CLAT PG Labour & Industrial Law
Sample Paper – 6

Duration: 20 Minutes | Max Marks: 20

Instructions

- This paper contains **20 Multiple Choice Questions (MCQs)**.
- Each correct answer carries **+1 mark**. Each wrong answer carries a penalty of **–0.25 marks**. Unattempted questions carry **0 marks**.
- Only **one** option is correct for each question.
- Total Duration: **20 Minutes**. Maximum Marks: **20**.
- Questions cover the Industrial Disputes Act 1947, Trade Unions Act 1926, Factories Act 1948, Workmen's Compensation Act 1923, EPF Act 1952, ESI Act 1948, Maternity Benefit Act 1961, Payment of Gratuity Act 1972, Contract Labour Act 1970, and Minimum Wages Act 1948.

QUESTIONS

Q.1. The Rajapura Municipal Corporation, through its Commissioner Shri Dinesh Nambiar, employed several hundred sanitation workers. When a wage-revision dispute arose, the Corporation argued that a municipal body performing sovereign governmental functions does not constitute an "industry" under the Industrial Disputes Act, 1947. The Labour Court relied on the seven-judge constitutional bench decision in *Bangalore Water Supply & Sewerage Board v. A. Rajappa* (1978). The management of the Poorvanchal Charitable Hospital (employing 85 workers) and the Sunrise Recreation Club (a private sports club employing 14 members) also claimed exemption. A 2010 amendment to the Act inserted an Explanation to s. 2(j). Which of the following **correctly** describes the legal position?

(A) All municipal corporations performing public utility services are excluded from the definition of "industry" as they exercise sovereign functions of the State, even after the *Bangalore Water Supply* judgment.

(B) The Rajapura Municipal Corporation's sanitation wing constitutes an "industry," but the Poorvanchal Charitable Hospital is also covered regardless of employee strength, because charitable institutions cannot claim exemption under the IDA.

(C) The 2010 amendment to s. 2(j) abolished the triple test laid down in *Bangalore Water Supply* and replaced it with a pure "profit motive" test, thereby excluding all non-profit entities from the definition of "industry."

(D) The Rajapura Municipal Corporation's sanitation wing constitutes an "industry" under the triple test of *Bangalore Water Supply*; the 2010 amendment Explanation excludes hospitals and educational institutions with fewer than 100 workers, so Poorvanchal Charitable Hospital (85 workers) is excluded; the small Sunrise Recreation Club may also be excluded as a small club falling outside the triple test.

Q.2. Bharat Spinning Mills, represented by its HR Director Mr. Arvind Kapoor, and the Bharat Mills Mazdoor Sangh, led by General Secretary Ms. Prabha Devi, entered into a written agreement to refer a pending wages dispute to Advocate Kamalkant Sharma as arbitrator. The management questioned whether the award would bind all workmen, including those who had not signed the agreement, and whether a time limit applies to the arbitration award. The union inquired whether under s. 10A(4A) the workmen could approach the National Industrial Tribunal if the dispute involved a matter of national importance. Which of the following **correctly** describes the legal position?

(A) Voluntary arbitration under s. 10A does not require notification to the appropriate government; the award binds only the parties who have signed the written arbitration agreement.

(B) The s. 10A arbitration agreement must be notified to the appropriate government; the award is published in the Official Gazette and binds all workmen of the establishment (including non-signatories); under s. 10A(4A), workmen may refer a matter of national importance to the National Industrial Tribunal.

(C) Under s. 10A, the appropriate government may reject the arbitration agreement if it considers compulsory adjudication more suitable, in which case the dispute must be referred to the Industrial Tribunal.

(D) Section 10A arbitration awards bind only the immediate parties to the written agreement, expire within six months of the award unless challenged, and cannot relate to matters of national importance.

Q.3. The Nagpur Engineering Works Tribunal passed an award in favour of the Nagpur Engineering Mazdoor Union. The award was received by the appropriate government on 10 March. Management challenged the award in the High Court and obtained a stay. A group of contract workers supplied by M/s Suresh Labour Contractors, who had not been party to the original proceedings, claimed the benefit of the award. The management questioned when publication must occur, whether the contract workers were bound, and for how long the award operates. Which of the following **correctly** describes the legal position?

(A) Under s. 18 of the IDA, the award binds all parties to the dispute, all persons summoned to appear in the proceedings, all workmen of the establishment (even non-parties), and successors-in-interest; s. 17A requires publication in the Official Gazette within 30 days of receipt; s. 19(3) provides a default period of operation of one year unless a longer period is specified in the award.

(B) An award binds only those workmen who were named as parties; the appropriate government has 60 days to publish the award; the default period of operation is two years.

(C) Contract workers supplied through a contractor are entirely outside the scope of an IDA award even if they work at the same establishment, as they are not "workmen" under the Act.

(D) A court stay automatically terminates the binding effect of the award; once the stay is lifted, the award must be re-published in the Official Gazette to regain its binding force.

Q.4. Govind Tyre Industries had a pending conciliation proceeding before the Conciliation Officer. HR Manager Mr. Suresh Pillai decided to dismiss Ram Sevak Yadav, the elected President of the recognised union, alleging gross misconduct established in a domestic inquiry. The workforce of

Govind Tyre Industries numbered 350. The management argued that since misconduct was proved in the domestic enquiry, no prior approval was required before dismissal. Ram Sevak Yadav filed a complaint under s. 33A. Which of the following **correctly** describes the legal position?

(A) Section 33 protection is limited to workmen who are ordinary members (not office-bearers) of any registered trade union; union office-bearers may be dismissed without prior approval during the pendency of proceedings.

(B) An employer may dismiss a protected workman for proven misconduct without obtaining prior approval, provided one month's notice pay is tendered at the time of dismissal.

(C) Ram Sevak Yadav, as a union office-bearer, qualifies as a "protected workman" under s. 33; even for misconduct-based dismissal, prior approval of the Conciliation Officer is required during the pendency of proceedings; for a workforce of 350 the number of protected workmen is at least 5 (1% of 350 = 3.5, subject to a statutory minimum of 5); dismissal without prior approval is deemed illegal under s. 33A, entitling the workman to wages and continuation.

(D) Protected workman status applies only in adjudication proceedings before an Industrial Tribunal; during conciliation, the employer may freely dismiss union office-bearers without prior approval.

Q.5. Shyam Steel Castings Ltd. transferred its entire steel-casting division to Narayan Alloys Pvt. Ltd. The new employer agreed to absorb all workmen on identical service conditions and was bound by the existing settlement. However, Narayan Alloys did not obtain written consent from each individual workman before the transfer. Workmen led by shop-floor leader Meena Deshpande claimed retrenchment compensation under s. 25FF read with s. 25F. They also argued that the transfer amounted to a closure attracting s. 25N. Which of the following **correctly** describes the legal position?

(A) Under s. 25FF, workmen are entitled to retrenchment compensation in all circumstances at the time of transfer, regardless of whether service conditions are maintained or consent is obtained.

(B) Section 25FF compensation is payable only if the post-transfer workforce falls below 100; otherwise the workmen must seek prior permission from the Central Government.

(C) Where ownership or management of an undertaking is transferred, workmen are entitled to retrenchment compensation unless all three conditions are met: (a) service conditions are not less favourable, (b) the new employer is bound by existing awards/settlements, and (c) written consent of each workman is obtained; failure to secure written consent entitles workmen to s. 25F compensation; s. 25N applies to closures of establishments with 100 or more workmen, which is distinct from a transfer under s. 25FF.

(D) The failure to obtain written consent of workmen upon transfer entitles them to retrenchment compensation under s. 25FF; all three conditions—not less favourable terms, new employer bound by award/settlem and written consent—must be cumulatively satisfied to exempt the transferee; s. 25N governs retrenchment (not closure) in establishments with 100 or more workmen and does not apply to a transfer under s. 25FF.

Q.6. Workers at Deluxe Garment Factory, led by Anand Kumari, sought to register a trade union under the Trade Unions Act, 1926. They had only five adult members willing to sign the application. The factory management contended that any union claiming "recognised" status must have at least 51% membership among factory workmen. A question arose regarding whether the Trade Unions (Amendment) Act, 2001, which proposed raising the minimum membership for registration, had been brought into force. Which of the following **correctly** describes the legal position?

(A) A minimum of 10 persons is required to apply for registration of a trade union under s. 4 of the Trade Unions Act, 1926; once registered, the union automatically acquires "recognised" status for collective bargaining without any further majority test.

(B) Under the Trade Unions Act, 1926 as currently in force, s. 4 requires a minimum of only 7 persons to apply for registration; the Trade Unions (Amendment) Act, 2001, which proposed raising the minimum to 100 or 10% of the workforce, has not been brought into force; registration (7 persons) and recognition as the representative union (majority membership typically 30–51% under State law) are distinct requirements.

(C) The Trade Unions (Amendment) Act, 2001 has been brought into force across all States and now requires a minimum of 100 members for registration of any new trade union.

(D) Registration and recognition are the same concept under the Trade Unions Act, 1926; once seven persons apply and the union is registered, it automatically becomes the exclusive bargaining agent and no separate majority test is required.

Q.7. A textile processing unit in Surat, managed by Mr. Hemant Parikh, employed female workers for night shifts between 8 PM and 4 AM, claiming an exemption granted by the State government. The factory also deployed women workers in its cotton-opener section. Labour Inspector Ms. Nandita Roy raised objections on both counts. The management argued that a woman employed in a supervisory capacity was not subject to any of these restrictions. Which of the following **correctly** describes the legal position?

(A) Section 66 of the Factories Act, 1948 prohibits the employment of women between 7 PM and 6 AM; s. 27 absolutely prohibits the employment of women in any cotton-opener operations, and no exemption can override this prohibition; the State government may, with adequate safeguards, permit night-shift employment in specific factories; the Chief Inspector may exempt women in a genuine managerial or supervisory capacity from the night-shift restriction.

(B) Women may be freely employed in night shifts in all textile factories without any government exemption, as the Factories Act, 1948 restricts only the employment of children and not adult women.

(C) Section 66 of the Factories Act prohibits the employment of women between 10 PM and 5 AM; women may work in cotton-opener sections provided they wear prescribed personal protective equipment; no State government exemption is required for overtime night work.

(D) The prohibition on the employment of women in night shifts applies only to mines and not to factories; factory management may employ women during any hours provided adequate lighting is maintained.

Q.8. Kaveri Devi, a worker at Sunrise Paper Mills, worked 210 days in 2023 and applied for annual leave; HR Officer Mr. Rajan Krishnan refused, citing that she had not completed the minimum qualifying period. In 2024 she worked 255 days and sought 12 days of leave. The management contended that accumulated leave cannot exceed 15 days. She was subsequently discharged and asked whether she could encash her remaining unavailed leave. Which of the following **correctly** describes the legal position?

(A) Every worker who has worked at least 180 days qualifies for annual leave; for adults the rate is 1 day for every 15 days of work; accumulation of leave is not permitted and all leave must be taken within the year it accrues.

(B) A worker must complete 300 days of work to qualify for annual leave; for adults the rate is 1 day for every 15 days worked; maximum accumulation allowed is 45 days; encashment of leave is available only on retirement, not on discharge.

(C) Under Chapter VIII of the Factories Act, 1948 (ss. 78–84), a worker who has worked 240 days qualifies for annual leave with wages; for adults the rate is 1 day per 20 days worked (1 per 15 days for child workers); maximum accumulation is 30 days; upon discharge the worker may encash unavailed leave; Kaveri Devi did not qualify in 2023 (only 210 days) but qualifies in 2024 (255 days).

(D) The annual leave provisions under the Factories Act apply only to permanent workers employed for more than one continuous year; temporary or seasonal workers are excluded from the leave entitlements under Chapter VIII.

Q.9. Ramesh Kumar, a loader employed by Northern Transport Co., died in an accident while unloading goods at the employer's premises. His wife Sunita Devi and his elderly mother Saraswati Bai, who was partly dependent on his earnings, filed a claim before the authority under the Workmen's Compensation Act, 1923. The employer argued that Saraswati Bai, as the deceased's mother, was not a "dependent" under the Act. Ramesh Kumar's monthly wages were Rs. 12,000 and he was 28 years old at the time of death. Which of the following **correctly** describes the legal position?

(A) Claims for fatal accidents under the Workmen's Compensation Act, 1923 must be filed before the Civil Court; a partly dependent mother is not a "dependent" under the Act and has no right to any share of the compensation.

(B) Compensation for fatal accidents is deposited directly with the employer's insurance company, which distributes it; only the spouse and minor children qualify as "dependants" under the Act.

(C) The Commissioner for Workmen's Compensation has jurisdiction; compensation is calculated as 40% of monthly wages multiplied by the relevant age factor from Schedule IV; a partly dependent mother is not a "dependent" and has no claim.

(D) The Commissioner for Workmen's Compensation has jurisdiction to receive the claim; under s. 2(d), "dependent" expressly includes a wholly or partly dependent widowed mother; compensation for a fatal accident is calculated as 50% of monthly wages multiplied by the relevant age factor from Schedule IV; the Commissioner deposits the compensation and distributes it among eligible dependants.

Q.10. Jitender Singh, a driver employed by Himalaya Road Carriers, suffered an injury to his right arm resulting in amputation below the elbow. The medical board certified 60% loss of earning capacity. His monthly wages were Rs. 15,000. The employer argued that since the injury was not listed in Schedule I as total permanent disablement, no significant compensation was payable. A secondary question arose about the Act's official name following the 2009 amendment and whether Jitender could opt for half-monthly payments during temporary disablement. Which of the following **correctly** describes the legal position?

(A) Schedule I lists only total permanent disabilities; partial permanent disablement is entirely uncompensated; the Act has not been renamed and remains the Workmen's Compensation Act, 1923.

(B) The Workmen's Compensation Act, 1923 was renamed the Employees' Compensation Act by the 2009 amendment; Schedule I lists injuries with the percentage loss of earning capacity for total permanent disablement; partial permanent disablement compensation equals the percentage of disability multiplied by the total disablement compensation; temporary disablement attracts half-monthly payments for up to 60 months; the compensation formula for total permanent disablement is monthly wages × relevant age factor × 60%.

(C) Partial permanent disablement is compensated at a flat rate of Rs. 1,20,000 regardless of wages or degree of disablement; total permanent disablement attracts compensation equivalent to 100% of wages multiplied by the age factor.

(D) Half-monthly payments for temporary disablement can continue for a maximum of 12 months; after that the worker must seek a lump-sum settlement, failing which the claim lapses.

Q.11. Anita Sharma, wife of the late Suresh Sharma (an EPF member employed at Modern Ceramics Pvt. Ltd. for six continuous years), applied to the EPFO for the Employees' Deposit-Linked Insurance (EDLI) benefit following her husband's death while in service. The employer argued that Anita herself needed to have contributed to the EDLI Scheme, that the maximum benefit was only Rs. 3.6 lakh, and that because the company maintained its own group life insurance policy, EDLI coverage did not apply. Which of the following **correctly** describes the legal position?

(A) Under s. 6C of the EPF & MP Act, 1952, the EDLI Scheme provides life insurance cover to EPF members during service; only the employer contributes (at 0.5% of wages)—no employee contribution is required; the maximum EDLI benefit was enhanced to Rs. 7 lakh in 2021; on the death of an EPF member in service, the nominee or dependent receives the EDLI benefit; if the employer maintains a group insurance scheme more beneficial to employees, the EPFO may exempt that establishment from the EDLI Scheme.

(B) The EDLI Scheme requires both employer and employee to contribute equally at 0.5% each; the maximum benefit payable to the nominee is Rs. 3.6 lakh; a separate EDLI claim must be filed with the Civil Court for amounts above Rs. 2 lakh.

(C) EDLI benefit is payable only if the EPF member had completed at least 10 years of continuous service at the time of death; members with fewer years of service are entitled only to the EPF corpus, not the EDLI amount.

(D) The EDLI Scheme is a voluntary opt-in scheme; employees who do not opt in within six months of joining EPF are not covered; the employer's group insurance policy automatically substitutes EDLI coverage regardless of its benefit level.

Q.12. Savitha Reddy, an insured woman employee at a garment factory in Bengaluru, went on maternity leave and claimed 26 weeks of cash maternity benefit. Her employer Mr. Prakash Shetty argued that since she was covered under the ESI Act, 1948, her maternity benefit should be limited to 12 weeks (as under the Maternity Benefit Act, 1961) and that she was entitled only to 70% of wages as ordinary sickness benefit for the remaining period. She also claimed medical treatment for her spouse at an ESI dispensary. Which of the following **correctly** describes the legal position?

(A) Under the ESI Act, maternity benefit is payable for 12 weeks only; for the additional 14 weeks the Maternity Benefit Act, 1961 applies, permitting the employer to deduct 30% of wages; sickness benefit is always payable at 100% of wages.

(B) Maternity benefit under the ESI Act is payable for 26 weeks at 50% of wages; the ESI Act does not extend medical treatment to the insured person's spouse; sickness benefit under s. 46(1)(a) is payable at 60% of wages for up to 91 days per year.

(C) Under the ESI Act, 1948, maternity benefit is payable at 100% of wages for 26 weeks (reduced to 12 weeks from the third child onwards); this benefit supersedes the Maternity Benefit Act, 1961 for ESI-covered employees; sickness benefit under s. 46(1)(a) is payable at 70% of wages for up to 91 days per year; s. 49 extends medical benefit to the insured person and their spouse at ESI dispensaries and hospitals.

(D) The Maternity Benefit Act, 1961 always prevails over the ESI Act; accordingly, ESI-covered women employees are entitled to only 12 weeks of maternity benefit regardless of any ESI provision.

Q.13. Suresh Nair was engaged by contractor M/s Reliable Manpower Services to work at a garment-export factory owned by Ms. Chandralekha Iyer. The factory employed 15 permanent workers and 12 contract workers through the contractor. Ms. Iyer argued that contract workers supplied by an external agency are not her "employees" under the ESI Act and hence no ESI contribution was payable in respect of them. She also argued that seasonal textile factories were covered on a par with perennial factories. Which of the following **correctly** describes the legal position?

(A) Contract workers are entirely excluded from the ESI Act and no contribution is payable in respect of them; seasonal factories are expressly covered on the same footing as perennial factories under the ESI Act.

(B) The ESI Act threshold is 20 employees in all States; once the threshold is crossed, seasonal factories are automatically covered on a par with perennial factories; the contractor alone is responsible for paying ESI contributions for contract workers.

(C) Mines, railways, and government servants are fully covered under the ESI Act, 1948; contract workers engaged through a contractor are not "employees" under s. 2(9); the principal employer need not register merely because contract workers are deployed.

(D) Under s. 2(9) of the ESI Act, "employee" is broadly defined to include persons employed through a contractor, making Suresh Nair an "employee" covered by the Act; the general threshold is establishments with 10 or more employees (some States 20 or more); seasonal factories are generally not covered under the ESI Act; the Employees' State Insurance Corporation (ESIC) is established as the apex statutory body under s. 3.

Q.14. Priya Menon, employed at "Techwave Solutions" in Pune (an IT company with 60 employees), returned from maternity leave. The company did not provide a crèche facility, did not pay her a medical bonus (arguing that its health insurance scheme covered delivery expenses), and refused two nursing breaks per day, claiming nursing breaks were not a statutory entitlement. Which of the following **correctly** describes the legal position?

(A) A medical bonus under the Maternity Benefit Act, 1961 is payable only if the employee requests it in writing before delivery; nursing breaks are discretionary and not an enforceable statutory right.

(B) Under s. 8 of the Maternity Benefit Act, 1961, the employer must pay a medical bonus of Rs. 3,500 if pre-natal and post-natal care is not provided free of charge; under s. 11, two nursing breaks of 15 minutes each per day are a statutory entitlement until the child is 15 months old; under s. 11A (inserted by the 2017 amendment), crèche facility is mandatory for establishments with 50 or more employees; contravention attracts imprisonment up to 1 year and/or fine.

(C) Nursing breaks under the Maternity Benefit Act, 1961 are available only in factories covered by the Factories Act, 1948; software companies and IT establishments are entirely outside the scope of the Maternity Benefit Act.

(D) Medical bonus under the Maternity Benefit Act is payable only when the employer has fewer than 10 employees; crèche facilities are mandatory only for establishments with more than 100 employees; nursing breaks are limited to one break of 30 minutes per day.

Q.15. Deepak Joshi, a worker at Indore Cement Works, was terminated after a domestic enquiry found that his wilful negligence caused damage to a grinding machine worth Rs. 2 lakh. In a separate wing, Renu Bai was dismissed for violent and riotous conduct during a strike that resulted in injury to a security guard. Management sought to forfeit the entire gratuity of both workers. Deepak Joshi challenged total forfeiture, arguing it should be proportional to the damage. Renu Bai contended that forfeiture required a prior criminal conviction. Which of the following **correctly** describes the legal position?

(A) Under s. 4(6)(a) of the Payment of Gratuity Act, 1972, gratuity may be forfeited only to the extent of the loss or damage caused where termination is for wilful omission or negligence causing loss to the employer's property (partial forfeiture); under s. 4(6)(b), gratuity is wholly forfeited where termination is for riotous or disorderly conduct or an offence involving moral turpitude; no prior criminal conviction is required for forfeiture under s. 4(6)(b).

(B) Both Deepak Joshi and Renu Bai are entitled to their full gratuity; the Payment of Gratuity Act, 1972 does not permit forfeiture of gratuity for any reason other than a proved criminal conviction in a court of law.

(C) Gratuity can be totally forfeited in all cases of misconduct, whether the misconduct involves wilful negligence causing loss or riotous conduct; partial forfeiture (limited to the extent of loss) does not exist under the Payment of Gratuity Act.

(D) Forfeiture of gratuity requires a prior order from the Controlling Authority after an independent enquiry; neither the employer nor the Labour Court can order forfeiture without the Controlling Authority first conducting its own independent proceeding.

Q.16. Excellent Automobiles Ltd., managed by General Manager Mr. Anil Desai, engaged M/s Prime Manpower Services as a contractor to supply assembly-line workers. The contractor failed to pay wages for two consecutive months and did not provide the canteen facility that was statutorily required for the number of contract workers deployed. Contract workers, through their representative Nirmala Bhan, demanded wages and facilities directly from Excellent Automobiles. The company argued it bore no responsibility for the contractor's defaults. Which of the following **correctly** describes the legal position?

(A) The Contract Labour (Regulation and Abolition) Act, 1970 places all liability for wages and welfare facilities exclusively on the contractor; a principal employer is not liable for any of the contractor's defaults.

(B) A principal employer becomes liable for unpaid wages under s. 21(4) only if the contractor is insolvent; in all other circumstances the principal employer has no statutory wage-payment obligation.

(C) Under s. 21(4) of the CLRA, 1970, if the contractor fails to pay wages within the prescribed period, the principal employer is liable to pay those wages and may recover the amount from the contractor; under s. 20, if the contractor fails to provide statutory welfare amenities, the principal employer must provide them and may recover the cost; non-compliance is penalised under s. 23; the Supreme Court has held that contract workers at a principal employer's premises may be treated as employees of the principal employer for ESI and EPF purposes.

(D) The principal employer's liability for unpaid wages under the CLRA arises only if the principal employer had in writing guaranteed the contractor's wage obligations; otherwise, contract workers must sue the contractor directly in a civil court.

Q.17. Kamla Bai, a piece-rate worker at a garment unit in Jaipur, earned Rs. 180 on a day she worked 10 hours. The minimum daily wage prescribed by the State for her scheduled employment was Rs. 250. Her employer Mr. Hanuman Das argued that minimum wage provisions did not apply to piece-rate workers and that overtime need not be paid at any enhanced rate since the minimum wage was the ceiling for all payment obligations. Which of the following **correctly** describes the legal position?

(A) The Minimum Wages Act, 1948 does not apply to piece-rate workers; their remuneration is governed solely by the contract of employment, and statutory minimum wage rates are irrelevant to piece-rate arrangements.

(B) Section 11 of the MWA, 1948 requires only that the employer offer a minimum number of work hours; if the worker completes less work than expected, the employer is not obliged to pay the full minimum daily wage.

(C) Overtime under the MWA is payable at 1.5 times the minimum wage; piece-rate workers are entitled to the minimum time-rate wage only when they are idle through no fault of their own; the employer is under no obligation to ensure 8 hours of work.

(D) Under s. 12 of the MWA, 1948, Kamla Bai is entitled to the minimum time rate even as a piece-rate worker, because her actual piece-rate earnings fall below the prescribed minimum time rate; under s. 11, the employer must pay the full minimum daily wage even if less work is available; under s. 14, overtime must be paid at double the ordinary wage rate (or double the minimum wage, whichever is higher); failure to pay minimum wages is a punishable offence under s. 22.

Q.18. The Jute Workers' Progressive Union at Eastern Jute Mills, led by Secretary Mr. Bikash Ghosh, called a strike without giving the required notice and also threatened individual workmen who wished to continue working with physical harm. The management filed a complaint under the Industrial Disputes Act, 1947. The union argued that calling a strike is an absolute union right that can never constitute an "unfair labour practice," and that even if it were, the Labour Court had no power to impose financial penalties on the union. Which of the following **correctly** describes the legal position?

(A) Trade unions can never be guilty of unfair labour practices under the IDA; the Fifth Schedule applies only to employers; unions enjoy absolute immunity from all industrial law liability for calling a strike.

(B) The Second Part of the Fifth Schedule to the IDA lists unfair labour practices by trade unions, including calling or instigating an illegal strike and coercing workmen by violence or intimidation; an aggrieved party may apply directly to the Labour Court under s. 25T; the Labour Court may impose a fine on the union and direct payment of wages lost during the illegal strike; individual union members may also face liability.

(C) Calling a strike without notice is an unfair labour practice only if the employer has simultaneously applied for a lockout; in the absence of a lockout application it constitutes only an internal disciplinary matter for the union.

(D) Unfair labour practices by trade unions are dealt with exclusively by the Central Government's Ministry of Labour; Labour Courts have no jurisdiction over union misconduct under the Industrial Disputes Act.

Q.19. A fish-curing factory in coastal Andhra Pradesh, owned by Mr. Ravi Shankar Rao, operated intensively for four months during the fishing season. Factory Inspector Ms. Sarada Devi applied the full provisions of the Factories Act, 1948—including the standard weekly holiday and annual leave rules—without any modification. The management claimed the factory was a "seasonal factory" entitled to relaxations under the Act, and that the Chief Inspector could grant further exemptions for intermittent operations. Which of the following **correctly** describes the legal position?

(A) Under the proviso to s. 2(m) of the Factories Act, 1948, fish-curing factories (along with confectionery, ice manufacture, coffee curing, and similar intermittent operations) qualify as "seasonal factories"; seasonal factories attract less stringent provisions on leave (s. 79) and working hours; the weekly holiday under s. 52 may be observed on a different day for continuous-process or seasonal factories; the Chief Inspector may grant exemptions for intermittent or urgent repairs; seasonal factories are distinct from perennial factories.

(B) All factories must comply with identical provisions of the Factories Act, 1948 regardless of whether they operate seasonally or year-round; the concept of a "seasonal factory" does not appear in the Factories Act, 1948.

(C) A seasonal factory is exempt from all provisions of the Factories Act, 1948—including health, safety, and welfare obligations—as long as it operates for fewer than six months in any calendar year.

(D) Annual leave provisions under Chapter VIII of the Factories Act apply more stringently to seasonal factories; seasonal workers must complete only 120 days of work (rather than 240 days) to qualify for annual leave with wages.

Q.20. Rajan Pillai, a clerk employed by Kerala Shipping Agency, was injured in a road accident while riding his personal two-wheeler to work. He claimed compensation under the Workmen's Compensation Act, 1923, arguing the accident occurred during the journey between home and office. In a separate incident, Meena Thomas, employed at the same company, was injured while riding in the company's dedicated office bus (provided exclusively for transporting employees). The employer Mr. George Mathew denied liability in both cases. Which of the following **correctly** describes the legal position?

(A) Both Rajan Pillai and Meena Thomas are entitled to compensation under the Workmen's Compensation Act, 1923 since both accidents occurred during commuting between home and workplace.

(B) Neither Rajan Pillai nor Meena Thomas is entitled to compensation; the Workmen's Compensation Act, 1923 does not cover any accident occurring outside the employer's premises.

(C) Rajan Pillai's accident while commuting on his personal vehicle on a public road without any employer involvement is generally not covered under the Workmen's Compensation Act, 1923; however, Meena Thomas's accident in the company-provided transport (used exclusively for employee transport) is covered, as established in *Mackinnon Mackenzie v. Ibrahim Mohammed Issak*; accidents in employer-provided vehicles and, in certain circumstances, accidents in an employer-run canteen during a break may also be covered.

(D) Both accidents are covered under the Workmen's Compensation Act, 1923 because Indian law, following UK precedent, covers all commuting accidents by employees regardless of the mode of transport or the degree of the employer's involvement.

SOLUTIONS

Sol.1.

Solution

Topic: IDA 1947 – Definition of "Industry" after *Bangalore Water Supply & Sewerage Board v. A. Rajappa* (1978) and the 2010 Amendment.

The seven-judge constitutional bench in *Bangalore Water Supply* laid down the "triple test": (i) systematic activity, (ii) organised cooperation between employer and employee, (iii) for the production or distribution of goods or services. The Court held that the sanitation wing of a municipality does constitute an "industry"; sovereign functions of the State, small clubs, and charitable institutions without profit motive do not automatically qualify. The 2010 amendment inserted an Explanation to s. 2(j) specifically excluding hospitals and educational institutions with fewer than 100 workers from the definition of "industry."

(A) Incorrect. The judgment did not exclude all municipal corporations performing public utility functions; the sanitation wing was expressly held to constitute an "industry."

(B) Incorrect. The 2010 amendment Explanation specifically excludes hospitals (such as Poorvanchal Charitable Hospital) with fewer than 100 workers; coverage is not automatic for all charitable hospitals.

(C) Incorrect. The 2010 amendment did not abolish the triple test; it inserted targeted exclusions for hospitals and educational institutions below 100 workers.

(D) Correct. The Rajapura Municipal Corporation's sanitation wing satisfies the triple test and constitutes an "industry"; the Poorvanchal Charitable Hospital with 85 workers (below the 100-worker threshold) is excluded by the 2010 amendment Explanation; the Sunrise Recreation Club, as a small club, may also be excluded.

Answer: (D)

Sol.2.

Solution

Topic: IDA 1947 – Voluntary Arbitration under s. 10A.

Section 10A of the IDA permits parties to an industrial dispute to refer the dispute to a named arbitrator by written agreement. A written notice of the agreement must be given to the appropriate government. The award, once made, must be published in the Official Gazette and is binding on all workmen of the establishment—not merely those who signed the agreement. Under s. 10A(4A), workmen who are parties to the arbitration may refer a dispute involving a matter of national importance to the National Industrial Tribunal.

(A) Incorrect. Notification to the appropriate government is mandatory; the award binds all workmen, not only the signatories.

(B) Correct. All elements are accurate: written agreement, mandatory government notice, publication in the Official Gazette, binding on all workmen, and the s. 10A(4A) right to approach the National Industrial Tribunal for matters of national importance.

(C) Incorrect. The appropriate government has no power to reject a valid arbitration agreement or compel the parties to pursue adjudication instead.

(D) Incorrect. The award is not limited to immediate signatories; there is no six-month expiry provision; and matters of national importance may be referred to the NIT under s. 10A(4A).

Answer: (B)

Sol.3.

Solution

Topic: IDA 1947 – Binding Force and Commencement of Awards (ss. 17A, 18, 19).

Section 18 of the IDA makes an award binding on: (i) all parties to the dispute; (ii) all other parties summoned during proceedings; (iii) all workmen of the establishment (whether or not party to the proceedings); and (iv) successors-in-interest. Section 17A requires the appropriate government to publish the award in the Official Gazette within 30 days of receipt. Section 19(3) specifies that unless a longer period is stated in the award, the default period of operation is one year from the date of commencement.

(A) Correct. Accurately captures the broad binding scope under s. 18, the 30-day publication obligation under s. 17A, and the one-year default period under s. 19(3).

(B) Incorrect. Awards bind beyond named parties; the publication period is 30 days (not 60); and the default period is one year (not two).

(C) Incorrect. Contract workers at the same establishment who qualify as "workmen" may be bound by the award; the exclusion is not absolute.

(D) Incorrect. A court stay suspends enforcement but does not extinguish the award; the award does not require fresh publication after the stay is vacated.

Answer: (A)

Sol.4.

Solution

Topic: IDA 1947 – Protected Workman Status under s. 33 and Remedy under s. 33A.

During the pendency of conciliation or adjudication proceedings, s. 33 prohibits an employer from dismissing, discharging, or taking punitive action against a "protected workman" without obtaining prior approval of the Conciliation Officer or Tribunal. "Protected workmen" are office-bearers of recognised trade unions designated under the rules. The number of protected workmen is 1% of the workforce, subject to a statutory minimum of 5 and a maximum of 100. For a workforce of 350: 1% = 3.5, rounded up to the minimum of 5. Dismissal without prior approval is deemed illegal under s. 33A, entitling the workman to back wages and reinstatement.

(A) Incorrect. Protection under s. 33 is specifically conferred on office-bearers of recognised unions, not on ordinary members.

(B) Incorrect. Even where misconduct is established in a domestic inquiry, prior approval remains mandatory for a protected workman; payment of notice pay is not a substitute.

(C) Correct. Ram Sevak Yadav as union President is a protected workman; prior approval of the Conciliation Officer is required even for misconduct-based dismissal; the minimum protected workmen for 350 workers is 5; dismissal without approval is void under s. 33A with entitlement to wages and continuation.

(D) Incorrect. Protection applies equally during conciliation proceedings—it is not confined to adjudication before a Tribunal.

Answer: (C)

Sol.5.

Solution

Topic: IDA 1947 – Transfer of Undertaking and Compensation under s. 25FF.

Section 25FF provides that on the transfer of ownership or management of an undertaking, workmen are entitled to retrenchment compensation under s. 25F unless all three of the following conditions are cumulatively satisfied: (a) service conditions of the workmen are not less favourable; (b) the new employer is bound by the existing award or settlement; and (c) written consent of each workman is obtained. Failure to satisfy even one condition entitles workmen to full compensation. Section 25N, by contrast, governs retrenchment (not closure) in establishments employing 100 or more workmen, requiring prior government permission; it is a separate provision and a transfer does not amount to a closure.

(A) Incorrect. Compensation is not payable in all circumstances; the three conditions, if cumulatively met, exempt the transferee.

(B) Incorrect. There is no 100-worker strength threshold for s. 25FF; it applies to all transfers irrespective of workforce size.

(C) Incorrect. The three-condition test is correctly stated, but s. 25N covers retrenchment (requiring prior government approval) in 100+ worker establishments, not "closures"—that description is inaccurate.

(D) Correct. All three conditions must be cumulatively satisfied; failure of even one (here, written consent) entitles workmen to compensation; s. 25N covers retrenchment in 100+ workmen establishments and is distinct from s. 25FF (transfers); a transfer is not a closure.

Answer: (D)

Sol.6.

Solution

Topic: Trade Unions Act, 1926 – Registration vs. Recognition; Minimum Membership.

Section 4 of the Trade Unions Act, 1926 requires a minimum of 7 persons to subscribe their names and apply for registration of a trade union. This is the statutory minimum for obtaining registration under the Act. The Trade Unions (Amendment) Act, 2001—which proposed raising the minimum to 100 members or 10% of the workforce in the relevant establishment (whichever is less)—has not been brought into force as of the current date. Recognition of a union as the "representative" union for collective bargaining is governed by State laws or codes and typically requires the union to represent 30–51% of the workers; this is an entirely separate requirement from registration.

(A) Incorrect. The minimum for registration is 7 persons, not 10; and registration does not automatically confer recognition or exclusive bargaining status.

(B) Correct. Seven persons required for registration under s. 4 (current law); the 2001 amendment is not yet in force; registration and recognition are distinct—the latter requires a majority membership test under applicable State law.

(C) Incorrect. The 2001 amendment raising the minimum to 100 members has not been brought into force in any State.

(D) Incorrect. Registration and recognition are separate concepts; a registered union is not automatically the exclusive collective bargaining agent.

Answer: (B)

Sol.7.

Solution

Topic: Factories Act, 1948 – Employment of Women (ss. 27 and 66).

Section 66 of the Factories Act, 1948 prohibits the employment of women in any factory between 7 PM and 6 AM. The State government may, by notification and subject to adequate safeguards, permit women to be employed between 10 PM and 5 AM in specified factories. Section 27 contains an absolute prohibition: no woman may be employed in any part of a factory for pressing cotton in which a cotton opener is at work. This prohibition is not subject to any exemption. The Chief Inspector may, under the proviso to s. 66, exempt women employed in a genuine managerial or supervisory capacity from the night-shift restriction.

(A) Correct. Accurately states the s. 66 prohibition (7 PM–6 AM), the absolute s. 27 bar in cotton-opener operations, the State government's power to grant night-shift exemptions with safeguards, and the Chief Inspector's power to exempt women in managerial or supervisory positions.

(B) Incorrect. Section 66 expressly restricts the employment of adult women in night shifts; it is not confined to children alone.

(C) Incorrect. The statutory prohibition starts at 7 PM (not 10 PM); the s. 27 prohibition in cotton-opener sections is absolute and cannot be overcome by personal protective equipment.

(D) Incorrect. Section 66 applies to factories, not only to mines.

Answer: (A)

Sol.8.

Solution

Topic: Factories Act, 1948 – Annual Leave with Wages (Chapter VIII, ss. 78–84).

Under Chapter VIII of the Factories Act, 1948, a worker who has worked for at least 240 days in a calendar year is entitled to annual leave with wages. For adult workers, the rate is 1 day of leave for every 20 days worked; for child workers, the rate is 1 day for every 15 days worked. Earned leave may be accumulated up to a maximum of 30 days. On discharge (or termination), the worker is entitled to encash any unavailed leave. Applying these rules: Kaveri Devi worked only 210 days in 2023 (below the 240-day threshold) and does not qualify; she worked 255 days in 2024 (above the threshold), earning approximately 12 days of leave ($255 \div 20 = 12.75$).

(A) Incorrect. The qualifying threshold is 240 days, not 180; for adults the rate is 1 per 20 days, not 1 per 15; and accumulation up to 30 days is permitted.

(B) Incorrect. The threshold is 240 days, not 300; 1 per 15 is the child-worker rate; maximum accumulation is 30 days; encashment is also available on discharge, not only on retirement.

(C) Correct. 240-day qualifying threshold; 1 per 20 days for adults; 1 per 15 for children; 30-day accumulation cap; encashment on discharge; Kaveri does not qualify in 2023 but qualifies in 2024.

(D) Incorrect. Chapter VIII is not limited to permanent workers; any worker who completes 240 days qualifies, regardless of whether they are temporary or seasonal.

Answer: (C)

Sol.9.

Solution

Topic: Workmen's Compensation Act, 1923 – Fatal Accidents, Dependants, and Jurisdiction.

Claims for compensation under the Workmen's Compensation Act, 1923 are filed before the Commissioner for Workmen's Compensation (now styled Employees' Compensation Commissioner after the 2009 amendment). Section 2(d) defines "dependent" to include: a widow, minor children, unmarried daughters, and any person (including a widowed mother) who was wholly or partly dependent on the earnings of the deceased at the time of death. Saraswati Bai, as a partly dependent widowed mother, is therefore a "dependent." The compensation for a fatal accident is calculated as: 50% of monthly wages $\times$ the relevant factor from Schedule IV (based on the deceased's age). The Commissioner deposits the compensation and distributes it among the eligible dependants.

(A) Incorrect. The forum is the Commissioner, not the Civil Court; a partly dependent widowed mother is expressly a "dependent" under s. 2(d).

(B) Incorrect. Compensation is deposited with the Commissioner, not with the insurance company for direct distribution; a partly dependent mother qualifies as a "dependent."

(C) Incorrect. The formula uses 50% of monthly wages (not 40%); a partly dependent widowed mother is a "dependent" under s. 2(d).

(D) Correct. Commissioner's jurisdiction confirmed; s. 2(d) includes partly dependent widowed mother; 50% of wages $\times$ age factor; Commissioner deposits and distributes among dependants.

Answer: (D)

Sol.10.

Solution

Topic: Employees' Compensation Act, 1923 – Permanent Disablement and the 2009 Amendment.

The Workmen's Compensation Act, 1923 was renamed the *Employees' Compen-*

sation Act by the Workmen's Compensation (Amendment) Act, 2009. Schedule I lists specified injuries and the percentage loss of earning capacity associated with each for the purpose of total permanent disablement. For partial permanent disablement, compensation is calculated as: percentage disability × total permanent disablement compensation. For temporary disablement, the worker is entitled to half-monthly payments; payments may continue for a period ranging from a minimum of 3 months up to a maximum of 60 months. The total permanent disablement compensation formula is: monthly wages × relevant age factor (from Schedule IV) × 60%.

(A) Incorrect. Partial permanent disablement is compensated under the Act; the Act was renamed by the 2009 amendment.

(B) Correct. Correct renaming; Schedule I percentage mechanism for partial disablement; half-monthly payments for temporary disablement up to 60 months; 60% formula for total disablement compensation.

(C) Incorrect. There is no fixed flat-rate amount of Rs. 1,20,000; compensation depends on wages, the age factor, and the degree of disability.

(D) Incorrect. The maximum period for half-monthly payments is 60 months, not 12; there is no lapsing provision if the worker does not seek a lump-sum settlement.

Answer: (B)

Sol.11.

Solution

Topic: EPF & MP Act, 1952 – Employees' Deposit-Linked Insurance (EDLI) Scheme under s. 6C.

Section 6C of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 introduced the Employees' Deposit-Linked Insurance Scheme. Key features: only the employer contributes, at 0.5% of wages—no employee contribution is payable. The Scheme provides life insurance cover to all EPF members while they are in active service. On the death of an EPF member during service, the nominee or legal heir/dependent receives the EDLI benefit. The maximum EDLI benefit was enhanced to Rs. 7 lakh with effect from 2021 (previously Rs. 6 lakh). If an employer maintains a group insurance scheme that is more beneficial to its employees, the EPFO may formally exempt that establishment from the EDLI Scheme.

(A) Correct. All stated features are accurate: employer-only contribution at 0.5%; Rs. 7 lakh maximum benefit (post-2021); nominee/dependent receives the benefit on death in service; EPFO may grant exemption for a better group insurance scheme.

(B) Incorrect. Only the employer contributes to EDLI; no employee contribution is required; the maximum benefit is Rs. 7 lakh; the Civil Court has no role in EDLI claims.

(C) Incorrect. There is no minimum service requirement of 10 years for EDLI eligibility; cover commences from the date of EPF membership.

(D) Incorrect. EDLI is a mandatory (not opt-in) scheme; exemption for a better group insurance scheme must be formally granted by the EPFO and is not automatic.

Answer: (A)

Sol.12.

Solution

Topic: ESI Act, 1948 – Medical Benefit (s. 49), Sickness Benefit (s. 46(1)(a)), and Maternity Benefit.

Under the ESI Act, 1948: (i) Section 49 entitles the insured person *and their spouse* to medical treatment at ESI dispensaries and hospitals. (ii) Section 46(1)(a) provides ordinary sickness benefit as a cash payment at 70% of wages for up to 91 days per year; enhanced sickness benefit is payable at 100% wages for prolonged illness (listed diseases) or sterilisation. (iii) The ESI Act provides maternity benefit at 100% wages for 26 weeks (12 weeks from the third child onwards); this supersedes the Maternity Benefit Act, 1961 for women covered under the ESI Act.

(A) Incorrect. ESI maternity benefit is 26 weeks (not 12); there is no provision for a 30% wage deduction; ordinary sickness benefit is 70% (not 100%).

(B) Incorrect. ESI maternity benefit is paid at 100% wages (not 50%); medical benefit under s. 49 does extend to the insured person's spouse; sickness benefit is 70% (not 60%).

(C) Correct. 100% wages maternity benefit for 26 weeks (ESI supersedes MBA); 70% wages sickness benefit for 91 days; s. 49 medical benefit for insured person and spouse.

(D) Incorrect. The ESI Act supersedes the Maternity Benefit Act for covered employees and provides 26 weeks (not 12 weeks) of maternity benefit.

Answer: (C)

Sol.13.

Solution

Topic: ESI Act, 1948 – Coverage of Contract Workers, Seasonal Factories, and ESIC.

Section 2(9) of the ESI Act, 1948 defines "employee" broadly to include any person employed for wages in or in connection with the work of a factory or establishment to which the Act applies, including persons employed by or through a contractor. Accordingly, Suresh Nair, engaged through M/s Reliable Manpower Services, qualifies as an "employee" for ESI purposes, and the principal employer (Ms. Iyer) is obligated to ensure ESI compliance in respect of him. The threshold for ESI coverage is establishments with 10 or more employees (some States have enhanced this to 20). Seasonal factories are generally not covered under the ESI Act. The Employees' State Insurance Corporation (ESIC) is established under s. 3 as the apex statutory body.

(A) Incorrect. Contract workers are included in the broad definition of "employee" under s. 2(9); seasonal factories are generally not covered on a par with perennial factories.

(B) Incorrect. The threshold is 10 employees in most States (not 20 universally); seasonal factories are not automatically covered on a par; and the principal employer shares responsibility for ESI compliance for contract workers.

(C) Incorrect. Mines, railways, and government servants are generally *excluded* from the ESI Act (covered by their own schemes); and contract workers are "employees" under s. 2(9).

(D) Correct. Section 2(9) includes contract workers; 10-employee threshold (some States 20); seasonal factories generally not covered; ESIC established under s. 3.

Answer: (D)

Sol.14.

Solution

Topic: Maternity Benefit Act, 1961 – Medical Bonus (s. 8), Nursing Breaks (s. 11), and Crèche Facility (s. 11A).

Section 8 of the Maternity Benefit Act, 1961 requires the employer to pay a medical bonus of Rs. 3,500 to a woman employee if pre-natal and post-natal care is not provided free of charge by the employer. Section 11 entitles every nursing mother to two nursing breaks of 15 minutes each per day (in addition to the regular rest interval) until the child attains 15 months of age. Section 11A, inserted by the Maternity Benefit (Amendment) Act, 2017, requires employers having 50 or more employees to provide a crèche facility within a prescribed distance from the establishment. Techwave Solutions, with 60 employees, is obligated under s. 11A. Contravention of the Act attracts imprisonment up to 1 year and/or fine under s. 21.

(A) Incorrect. Medical bonus under s. 8 is a statutory entitlement—not conditional on a prior written request; nursing breaks under s. 11 are a statutory right, not discretionary.

(B) Correct. Accurately states: Rs. 3,500 medical bonus (s. 8); two 15-minute nursing breaks until 15 months (s. 11); crèche for 50+ employee establishments (s. 11A); imprisonment and/or fine for contravention.

(C) Incorrect. The Maternity Benefit Act applies to all establishments within its scope, including IT and software companies; it is not restricted to Factories Act-covered factories.

(D) Incorrect. Medical bonus is not limited to employers with fewer than 10 employees; crèche is mandatory at 50 employees (not 100); nursing break entitlement is two breaks of 15 minutes each (not one break of 30 minutes).

Answer: (B)

Sol.15.

Solution

Topic: Payment of Gratuity Act, 1972 – Forfeiture under s. 4(6).

Section 4(6) of the Payment of Gratuity Act, 1972 provides for two distinct categories of forfeiture: **Partial forfeiture under s. 4(6)(a):** Where service is terminated due to an act of wilful omission or negligence by the employee causing loss, damage, or destruction of property belonging to the employer, the gratuity shall be forfeited only to the extent of the loss or damage caused—not wholly. **Total forfeiture under s. 4(6)(b):** Where the service of an employee is terminated for riotous or disorderly conduct or any act of violence or for any act constituting an offence involving moral turpitude committed in the course of employment, the gratuity shall be wholly forfeited. A prior criminal conviction is *not* a prerequisite for forfeiture under s. 4(6)(b).

(A) Correct. Deepak Joshi—wilful negligence causing loss: partial forfeiture under s. 4(6)(a), limited to Rs. 2 lakh (extent of damage); Renu Bai—riotous and violent conduct: total forfeiture under s. 4(6)(b); no criminal conviction required for s. 4(6)(b) forfeiture.

(B) Incorrect. The Payment of Gratuity Act expressly provides for forfeiture in specified circumstances; a criminal conviction is not a prerequisite.

(C) Incorrect. Partial forfeiture (limited to the extent of loss or damage) is a distinct and express provision under s. 4(6)(a); total forfeiture is reserved for the graver categories in s. 4(6)(b).

(D) Incorrect. Forfeiture is effected by the employer's order in appropriate cases; the Controlling Authority adjudicates disputes over forfeiture but does not initiate an independent enquiry as a precondition.

Answer: (A)

Sol.16.

Solution

Topic: Contract Labour (Regulation and Abolition) Act, 1970 – Principal Employer's Liability under ss. 20 and 21(4).

Section 21(4) of the CLRA, 1970 expressly provides that if the contractor fails to pay wages to the contract workers within the prescribed period, the principal employer shall be liable to pay those wages and may recover the amount so paid from the contractor. Section 20 similarly places on the principal employer the obligation to provide statutory welfare amenities (canteen, rest rooms, drinking water, etc.) if the contractor defaults, again with a right to recover the cost from the contractor. Non-compliance is an offence punishable under s. 23 with imprisonment and/or fine. The Supreme Court has held that contract workers engaged at the premises of the principal employer may, in appropriate circumstances, be treated as employees of the principal employer for the purposes of ESI and EPF obligations.

(A) Incorrect. The CLRA expressly imposes liability on the principal employer under ss. 20 and 21(4) in the event of the contractor's default.

(B) Incorrect. Contractor insolvency is not a condition for triggering s. 21(4) liability; the obligation arises upon any failure by the contractor to pay wages within the prescribed period.

(C) Correct. Section 21(4) wage liability on default; s. 20 welfare facility obligation; s. 23 penalties; Supreme Court's position on ESI/EPF coverage of contract workers accurately stated.

(D) Incorrect. No written guarantee from the principal employer is required; the statutory liability under s. 21(4) arises directly by operation of law.

Answer: (C)

Sol.17.

Solution

Topic: Minimum Wages Act, 1948 – Minimum Time Rate (s. 12), Daily Wage Guarantee (s. 11), Overtime (s. 14), and Penalty (s. 22).

Section 12 of the MWA, 1948 entitles every worker—whether paid by time or by piece—to receive at least the minimum rate of wages. If a piece-rate worker's actual earnings fall below the minimum time rate for the hours worked, the employer must make up the shortfall. Section 11 provides that where a minimum wage has been fixed as a time rate, the employer must pay at least the minimum wage for the normal working day even if less work was available during that day. Section 14 prescribes overtime: for every hour (or part thereof) worked in excess of the normal working hours, the employer must pay at double the ordinary wage rate or double the minimum wage rate, whichever is higher. Failure to pay minimum wages is a criminal offence under s. 22 (imprisonment up to 6 months and/or fine).

(A) Incorrect. Section 12 expressly extends the minimum time-rate protection to piece-rate workers; the MWA is not irrelevant to piece-rate arrangements.

(B) Incorrect. Section 11 requires the employer to pay the minimum daily wage even when less work was available; merely offering hours is insufficient.

(C) Incorrect. Overtime under the MWA is at *double* the ordinary rate (not 1.5 times); piece-rate workers are entitled to the minimum time rate when working (not only when idle).

(D) Correct. Section 12 (minimum time rate for piece-rate workers); s. 11 (daily minimum even if less work available); s. 14 (double-rate overtime); s. 22 (criminal penalty for non-payment).

Answer: (D)

Sol.18.

Solution

Topic: IDA 1947 – Unfair Labour Practices by Trade Unions (Fifth Schedule, Part II; s. 25T).

The Fifth Schedule to the IDA is divided into two parts. Part I enumerates unfair labour practices by employers; Part II enumerates unfair labour practices by trade unions. The latter includes: calling or instigating an illegal strike; coercing workmen to join or refrain from joining any union by use of violence, intimidation, or threats; and engaging in acts of force or violence during industrial disputes. Section 25T prohibits both employers and trade unions from committing unfair labour practices. An aggrieved party may apply directly to the Labour Court or Tribunal under s. 25T. The Labour Court has the power to impose fines on the union, direct payment of wages lost by workers during an illegal strike, and hold individual union members liable.

(A) Incorrect. Part II of the Fifth Schedule expressly lists unfair labour practices by trade unions; unions are not immune from liability under the IDA.

(B) Correct. Accurately describes Part II of the Fifth Schedule; the s. 25T remedy before the Labour Court; the Labour Court's powers to impose fines, direct wage payment, and hold individual members liable.

(C) Incorrect. Calling an illegal strike is an independent unfair labour practice under Part II; it does not require a concurrent lockout application by the employer.

(D) Incorrect. Labour Courts have direct jurisdiction under s. 25T to adjudicate complaints of unfair labour practices; jurisdiction is not confined to the Ministry of Labour.

Answer: (B)

Sol.19.

Solution

Topic: Factories Act, 1948 – Seasonal Factories and Exemptions (s. 2(m) proviso; ss. 52, 79).

The proviso to s. 2(m) of the Factories Act, 1948 defines a "seasonal factory" as a factory that is engaged exclusively in one or more of the following seasonal activities: manufacture or preparation of articles of an intermittent or seasonal nature, including fish curing, coffee curing, rice milling, oil milling, cotton ginning, jute pressing, tobacco manufacture, and sugar manufacture. Seasonal factories are entitled to less stringent requirements: the leave provisions in s. 79 apply differently to seasonal workers; the weekly holiday under s. 52 may be observed on an alternative day for continuous-process and seasonal factories; and the Chief Inspector may grant exemptions for intermittent operations or urgent repairs. Seasonal factories are distinct from perennial factories and are not required to comply with all provisions in the same manner.

(A) Correct. Fish curing is expressly listed as a seasonal activity under the s. 2(m) proviso; seasonal factories benefit from relaxed leave provisions (s. 79), weekly holiday flexibility (s. 52), and Chief Inspector exemption powers.

(B) Incorrect. The concept of a "seasonal factory" is expressly defined in the proviso to s. 2(m) of the Factories Act.

(C) Incorrect. Seasonal factories are not exempt from health, safety, and welfare provisions; the relaxations are confined to leave and working-hour provisions.

(D) Incorrect. Seasonal factory workers do not have a reduced qualifying threshold of 120 days for annual leave; the 240-day threshold under Chapter VIII applies to perennial factories, while s. 79 specifically governs leave entitlements for seasonal factory workers.

Answer: (A)

Sol.20.

Solution

Topic: Workmen's Compensation Act, 1923 – Commuting Accidents and the Course of Employment.

The Workmen's Compensation Act, 1923 covers accidents that arise "out of and in the course of employment." A commuting accident sustained by a worker on a public road using his or her personal vehicle, without any involvement of the employer, does not generally arise "out of and in the course of employment" and is therefore not covered. However, where the employer provides dedicated transport (a vehicle used exclusively for transporting employees to and from work), an accident during that journey has been held to be covered. In *Mackinnon Mackenzie & Co. Ltd. v. Ibrahim Mohammed Issak*, the Supreme Court held that an accident occurring in the employer-provided, employer-controlled transport vehicle was covered. Similarly, an accident sustained by a worker in an employer-run canteen during an authorised break may also be covered. Indian law does not follow the UK approach of covering all commuting accidents.

(A) Incorrect. Both accidents are not automatically covered; Rajan Pillai's personal-vehicle commute on a public road without employer involvement is generally not covered.

(B) Incorrect. Meena Thomas's accident in the company-provided transport vehicle used exclusively for employees is clearly covered; the Act does cover accidents occurring outside the premises where the employer-provided transport is involved.

(C) Correct. Rajan Pillai's personal-vehicle commute is not covered; Meena Thomas's accident in the company bus is covered per *Mackinnon Mackenzie*; employer-provided transport and employer-run canteen accidents during authorised breaks may also be covered.

(D) Incorrect. Indian law does not adopt the UK position of covering all commuting accidents; the degree of employer control and involvement in the transport is the determinative factor.

Answer: (C)

ANSWER KEY

1	D	2	B	3	A	4	C	5	D
6	B	7	A	8	C	9	D	10	B
11	A	12	C	13	D	14	B	15	A
16	C	17	D	18	B	19	A	20	C