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AB CS PROFESSIONAL
HOGA ASAAN

LABOR LAWS & PRACTICE

GROUP 2
PAPER 7.3

*Handcrafted
Notes...*
BY

CS ADITI PANT

SALIENT FEATURES

- Based on Latest ICSI Syllabus (2025 Edition)
- Simplified Language with Concept Clarity
- Handwritten Notes for Quick Revision & Personal Touch
- Covers Legal Provisions + Practical Implementation
- Flowcharts | Case-Based Learning



77738 99997



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Welcome Onboard, Future Company Secretaries!

Dear Students,

It gives me immense pleasure to welcome you to this specially designed CS Professional – Labour Laws and Practice (Paper 7.3, Elective – Group 2) compilation, prepared under my guidance.

This compilation has been thoughtfully divided into two parts for your comprehensive preparation:

- Part 1 contains Handcrafted Notes designed to help you grasp every concept of Labour Laws with clarity and ease.
- Part 2 includes Questions and Answers, developed carefully to match the ICSI standards and examination expectations.

The questions and answers provided here are indicative in nature, meaning they represent suggested answers that are academically sound and aligned with professional standards. These are meant to serve as a guiding framework for your preparation, enabling you to understand how to structure and present your answers effectively in the examination.

However, every student is encouraged to pour in their own creativity, interpretation, and examples while framing answers in the actual exam. This personal touch, when combined with the structure, tone, and keywords given here, will help you write responses that are not only accurate but also distinctive and impactful.

With consistent effort, conceptual clarity, and the right approach, I am confident that each one of you will achieve excellence in this elective paper and move closer to your goal of becoming a successful Company Secretary.

Stay motivated, stay disciplined — and let your preparation reflect the professionalism and integrity that define this noble profession.

Warm regards,

CS Aditi Pant





LESSON 1 – CONSTITUTION AND LABOUR LAWS

INTRODUCTION

Every country has a Constitution — the supreme law which sets out the basic framework of governance, powers of different organs of the state, and rights of citizens.

In India, the Constitution is the foundation on which all other laws, including labour legislations, are built. It defines the relationship between the State and its citizens and determines how justice, liberty, and equality must be ensured in all areas, including employment and industrial relations.

Labour laws in India aim to balance the interests of employers and workers. They promote industrial peace and protect workers from exploitation. Since labour is in the Concurrent List of the Constitution, both the Central and State Governments can make laws on the subject.

Thus, every labour law—be it the Factories Act, Minimum Wages Act, or Industrial Disputes Act—draws its constitutional authority from the provisions that recognise equality, human dignity, and social and economic justice.

CONSTITUTIONAL BEARING ON LABOUR LAWS

Industrial relations directly influence not only employers and employees but also the broader economic and social objectives of the State. Hence, regulation of labour relations becomes a legitimate function of the government.

In developed countries, industrial relations are often left to be decided by negotiation and collective bargaining between employers and trade unions. But in a developing country like India—with a large labour population and limited bargaining power—the State must play an active role in ensuring fair treatment, welfare, and stability in industrial relations.

The Constitution distributes legislative powers between the Centre and the States through three lists – Union, State and Concurrent. Labour falls under the Concurrent List, enabling both governments to legislate. However, certain specific areas of labour regulation appear in all three lists.

Entries Relating to Labour:

Union List

- Entry 55 – Regulation of labour and safety in mines and oilfields
- Entry 61 – Industrial disputes concerning union employees
- Entry 65 – Union institutions for vocational and technical training

Concurrent List

- Entry 22 – Trade unions, industrial and labour disputes
- Entry 23 – Social security and insurance, employment and unemployment
- Entry 24 – Welfare of labour, including work conditions, provident fund, compensation, maternity benefits, pensions

Because of this concurrent power, many central labour laws (like the Industrial Disputes Act, ESI Act, EPF Act) allow States to make local rules for implementation.

Example: Under the Industrial Disputes Act, States can frame their own rules for dispute settlement, provided they are not inconsistent with the central provisions.



**SOCIAL JUSTICE AND INDUSTRIAL LAWS**

The Preamble of the Constitution declares India to be a sovereign socialist secular democratic republic committed to securing justice—social, economic, and political—for all citizens.

This commitment is reflected in the Directive Principles of State Policy (Part IV), which guide the State to frame laws ensuring welfare and equality.

Social justice means the removal of inequalities of wealth, privilege, and opportunity. It requires protecting the weak against the strong and ensuring humane and just conditions of work.

Industrial laws are a key instrument for achieving social justice. They do not merely regulate wages or working hours—they represent the State's duty to ensure that industrial development does not compromise human dignity and equality.

. For example, laws like the Minimum Wages Act, Factories Act, and Industrial Disputes Act exist to ensure that industrialisation serves both economic growth and human welfare.

. The Supreme Court has repeatedly held that industrial and labour laws are "socio-economic justice oriented" — they aim to balance growth with equality and social welfare.

CONSTITUTIONAL LIMITATIONS AND RELATIONSHIP BETWEEN FUNDAMENTAL RIGHTS AND DIRECTIVE PRINCIPLES

While the Directive Principles (Part IV) direct the State to achieve social and economic justice, their implementation must not violate the Fundamental Rights (Part III).

In earlier years, courts viewed the two as conflicting. But later judgments harmonised them, stating that both parts must be read together.

Hence, social justice laws like those ensuring minimum wages, prohibition of child labour, or maternity benefits are not merely policy decisions—they are constitutional obligations.

Key Judgments:

1. *Minerva Mills v. Union of India (1980)*: Held that Fundamental Rights and Directive Principles together form the conscience of the Constitution; neither can override the other.
2. *Unni Krishnan v. State of A.P. (1993)*: Declared that Directive Principles give content and meaning to Fundamental Rights.
3. *Bandhua Mukti Morcha v. Union of India (1984)*: The Court used Directive Principles to expand the meaning of Article 21 (Right to Life) to include humane working and living conditions for labourers.



**CONSTITUTIONAL REMEDIES**

To ensure that citizens' rights are not violated, the Constitution provides legal remedies through:

1. Article 32 – Writ petitions to the Supreme Court for enforcement of Fundamental Rights.
2. Article 226 – Writ petitions to High Courts for Fundamental as well as legal rights.

These provisions have empowered workers and trade unions to challenge unfair employment practices, arbitrary dismissals, and discrimination in public employment.

The Supreme Court has held that even a trade union can approach the Court to protect the collective rights of its members (Jaipur Irrigation Employees Union case, 1994).

PUBLIC INTEREST LITIGATION (PIL) AND LABOUR WELFARE

Traditionally, only an aggrieved person could file a case. However, through Public Interest Litigation (PIL), courts have allowed concerned citizens or organisations to approach them on behalf of vulnerable groups like bonded labourers or child workers.

Important PIL cases:

1. Bandhua Mukti Morcha v. Union of India (1984): The Court ordered the release and rehabilitation of bonded labourers.
2. M.C. Mehta v. State of Tamil Nadu (1996): Directed government action for elimination of child labour.

PIL has thus become a tool for promoting social and economic rights, ensuring dignity and humane treatment for all workers.

FUNDAMENTAL RIGHTS RELEVANT TO LABOUR

1. Article 14 (Equality before Law): Ensures equal protection of laws for all individuals. Discrimination in employment or unequal treatment in service matters violates this principle. Example: In *Air India v. Nargesh Meerza (1981)*, termination of air hostesses on pregnancy was held arbitrary and violative of Article 14.
2. Article 16 (Equality of Opportunity in Public Employment): Guarantees equal chance for all citizens to apply for public jobs. Permits reservation for backward classes, SC/ST, and local candidates. This article forms the foundation for fair recruitment and promotion policies in government service.
3. Article 19(1)(c) [Right to Form Associations or Unions]: Allows workers to form and join trade unions for collective bargaining. However, the right to strike is not a fundamental right—it is a legal right under labour laws, subject to restrictions.
4. Article 21 (Right to Life and Personal Liberty): Interpreted broadly to include the right to live with dignity, safe working conditions, health, and a pollution-free environment.
5. Articles 23 and 24 – Right against Exploitation
6. Article 23 prohibits forced labour or human trafficking.
7. Article 24 prohibits employment of children below 14 years in hazardous work.



**DIRECTIVE PRINCIPLES OF STATE POLICY AND LABOUR WELFARE**

The Directive Principles (Articles 36-51) provide a framework for social and economic reform.

Important articles for labour welfare:

1. Article 38: State to promote social, economic, and political justice.
2. Article 39: Equal pay for equal work, protection of health and strength of workers, and prevention of exploitation of children.
3. Article 41: Right to work, education, and public assistance.
4. Article 42: Humane conditions of work and maternity relief.
5. Article 43: Living wage and decent standard of life.
6. Article 43A: Workers' participation in management.

These provisions have inspired numerous labour laws like:

1. Minimum Wages Act, 1948 (Article 43)
2. Maternity Benefit Act, 1961 (Article 42)
3. Equal Remuneration Act, 1976 (Article 39)
4. Factories Act, 1948 (Articles 42 - 43)

SOCIAL SECURITY AND LIVING WAGE

Social Security aims to protect workers from economic distress due to sickness, maternity, disability, or old age. [Constitutional base: Articles 41-43].

Examples: Employees' State Insurance Act, Provident Fund Act, Payment of Gratuity Act, Maternity Benefit Act.

A living wage goes beyond a minimum wage-it provides for normal family needs such as education, health, housing, and recreation. Article 43 directs the State to ensure living wages for all workers.



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Lesson 1

Constitution & Labour Laws

Short Answer Questions

Question 1

What does Article 14 of the Constitution provide with regard to labour laws?

Answer

Article 14 of the Indian Constitution enshrines the principle of *equality before the law* and *equal protection of laws*. In the context of labour laws, this Article prohibits discriminatory treatment of workers based on arbitrary classifications such as caste, gender, or economic status. Labour laws like the Equal Remuneration Act, 1976 and rules preventing gender-based wage disparity are rooted in this principle. It ensures that both employers and employees receive fair treatment before the law, and that any distinctions made (like benefits for women or disabled persons) are based on reasonable classification and intended to promote fairness.

Question 2

What is the objective of Article 39(d) of the Constitution?

Answer

Article 39(d), part of the Directive Principles of State Policy, directs the State to ensure *equal pay for equal work* for both men and women. This provision aims to reduce wage disparities and promote gender equality in the workplace. While not justiciable, courts have interpreted it in harmony with Articles 14 and 16, thereby making it a fundamental human right. This principle finds statutory expression in laws like the Equal Remuneration Act, 1976, and has been invoked in important judgments including *Randhir Singh v. Union of India* (1982).

Question 3

State any two Fundamental Rights that act as safeguards for workers.

Answer

- Article 19(1)(c) – Grants all citizens the right to form associations or unions, including trade unions, enabling collective bargaining and representation of worker interests.
- Article 23 – Prohibits forced labour and human trafficking, which protects labourers from exploitative practices such as bonded labour and slavery—illegal under Indian law.

Long Answer Questions

Question 4

Explain the relationship between Fundamental Rights and Directive Principles of State Policy in the context of labour legislation.

Answer

The Indian Constitution embodies two complementary features in Part III (Fundamental Rights) and Part IV (Directive Principles of State Policy). While Fundamental Rights are enforceable in court and ensure individual liberties and equality, Directive Principles guide the State in shaping policies and laws that promote social welfare and justice. In the field of labour, both work collectively to protect workers' rights.



- *Fundamental Rights* such as Articles 14 (equality before law), 16 (equality of opportunity in public employment), 19 (freedom to form unions), 21 (right to life and livelihood), and 23 (prohibition of forced labour) act as direct safeguards for workers.
- *Directive Principles* such as Articles 38, 39, 41, 42, and 43 promote initiatives that lead to social and economic empowerment of workers—for example, provisions for maternity leave, living wages, and humane working conditions.

Judicial interpretations have bridged the two. In *Unni Krishnan v. State of A.P.* (1993) and *Minerva Mills v. Union of India* (1980), the Supreme Court held that both Parts III and IV form the “conscience of the Constitution” and should not be isolated. This harmonizing approach has enabled laws such as the Minimum Wages Act, Payment of Bonus Act, and Maternity Benefit Act to effectively implement constitutional guarantees.

Question 5

Discuss how the concept of social justice is embedded in the Indian labour laws.

Answer

Social justice is a guiding principle of the Indian Constitution, aiming to achieve an equitable distribution of benefits and opportunities in society, particularly among vulnerable groups such as labourers. Article 38 mandates the State to promote social justice, while Article 43 directs it to ensure living wages and decent work conditions.

Labour laws in India are deeply rooted in this concept. Key examples include:

- Minimum Wages Act, 1948 – ensures a basic standard of living.
- Factories Act, 1948 – ensures health, safety, and welfare of workers, including maternity protections and working hour regulations.
- Employees’ Provident Funds Act, 1952 – provides financial security post-retirement.
- Bonded Labour System (Abolition) Act, 1976 – eliminates exploitative labour practices.

The judiciary too has upheld social justice in several landmark cases. In *Bandhua Mukti Morcha v. Union of India* (1984), the Supreme Court held that the right to life under Article 21 includes the right to live with human dignity, linking labour rights directly with human rights. Similarly, in *Randhir Singh v. Union of India* (1982), it upheld equal pay for equal work as a constitutional right based on social justice.

Hence, through legislation and interpretation, Indian labour law has evolved as a strong pillar safeguarding social justice.

Case-Based Questions

Question 6

Case: *Air India v. Nargesh Meerza* (1981)

Question: Explain how the Supreme Court applied Article 14 of the Constitution in this case.

Answer

The Supreme Court struck down discriminatory service rules of Air India and Indian Airlines that mandated retirement of air hostesses upon marriage (before the age of 4 years of service) or pregnancy. The Court held such rules to be *arbitrary, unfair, and violative* of Article 14. It criticized the classification that treated women unequally in the workforce, saying it had no rational nexus with job performance or legitimate business needs. The judgment emphasized that conditions of service must reflect social justice, especially regarding dignity and equality for women.

Question 7

Case: *Randhir Singh v. Union of India* (1982)

Question: How did the Court interpret Article 39(d) in relation to Article 14 in this judgment?



Answer:

In this case, the Supreme Court declared that although Article 39(d), which advocates equal pay for equal work, is part of the Directive Principles, it is enforceable as a constitutional goal in conjunction with Article 14. The Court held that pay disparities among government employees who perform the same duties violate the principle of equality. Thus, the concept of equal pay for equal work was elevated to a fundamental constitutional guarantee.

Analytical/Conceptual Questions**Question 8**

Distinguish between the "equality before law" and "equal protection of law" with examples from labour jurisprudence.

Answer

Both phrases are part of Article 14, but they address different aspects of equality:

- Equality before law implies that no person is above the law and all are subject to the same legal standards—i.e., the law treats everyone the same without distinction. For example, both a worker and a CEO can be punished for violating a provision of the Factories Act.
- Equal protection of law, however, allows for reasonable classification based on relevant differences. For instance, special labour protections such as increased maternity benefits or prohibition of child labour provide unequal treatment but promote equity.

Thus, equality before law promotes uniformity, while equal protection aims at fairness through valid differentiation.

Question 9

Write a short note on the role of Public Interest Litigation (PIL) in protecting labour rights.

Answer

PIL has played a pivotal role in ensuring access to justice for labourers who are often financially or socially marginalized. For instance, in *Bandhua Mukti Morcha v. Union of India*, the Supreme Court treated a letter alleging bonded labour as a writ petition. Through PILs, the Court has enforced labour rights such as minimum wages, protection from exploitation, and safer work conditions. PILs thus empower NGOs, activists, and citizens to stand up for labourers' rights when they cannot approach courts themselves.

