

Gujarat Labour Laws



CA Rajkumar S Adukia

B.Com (Hons), FCA, ACS, ACWA, LLB, DIPR, DLL
&LP, IFRS(UK), MBA

email id: rajkumarradukia@caaa.in

Mob: 09820061049/09323061049

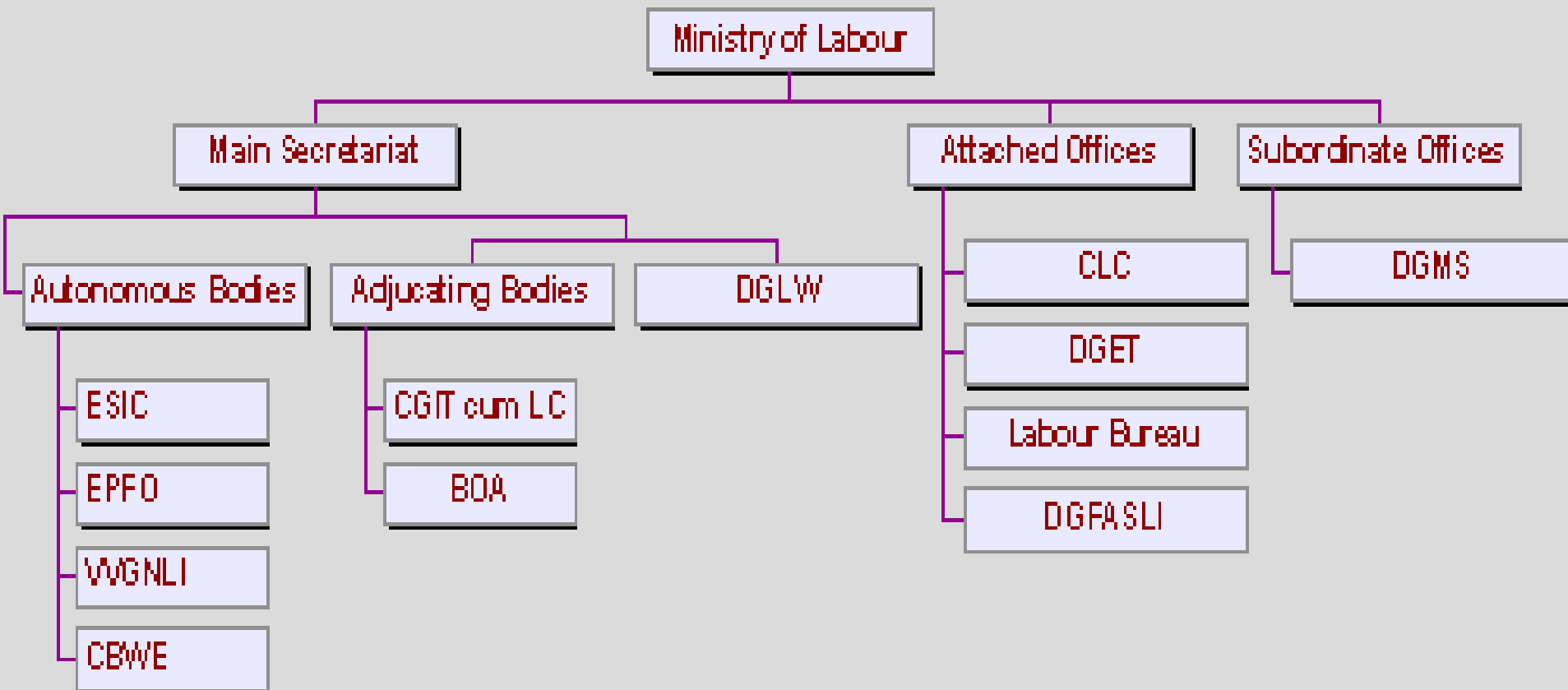
To receive regular updates kindly send test email to :

rajkumarfca-subscribe@yahoogroups.com &

rajkumarfca+subscribe@googlegroups.com

GOI - Ministry of Labour & Employment www.labour.nic.in

Organisation Chart of Ministry of Labour



Labour & Employment Department (LED) – Government of Gujarat

<http://labourandemployment.gov.in>

- The Department activities can be divided broadly into two wings pertaining to Labour and Employment.
- Labour wing is responsible for the implementation of 28 Labour Laws (Central & State) with a view to establishing and maintaining peace in the Industrial Establishments.
- Employment wing is responsible for Registration, Sponsoring and giving Vocational Guidance to the interested candidates and collection of Employment Market Information.

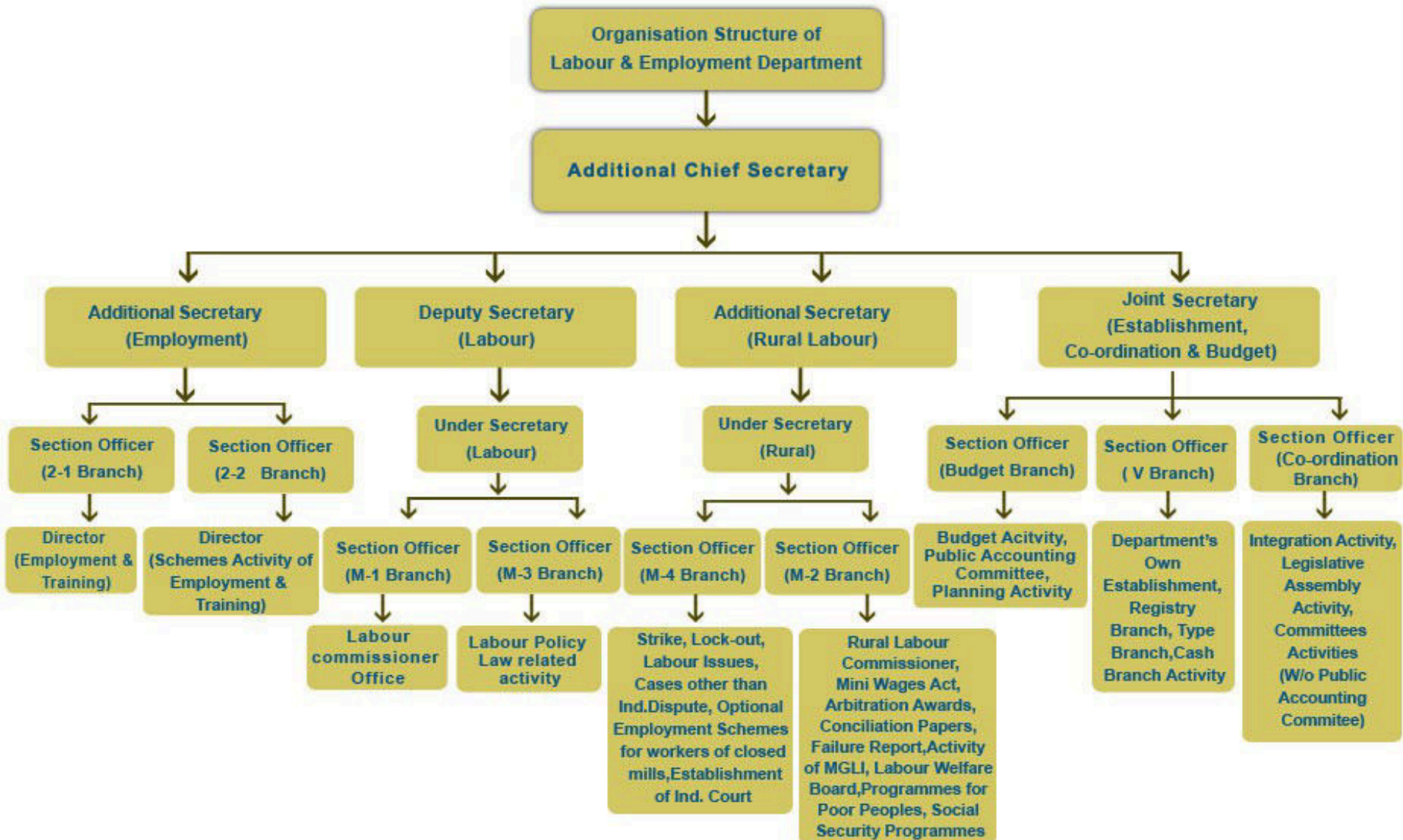
Labour & Employment Department (LED) – Government of Gujarat

- The Labour & Employment Department was separately established on 17th July, 1980
- The following Boards are constituted under the administrative control of the Department to help in development of the activities of the Department.
 - Gujarat Labour Welfare Board
 - Gujarat Rural Labour Welfare Board
 - Board for Unorganised Labours
 - State Contract Labour Advisory Board
 - Minimum Wages Advisory Board

Labour & Employment Department (LED) – Government of Gujarat

- Gujarat State, **the 1st in India**, has established an independent office of the Rural Labour Commissioner for the implementation of the minimum wages of the Agriculture Workers.

Organisation structure of Labour and Employment Department, GUJARAT



Director, Industrial Safety and Health, Gujarat State

<http://www.labourandemployment.gov.in/dish/about/overview.htm>

- Factory wing is headed by Director, Industrial safety and Health, Gujarat State.
- The Directorate, Industrial Safety and Health looks after the implementation of following statute.
 - The Factories Act 1948 and Gujarat Factories Rules, 1963.
 - The Environment Protection Act, 1986.
 - The Manufacture, Storage and Import of Hazardous Chemical Rules, 1989.
 - Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996.
 - The Payment of Wages Act, 1936 and Rules there under.
 - The Maternity Benefit Act, 1961 and Rules there under.
 - The Gujarat Physically Handicapped Persons (Employment in Factories) Act, 1982.
 - The Gujarat Payment of Unemployment Allowance to Workmen (in factories) Act, 1981.
 - The Building and other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and Rules there

under

www.caaa.in

7

Labour Commissionerate (under LED Govt of Gujarat)

- The State Labour Commissionerate is formed to formulate industrial friendly policy to simplify the complexity of various Labour Laws.
- The State Labour Commissionerate is of firm view to have "Umbrella Legislation" for informal sector labour in the state to provide social security and other benefits to informal sector labour which comprises 93% of the total workforce.

Achievements of Labour Commissionerate – Govt of Gujarat

- As per the recommendation of the Second National Commission on Labour, the Government of Gujarat has taken initiative and constituted the Gujarat Unorganized Workers Welfare Board (other than Agriculture Workers) for the urban unorganized workers
- Fixation of minimum wages in 3 new scheduled employments
- Delegation of powers regional level under the BIR Act-1946 & Trade Union Act-1926.
- In 9 districts 113 schools are opened and 5714 children are enrolled under the National Child Labour Project.

Achievements of Labour Commissionerate – Govt of Gujarat

- To address the issue of child labour which is socio-economic problem too, awareness generation of public at large is done through news papers, Radio, T.V., Hoardings, Cinema-slides rallies, Banners – posters etc.
- The number of man-days lost is reduced to the bench-mark level.
- Constructive Labour environment Harmonious & Peaceful Industrial Relation.
- Tri partite meetings are held of Unions, Management and Government Officials.

Facts on Gujarat

- Gujarat has emerged as one of the fastest growing states under globalisation in India, particularly after 2000
- From 2000 to 2008, India's GDP grew at 7.68 compound annual rate of growth (CARG) while Gujarat's SDP rose at 10.76 CARG
- The secondary sector in the state grew at 11.16% and the tertiary sector at 10.27% during this period, against the corresponding all-India rates of 8.31% and 7.68%.

Facts on Gujarat

- Agriculture in the state showed a more than 12% annual growth rate during 2000-08 while India struggled hard to achieve even a 3% rate of growth in this sector
- This growth rate in agriculture has been described by several scholars as a “miracle” and a consequence of “structural changes” in the sector

Workforce Participation Rates in Gujarat and India

- In 2007-08, the rural WPR (principal and subsidiary status) in Gujarat was 48.7% against 42.2% in India.
- The urban WPR was 37.7% in Gujarat against 35.4% in India
- A larger proportion of urban female workers worked as marginal workers in Gujarat compared to India
- Gujarat has lower unemployment rates compared to those of India.
- The rural rates were particularly much lower, 6.0%, 1.0% and 4.0%, respectively for men, women and for both, against the corresponding all-India rates of 10.1%, 4.1% and 7.1%, respectively

Workforce Participation Rates in Gujarat and India

- Gujarat is in a relatively better position than India with a marginally higher percentage of regular workers among its total workers (2007-08).
- In the case of urban workers, 42.0% were regular workers against 41.2% in India, and in the case of rural workers, these were 8.0% and 7.3% respectively for Gujarat and India
- Gujarat is relatively better off in terms of overall levels of employment than India as a whole.

Changes in Labour Law (Gujarat)

- **Self-certification cum Consolidated Annual Return Scheme:** The Government of India introduced a provision (December 2003) permitting self-certification by units covered under labour laws.
- **Labour Judiciary: No Work, No Pay:** Another major change with far-reaching consequences has come through a judgment of the Supreme Court regarding termination of employment. According to this, if a worker is terminated illegally and reinstated by the employer after an order of a labour court, he or she is not entitled to any payment for the period for which he or she was terminated.

Changes in Labour Law (Gujarat)

- **Amendment to Industrial Dispute Act 1947 for SEZs:** A major amendment has been made to Chapter V-D of the Industrial Dispute Act 1947. According to this, workers employed in special economic zones (SEZs) do not have the right to complain if they are thrown out of their jobs. However, they will get retrenchment compensation of 45 days for a year of work rather than the 15 days given to other workers.

Changes in Labour Law (Gujarat)

- **Insertion of the Term ‘Fixed Term Employment’ in the Industrial Employment (Standing Orders) Act 1946:** According to an amendment to the Standing Orders, a new term “fixed term employment” has been introduced in the Industrial Employment Act. It allows units to employ workers for “fixed terms”
- **Reduction in the Number of Registers to be Kept under Labour Laws:** Another major change is the reduction in the number of registers to be maintained under labour laws to two. This is meant to reduce the number of “inspectors” and weaken “inspector raj”

Unorganized Workers' Board

- The government of Gujarat is one of the few state governments in India to set up an Unorganised Workers Board for unorganised or informal workers in the state.
- This board was set up in 2007 with the objective of protecting the interests of workers employed in nonagricultural units in the state.
- It covers more than 30 lakh workers employed in a variety of unorganised ventures in the state.

Rural Labour Commissionerate

- Gujarat was one of the first states in India to set up a Rural Labour Commissionerate in 1981 to take various measures “to improve the conditions of unorganised rural labour and to protect them against exploitation and malpractices of their employers” (RLC website).
- The Rural Workers Welfare Board was set up under the Commissionerate to carry out its activities in an autonomous manner.

GUJARAT LABOUR LAWS

1. The Contract Labour Act, 1970 (Regulation & Abolition) Act, 1970 & The Contract Labour (P & R) (Gujarat) Rules 1972
2. The Employees' Provident Fund Act and Rules
3. The Employees' State Insurance Act, 1948
4. The Child Labour (Prohibition & Regulation) Act, 1986 & Gujarat Rules 1994
5. The Factories Act, 1948 and The Factories Rules, 1963
6. The Indian Boilers Act, 1923
7. The Lime Stone and Dolomite Mines Welfare Fund Act.
8. The Maternity Benefit Act, 1961
9. The Motor Transport Workers Act, 1961 & Gujarat Rules 1965

GUJARAT LABOUR LAWS

11. The Payment of Bonus Act, 1965 & The Payment of Bonus Rules 1975
12. The Payment of Gratuity Act, 1972 & Gujarat Rules 1973
13. The Payment of Wages Act, 1936
14. The Dock Workers (Safety, Health & Welfare) Act, 1986
15. The Workmen's Compensation Act, 1923
16. Inter State Migrant Workers Act, 1979 & The Inter state Migrant Workers (Gujarat) Rules 1981
17. The Bombay Shops & Establishments Act, 1948
18. The Gujarat Shops & Establishment (Insurance) Act, 1980
19. The Gujarat Smoke Nuisance Act, 1963

GUJARAT LABOUR LAWS

21. The Bombay Relief Undertakings (Special Provisions) Act, 1958
22. The Dangerous Machines Act, 1983
23. The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Act, 1987
24. The Building and Other Construction Workers Act, 1996
25. The Building and Other Construction Cess Act, 1996
26. The Industrial Disputes Act, 1947 & Gujarat Rules 1966
27. The Bombay Labour Welfare Fund Act, 1953
28. The Minimum Wages Act, 1948
29. The Bonded Labour System (Abolition) Act, 1976
30. Inter State Migrant Workmen Act, 1979
31. C. N. V. Act, 1959

GUJARAT LABOUR LAWS

32. The Industrial Employment Standing Order Act, 1946 & Gujarat Rules 1955
33. The Sales Promotion Employees (Conditions of Service) Act, 1976
34. The Bombay Industrial Relations Act, 1946 & Gujarat Rules 1961
35. The Equal Remuneration Act, 1976 & Gujarat Rules 1976
36. The Trade Unions Act 1926 & The Gujarat Trade Unions Regulations, 1963
37. The Beedi & Cigar Workers (Conditions Of Employment) Act, 1966 & Gujarat Rules 1968
38. The Working Journalists And Other Newspaper Employees' (Condition Of Services) And Miscellaneous Provisions Act, 1955
39. The Working Journalists(Conditionsof Service) and miscellaneous Provisions Rules, 1957
40. The Labour Laws (Exemption From Furnishing Returns And Maintaining Registers By Certain Establishments) Act, 1988.

About the Author

- *CA. Rajkumar S Adukia is an eminent business consultant, academician, writer, and speaker. He is the senior partner of Adukia & Associates.*
- *In addition to being a Chartered Accountant, Company Secretary, Cost Accountant, MBA, Dip IFR (UK), Mr. Adukia also holds a Degree in Law and Diploma in Labor Laws and IPR.*
- *Mr. Adukia, a rank holder from Bombay University completed the Chartered Accountancy examination with 1st Rank in Inter CA & 6th Rank in Final CA, and 3rd Rank in Final Cost Accountancy Course in 1983.*
- *He started his practice as a Chartered Accountant on 1st July 1983, in the three decades following which he left no stone unturned, be it academic expertise or professional development.*

About the Author

- *He has been coordinating with various Professional Institutions, Associations, Universities, University Grants Commission and other Educational Institutions.*
- *Authored more than 50 books on a vast range of topics including Internal Audit, Bank Audit, SEZ, CARO, PMLA, Anti-dumping, Income Tax Search, Survey and Seizure, IFRS, LLP, Labour Laws, Real estate, ERM, Inbound and Outbound Investments, Green Audit etc.*
- *The author can be reached at rajcumarradukia@caaa.in
Mob – 09820061049 / 09323061049*
- *For more details log on to www.caaa.in*

Thank You