments
- Every shop or establishment in which TEN or more employees are/were employed on any day of the preceding year attracts the applicability of the act.

Eligibility of Employees

- Any person [Not being an apprentice) employed for wages in any kind of work (manual or otherwise) or in connection with the work of the factory, mine, plantation, oilfield, railway company, port or other establishment; AND
- At the time of retirement, resignation/termination, an employee should have rendered continuous service of not less than 5 years.
- However, in case of death or disablement, the gratuity is payable, even if such employee has not completed 5 years of his service.

Benefits under the Act

- The quantum of gratuity is to be computed at the rate of 15 days' wages (7 days' wages in case of seasonal establishment) at the rate of wages last drawn by the concerned employee for every completed year of service or part thereof exceeding 6 months.
- 'Wages' means all emoluments which are earned by an employee while on duty or on leave in accordance with the terms and conditions of his employment and which are paid or are payable to him in case and includes, dearness allowance but does not include any bonus, commission, HRA, OT Wages and any other allowance.

Benefits under the Act

- The total amount of gratuity payable shall not exceed Rs. 10,00,000/-.
- In case where employer offers the higher benefits of gratuity scheme, the employee will be eligible for such higher benefits.
- In the case of monthly rated employees, per day wages shall be calculated by dividing monthly rate by 26 days.
- Once an act applies, it continues to apply even if employment strength falls below 10.

Other Issues

- An employee, who is eligible for employment for payment of gratuity has to send a written application to the employer in Form I within 30 days from the date gratuity becomes payable.
- Non-payment of gratuity payable under the act is punishable with imprisonment up to 2 years (minimum 6 months) and/or fine up to Rs. 20,000/-.

Payment of Bonus Act, 1965

- As discussed earlier, the gratuitous payment came to be right of an employee and Payment of Bonus act was enacted in the year 1965.
- The act prescribes the payment of minimum bonus, in case an employer does not make any profit.
- At the same time, it provides for a cap on maximum amount of bonus payable to employees.

Applicability

- The act applies to –
 - Every factory (as defined under Factories Act);
AND
 - Every other establishment in which 20 or more persons are employed on any day during the accounting year.
 - Once the act applies, it continues to apply notwithstanding the number of employees falls below the minimum (10 or 20 as the case may be).

Eligibility of Employees

- Employees (other than apprentices) who have worked for not less than 30 days in that accounting year.
- Employees drawing salary/wages exceeding Rs. 10,000/- are not employees.
- However, the bonus shall be calculated on the wage ceiling of Rs. 3,500/-.
- Those employees who are employed through contractor are covered for payment of bonus.

Benefits under the Act

- Subject to provisions, minimum bonus shall be 8.33% of salary/wages earned by the employees or Rs. 100/- whichever is higher.
- If allocable surplus, as computed under the Act, exceeds the amount of minimum bonus, then bonus shall be payable at the rate subject to a maximum 20% of salary/wages earned during the accounting year.
- Computation of bonus is to be worked out as per Schedules I to IV of the Act.
- Time limit for payment of bonus is prescribed as within 8 months from the closing of Accounting Year.

Minimum Wages Act, 1948

- Poor bargaining power of workers' organisation in the country has led to the enactment of the act.
- The need for having minimum wages fixing machinery was stressed by the International Labour Organisation long back in 1928.
- Various amendments have been carried out by states to the act.

Minimum Wages Act, 1948

- A tripartite Committee Viz. "The Committee on Fair Wage" was set up in 1948 to provide guidelines for wage structures in the country. The report of this Committee was a major landmark in the history of formulation of wage policy in India. Its recommendations set out the key concepts of the 'living wage', "minimum wages" and "fair wage" besides setting out guidelines for wage fixation.
 - Article 39|- The State shall, in particular, direct its policy towards securing (a) that the citizen, men and women equally shall have the right to an adequate livelihood and (b) that there is equal pay for equal work for both men and women.
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Minimum Wages Act, 1948

- Article 43 –

- The State shall endeavor, by suitable legislation or economic organization or in any other way, to give all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure, and social and cultural opportunities.
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Applicability

- Any person who directly or through Contractor/Agency or other person whether for himself or for any other persons, employs one or more employees in any of the scheduled employment in respect of which minimum rates of wages have been fixed under the Act.
- The Act is a beneficial legislation and should be given widest meaning so long as the language is capable of bearing such construction.

Benefits

- The Act prescribes the minimum rates of wages payable to employees for different scheduled employments for different classes of work and for adults, adolescents and apprentices depending upon different localities.
- The act has been extended to cover employees in unorganised sector also.
- An employee is prohibited from giving up any of his right or relinquishing or reducing his right to minimum wages under the act.
- The normal working day for an adult constitutes of 9 hours including the intervals of rest with maximum of 48 hours of working in a week.

The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959

- It came into force from 1st May 1960.
 - The act provides for compulsory notification of vacancies to the Employment Exchanges and for the rendition of returns relating to Employment situation by the employers.
 - Applies to
 - All establishments in Public Sector
 - All establishments in Private Sector where 25 or more are employed
 - Periodical returns in Form ERI for every quarter and biennial occupational return in Form ER-II once in two years
 - Government Officials under the act have right of access to any relevant records of the employer
 - Penalties including fines for violations have been prescribed.
 - Recently, online registrations have been announced by Maharashtra State Governments.
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Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

- In Maharashtra, the act has come into effect from 05.02.2007.
- Applies to every establishment which employs or had employed 10 or more workers in any building or other construction work.
- 'Building or Other Construction Work' means all kinds of construction, alteration, repairs, maintenance or demolition of or in relation to building, roads, streets, railways, oil and gas installations, dams, reservoirs, etc.
- 'Contractor' means a person who undertakes to produce a given result for any establishment, other than a mere supply of goods or articles of manufacture, by the employment of building workers or who supplies building workers for any work of the establishment and includes sub-contractor.

Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

- 'Establishment' means any establishment belonging to or under control of, Government, any body corporate or firm, an individual or association or other body of individuals which or who employs building workers in any building or other construction work and includes an establishment belonging to any contractor but does not include **an individual who employs such workers in any building or construction work in relation to his own residence, the total cost of such construction not being more than *rupees ten lakhs*.**
 - Registration is mandatory for eligible employers and establishments.
 - Apart from various welfare measures to be complied by the employers, the cess @1% of the cost of construction is required to be paid to Board constituted under the act.
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Recent Developments

- New category of 'International Worker' has been added under provisions of PF Act covering the foreign nationals deputed for working in India or an Indian employee working or having worked abroad in a country with which India has entered into a Social Security Agreement (SSA).
- The PF provisions are applicable irrespective of where the salary is paid.
- Contribution is payable on the total salary payable on account of the employee employed for wages by an establishment covered in India even for responsibility outside India.
- The liability for international worker arises from the first date of his employment in India.

Recent Developments

- In a recent judgment by Hon'ble Bombay High Court, it was held that the ESIC applies to software development companies.
- It further held that creation of software or development of software itself is a manufacturing process and the premises where computers are involved in manufacturing process are a factory under the ESI Act.
- The definition of 'factory' under the Factories Act and the ESI Act was analysed and it was opined that ESI Act, being a welfare legislation, is not a regressive but a progressive step.

Compliances under Labour Laws

- The importance of compliances can not be undermined in view of –
 - Penalties under various legislations
 - Requirement of AS-15
 - Reporting under CARO
 - Tax Provisions for disallowances (S. 43B etc)
 - Harmonious HR contributing to success of enterprise
 - Due diligence in case of mergers/amalgamations/funding, etc.
 - Compliance of law – in spirit vs verbatim

Leave & Leave Policy

- Though leave is generally matter of employment contract, nevertheless, various enactments provide for broad framework as well as rules for leave eligibility of workers.
- Many companies categorise leave in different categories.
- Different laws provide for different quantum of leave for workers.

Leave & Leave Policy

- **Different Categories of Leave:**
 - Earned Leave (Privilege Leave)
 - Casual Leave
 - Sick Leave/Medical Leave
 - Maternity Leave
 - National and Festival Holidays
 - Extraordinary Leave
 - Study Leave/Sabbatical Leave
 - Leave not due
 - Leave for General Election
 - Innovative Leave

Leave & Leave Policy

- Important in view of compliance under AS-15 and proper valuation of estimated liability under 'Short Term Employee Benefits' and 'Other Long Term Employee Benefits' depending the policy of accumulation policies and legislative requirements.
- Auditor can help management sort of discrepancies in policies and streamline various leave benefits in compliance with Labour Law as well as AS – 15.

Cess & Other Statutory Dues

- Cess under various Labour Legislations are payable with different objects.
 - Cess is usually collected in view of provision of welfare measures by State Governments or Labour Welfare Boards.
 - These can be referred under:
 - Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 – S.3
 - Contract Labour (Abolition and Regulation) Act, 1970 – Rule 24 of the rules there under – License Fee
 - Maharashtra Labour Welfare Fund Act, 1953
 - Some of the industry Specific Laws like: Cine Workers Welfare Cess, Beedi Workers Welfare Cess, etc.
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Cess & Other Statutory Dues

- The compliance to be referred is under Cl. 4(ix)(a) and (b) of Companies (Auditors' Report) Order, 2003.
- Though the quantum may not be substantial, the better compliance can be achieved with proper verification on the part of auditor as well.

Cess & Other Statutory Dues

- This is also important under S. 43B(a) of Income Tax Act, 1961 where the words used are ‘any tax, duty, cess or fee, by whatever name called, under any law for the time being in force’.
- S. 43B(f) also refers to ‘any sum payable by the assessee as an employer in lieu of any leave to the credit of the employee’ – Leave Encashment.
- Reporting under Clause 21 of Form 3CD warrants specific reply and compliance reporting, which shall cover these payments as well.

Compliances under Labour Laws

- Maintenance of various records/registers can be maintained with the help of computers.
- Most records are by and large, one time attempt with few entries to be made except leave records and salary registers, etc.
- These records serve as useful piece of evidence in various courts in the matters of litigation.
- Facility of online registration and filing by various regulatory authorities like ESIC, EPF Commissionarates, etc have made new beginning in simplifying compliance.

Compliance – in spirit vs verbatim

- It is expected that professionals shall endeavor to influence compliance in spirit rather than resorting to letter of law.
- Various controversial judgments may not help litigation.
- In case of 2 or more establishments operating under 1 roof may be liable to be clubbed as 1 single unit for applicability of the labour enactments.
- Principal Employer is also responsible for Contractor's employees under various enactments.
- Coverage of employee, definition of wages, other eligibilities, are important for noting compliance.

Government of India Ministry of Labour and Employment About Ministry of Labour and Employment हिंदी वेबसाइट

- Constituents: Organisation, Main Secretariat, Attached Offices, Subordinate Offices, Adjudicating Bodies, Autonomous Organisations
Sections/Divisions: Child Labour, DG Labour Welfare, Internal Work Study Unit, Labour Conference (LC), International Labour Affairs, Wage Board, Wage Cell, Planning, Industrial Relations, Chief Labour Commissioner, Economic & Statistical Analysis, Principal Accounts Office, Statement of Expenditure & Receipts, Grant in Aid to States, Detailed Demand for Grants and Outcome Budget, Social Security
Reports

- What's New: Prime Minister's Shram Awards, 2007 - Announced, Payment of Wages (Nomination) Rules, 2009. Comments invited



The Union Minister of Labour and Employment, Shri Mallikarjun Kharge addressing at the inauguration of the National Seminar on Report to the People on Employment, in New Delhi on September 09, 2009.

- Labour News: Harish Rawat addresses Valedictory Session of National Seminar on report to people on Employment (09/09/2009), National Web Portal to serve as a virtual job market says Mallikarjun Kharge (08/09/2009), India wins a Silver in the Skills Olympics (07/09/2009)

- Citizen Services Gateway: Citizen's Charter, Database Services, National Vocational Training Information Service, Industrial Relation Information Service, Application Form for seeking Financial Support/ Assistance to carry out Research in Labour related matters
Information Services Gateway: Work Distribution, Occupational Safety and Health (OSH), Press Release, Telephone Directory, E-mail Directory, FAQ, Related Links, Tenders, Public Grievances, Feedback/Suggestions, Search, Search Labour Laws, Acts of Labour Ministry, ESI Scheme
Wages and Statistics

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Government of Maharashtra

Department of Labour





सत्यमेव जयते
महाराष्ट्र

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Organization

- Department of Labour
- Commissioner of Labour
- Development Commissioner of Labour
- Directorate of Industrial Safety and Health
- Directorate of Steam Boilers
- LNML Maharashtra Institute Labour Studies
- Maharashtra Labour Welfare Board

Complaint / Grievances

Suggestions / Feedback



Labour Department

Services

- Commissioner of Labour
- Directorate of Industrial Safety and Health
- Directorate of Steam Boilers
- LNML Maharashtra Institute Labour Studies
- Maharashtra Labour Welfare Board



Stop Child Labour

E-Citizen

Acts & Rules	Right to Information
Notifications	Frequently Asked Questions
Government Resolutions	Child Labour Videos
Circulars	Consumer Price Index
Citizen Charter	Special Allowance
Forms and Downloads	Minimum Wages



MAHARASHTRA

maharashtra.gov.in

india.gov.in

Headlines

Admission into Master of Labour Studies & Diploma in Trade Union & Industrial Relations Govt. of Maharashtra, Mumbai.

Govt. of Maharashtra

Useful Websites

- <http://www.labour.nic.in/> (Ministry of Labour and employment)
 - <http://labourandemployment.gov.in/home.htm> (Labour and Employment Department)
 - <http://www.ilo.org> (International Labour Organisation)
 - <http://esic.nic.in> (Employees State Insurance Corporation)
 - <http://esicdelhi.org.in>
 - www.gujaratindia.com
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