



**Motherhood International Journal of Multidisciplinary
Research & Development**

A Peer Reviewed Refereed International Research Journal

Volume II, Issue II, February 2018, pp. 07-22

ONLINE ISSN-2456-2831



Entrepreneurship and Labour Laws in India

¹Dr. D.C. Agrawal & ²Sapna Singh

¹Professor, Faculty of Commerce & Business Studies & ²Asst. Professor, Faculty of Legal Studies
Motherhood University, Roorkee
Uttarakhand

Abstract

India is a growing economy and this growth continue in coming decade also. In last 10 years Indian GDP grew at the rate of 6-8 % per annum. Out of this much growth is seen in service sector than manufacturing sector. A lot many experts feel that India can grow much faster if there is labor law reforms , they also feel that India could become the manufacturing hub if labor law reforms are done. We have seen in last 10-15 years Chinese economy grew by at the rate of more than 10% , and main growth happened in manufacturing sector. In this study we try to reveal rigidities of Indian Labor Laws and how we can reform them for better economic environment for faster economic growth if India.

Keywords – Indian labor laws

Introduction

In 1970 India GDP was USD 59.6 billions and China was USD 89.6 billions i.e. just 30 % more than India. In 2016 India GDP was USD 2251 billions and China was USD 16090 billions i.e. 700 – 800 % increase. There are many reason for that out those, Indian Labor Laws are one of them. Studying and reformation in Indian Labor Laws is always a very sensitive issue. The issue becomes more critical due to stronghold of organized and unorganized labor unions and political patronage. The purpose of this study is to highlight the difference between Indian labor laws and Chinese labor laws so that we can do labor reforms in India also to attract more foreign direct investment in manufacturing sector and make our products more cost competitive.

History of labor laws in India – The important labor laws in India were enacted during British time, some amendment were done after independence also.

The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (EPF ACT and PF Forms)-- The EPF & MP Act, 1952 is created for the purpose of social welfare of an employee. Any factory or establishment engaging 20 or more employees, whether directly or through contractors is liable to be covered under this Act.

Basic Wages – The contribution is calculated on the basic wages and dearness allowance but does not include food allowance, house rent allowance (HRA), overtime allowance, bonus, commission etc.

Wage Limit – The wage limit to be covered under this Act is Rs.15,000/- per month.

Quantum of Contribution – The contribution of the employer shall be calculated at 10% of the wages in general and 12% in certain classes of establishment as prescribed by the Central Government. An employee shall pay the equal share of contribution as paid by his employer.

Penalty for Default of Payment by the Employer – An employer is liable to pay damages on being a defaulter. However, this can extend up to imprisonment of 3 years and a fine of Rs.10,000/-

Voluntary Contribution – An establishment having less than 20 employees can also cover itself voluntarily under the EPF & MP Act, 1952 unlike the ESI Act, 1948 which does not allow voluntary coverage.

2. The Employees' State Insurance Act, 1948 -- The Employees' State Insurance Act, 1948 primarily gives medical treatment and benefits to the insured persons under this Act and is applicable to any company engaging more than 10 employees drawing salary less than Rs.15,000/- pm.

Share of Contribution – Under this ESI Act, the employer pays – 4.75% and employee pays 1.75% of the wages/ salary.

Wages/ salary under the ESI Act – Wages/ Salary includes basic, Dearness Allowance, House Rent Allowance (HRA), overtime allowance, incentive, bonus, food allowance etc.

Payment of Contribution – Contributions have to be deposited by the employer by 21st day of the following month.

Procedure of Coverage Under the ESI Act – The Social Security Officer (SSO) of the ESI Corporation after inspecting a particular company and finding 10 or more employees drawing salary of less than Rs.15,000/- per month, covers the company under the Employees' State Insurance Act, 1948. A notice under Form C-11 is issued to the company seeking explanation to the company as to why the company should not be covered under this Act. Once the aspect of coverage is decided, the ESI Corporation calculates the quantum of contribution and sends notice

in Form C-18 asking for paying the contribution after giving an opportunity of hearing to the company. Upon hearing the company, order Under Section 45A of the ESI Act, 1948 is passed. This order can be either challenged Under Section 45AA of the ESI Act, 1948 before the Appellate Authority or can be directly challenged Under Section 75 of the ESI Act, 1948 before the Learned Judge, EI Court.

A labour law advocate in Kolkata specialised in ESI matter will be able to guide you more efficiently in this regard.

3. Apprentices Act, 1961 --In exercise of the powers conferred by sub-section (1) of section 37 of the Apprentices Act, 1961 (52 of 1961), and after consulting the Central Apprenticeship Council, the Central Government hereby makes the following rules in super session of the Apprenticeship Rules, 1962.

4. Contract Labour (Regulation & Abolition) Act, 1970 – The main purpose of the CLRA Act, 1970 is to regulate the employment of contract labours. It is applicable to an establishment also known as the principal employer that engages 20 or more contract labours and also to the contractor through whom such 20 or more contract labours are engaged.

Registration and Revocation of Licence – The principal employer or the contractor must obtain the necessary licence for the purpose of registration after payment of prescribed fees. The licence is valid for a particular period and can be revoked when it is obtained through misrepresentation or suppression of material facts.

Prohibition on Contract Labours' Employment – Only the “Appropriate Government” by way of issuing a notification can prohibit employment of contract labours.

Responsibilities of The Contractors – If a contractor engages 100 or more contract labours, then he must provide facilities like canteens, first aids, latrines, drinking water, rest rooms etc.

Payment of Wages – The contractor should pay wages as fixed or prevailing to the contract labours in timely manner in presence of a representative of the principal employer.

Liability of the Principal Employer – The principal employer shall ensure the provisions of toilets, rest rooms, drinking water, canteen etc. to the contract labours. However, the principal employer is also entitled to recover the cost of such provisions provided by him while making payment to the contractor.

The Contract Labor (Regulation & Abolition) Act

The Object of the Contract Labour Regulation and Abolition) Act, 1970 is to prevent exploitation of contract labour and also to introduce better conditions of work. A workman is deemed to be employed as Contract Labour when he is hired in connection with the work of an

establishment by or through a Contractor. Contract workmen are indirect employees. Contract Labour differs from Direct Labour in terms of employment relationship with the establishment and method of wage payment. Contract Labour, by and large is not borne on pay roll nor is paid directly. The Contract Workmen are hired, supervised and remunerated by the Contractor, who in turn, is remunerated by the Establishment hiring the services of the Contractor.

Registration And Licensing

The Act applies to the Principal Employer of an Establishment and the Contractor where in 20 or more workmen are employed or were employed even for one day during preceding 12 months as Contract Labour. For the purpose of calculating the number, contract labour employed for different purposes through different contractor has to be taken into consideration. This Act does not apply to the Establishments where work performed is of intermittent or seasonal nature. If a Principal Employer or the Contractor falls within the vicinity of this Act then, such Principal Employer and the Contractor have to apply for Registration of the Establishment and License respectively. The contractor The Act also provides for Temporary Registration in case the Contract Labour is hired for a period not more than 15 days. Any change occurring in the particulars specified in the Registration or Licensing Certificate needs to be informed to the concerned Registering Officer within 30 days of such change. From combined reading of Section 7 and Rules 17 & 18 of the Contract Labour (Regulation and Abolition) Central Rules, 1971, it appears that the Principal Employer has to apply for registration in respect of each establishment. Other important point to note is that a License issued for One Contract cannot be used for entirely different Contract work even though there is no change in the Establishment.

4. The Factories Act, 1948--The main objective of the Factories Act, 1948 is to ensure a safe environment for the persons working inside a factory. The Act is applicable to any premises involved in manufacturing process engaging 10 or more people with the aid of power or 20 or more people without the aid of power.

Prohibition of Children in the Factory – No person below the age of 14 can be allowed to work in the factory. Any person between the ages of 14-18 years working in the factory has to carry a certificate of fitness and cannot work for more than 4 and half hours excluding in night shift.

Working Hours in the Factory – A person can work up to 48 hours in a week and not more than 9 hours daily. Upon completion of 5 hours of continuous work, 30 minutes break is to be given to the person working. Women cannot work in a factory between 7 PM to 6 AM.

Overtime Wages – Overtime wages should be double of the normal rate of wages.

Leave with Wages – A person is entitled to 1 day leave per 20 days of work, provided he worked for 240 days in a year. Up to 30 days leave can be accumulated under the Factories Act, 1948.

Basic Facilities and Safety Measures – The employer shall ensure in such a way that sufficient safety measure is provided to the workers while working with machines. Basic hygiene facilities like cleanliness, drinking water, ventilation, proper lighting, dust control, washing facility, first aid, canteen, crèches, shelters, labour office etc. are essential in a factory.

Penal Provisions – The maximum punishment for any kind of violation of the provisions of the Factories Act, 1948 and Rules framed there under is 2 years of imprisonment or fine up to Rs.1,00,000/-

5. Minimum Wages Act,1948-- In a labour surplus economy like India wages couldn't be left to be determined entirely by forces of demand and supply as it would lead to the fixation of wages at a very low level resulting in exploitation of less privileged class. Keeping this in view, the Government of India enacted the Minimum Wages Act, 1948. The purpose of the Act is to provide that no employer shall pay to workers in certain categories of employments wages at a rate less than the minimum wage prescribed by notification under the Act. In fact the sole purpose of this act is to prevent exploitation of sweated and unorganised labour, working in competitive market.

The Act provides for fixation / periodic revision of minimum wages in employments where the labour is vulnerable to exploitation. Under the Act, the appropriate Government, both Central and State can fix / revise the minimum wages in such scheduled employments falling in their respective jurisdiction.

The term 'Minimum Wage Fixation' implies the fixation of the rate or rates of minimum wages by a process or by invoking the authority of the State. Minimum wage consists of a basic wage and an allowance linked to the cost of living index and is to be paid in cash, though payment of wages fully in kind or partly in kind may be allowed in certain cases. The statutory minimum wages has the force of law and it becomes obligatory on the part of the employers not to pay below the prescribed minimum wage to its employees. The obligation of the employer to pay the said wage is absolute. The process helps the employees in getting fair and reasonable wages more particularly in the unorganised sector and eliminates exploitation of labour to a large extent. This ensures rapid growth and equitable distribution of the national income thereby ensuring sound development of the national economy.

It has been the constant endeavour of the Government to ensure minimum rates of wages to the workers in the sweated industries and which has been sought to be achieved through the fixation of minimum wages, which is to be the only solution to this problem.

6. The Industrial Disputes Act, 1947-- The main objective of the industrial Disputes Act, 1947 is to investigate and thereafter come to a settlement of any industrial disputes, primarily between employers and employees. A workman having no supervisory or administrative capacity can raise an industrial dispute before the competent authority. Furthermore, collective disputes can also be raised by the union.

Procedure of Raising an Industrial Dispute – First, the aggrieved workman has to raise the industrial dispute before his employer. If the employer does not give any reply or gives an unsatisfactory reply, then the workman can file a complaint before the Labour Commissioner for conciliation. If the Labour Commissioner fails to solve the dispute, then the workman can file a complaint before the Labour Court/ Industrial Tribunal for further adjudication.

Time Limit for Raising the Dispute – A workman must file the complaint before the Labour Court/ Industrial Tribunal within three years from the date of his alleged termination by his employer.

Power of Labour Court – The Industrial Tribunals/ Labour Courts have the power to modify the punishment awarded to a workman and to give appropriate relief to the workman including reinstatement and back wages.

Interim Relief to the Workman – A workman can ask for interim relief (last drawn wages) when the award of reinstatement passed by the Labour Court/ Industrial Tribunal is challenged by his employer in the High Court.

Unfair Labour Practice – Unfair labour practice as defined Under Section 25-T of the Industrial Disputes Act, 1947 is illegal and both employer and union practicing it are liable to be punished.

Conditions for Lay Off – If an employer is unable to run the business due to shortage of coal, power, raw material, accumulation of stock, natural calamity and breakdown of machinery, then it can lay off provided prior permission during preceding 12 months is taken when the number of employees is more than 100. An employer is liable to pay lay off compensation to a workman at 50% of Basic +Dearness Allowance for a maximum period of 45 days.

Procedure of Retrenchment and Compensation – A workman can be retrenched by his employer only on “last come first go” basis with prior permission of the Government if the total number of workmen is more than 100. Retrenchment compensation has to be paid @15 days’ last drawn wages per year for every completed year along with one month’s wages to the retrenched employee.

Closure – Closure notice has to be given 60 days in advance in general. In case the employer has more than 100 employees then a notice has to be given 90 days in advance to the office of the Labour Commissioner.

8. The Maternity Benefit Act, 1961 -- No employer shall knowingly employ a woman in any establishment during the six weeks immediately following the day of her delivery or miscarriage and no woman shall work in any establishment during the said period.

2. No pregnant woman shall, on a request being made by her in this behalf, be required by her employer to do, during the period of one month immediately preceding the period of six weeks,

before the date of her expected delivery and at any time during this period of six weeks for which she does not avail of leave of absence, any work which is of an arduous nature or which involves long-hours of standing, or which in any way is likely to interfere with her pregnancy or the normal development of the fetus, or is likely to cause her miscarriage or other wise to adversely affect her health.

3. (1).Subject to the provisions of the Act, every woman who has actually worked in an establishment of the employer from whom she claims maternity benefit for a period of not less than one hundred and sixty days, in the twelve months immediately preceding the date of her expected delivery (including the days during which she was laid off during the period of such twelve months), shall be entitled to, and her employer shall be liable for the payment of maternity benefit at the rate of her average daily wage, or [one rupee a day, whichever is higher, for the period of her actual absence not exceeding six weeks immediately preceding and including the day of her delivery and for the six weeks immediately following that day: Provided that,-

(i) where a woman dies during the period for which maternity benefit is payable to her, the benefit shall be payable only for the days up to and including the day of her death.

(ii) Where the woman having been delivered of a child, dies, during her delivery or during the period of six weeks immediately following the date of her delivery, leaving behind in either case the child, the employer shall be liable for the payment of maternity benefit for the entire period of six weeks immediately following the day of her delivery but if the child also dies during the said period, then for the days up to and including the day of the death of the child.

4. The amount of benefit for the period preceding the date of her expected delivery shall be paid in advance by the employer to the woman on production of a certificate from a registered medical practitioner in Form 2 appended to the Maharashtra Maternity Benefit Rules, 1961 (hereinafter referred to as “the Maternity Benefit Rules”) in evidence of the fact that she is pregnant and expected to be delivered of a child within six weeks of the date on which the certificate is produced by her, and the amount due for the subsequent period shall be paid by the employer to the woman within forty-eight hours of production of a certificate in the aforesaid Form from a registered medical practitioner or of a certificate from a registered midwife in Form 3 appended to the maternity Benefit Rules or of a certified extract from any register of birth maintained under the provisions of any law for the time being in force relating to registration of births, in evidence of the fact that she has been delivered of a child.

5. (1) Any woman employed in an establishment and entitled to maternity benefit under the provisions of the Act may give notice in writing in Form 1 appended to the Maternity Benefit rules to her employer, stating that her maternity benefit and any other amount which she may be entitled under the act may be paid to her or to such person as she may nominate in the notice and that she will not work in any establishment during the period for which she receives maternity benefit.

(2) In the case of a woman who is pregnant, such notice shall state the date from which she will be absent from work, not being a date earlier than six weeks from the date of her expected delivery.

(1) Any woman who has not given the notice when she was pregnant may give such notice as soon as possible after the delivery.

(2) On receipt of the notice, the employer shall permit such woman to absent herself from the establishment until the expiry of six weeks after the day of her delivery.

6. (1) Every woman entitled to maternity benefit under the Act shall also be entitled to receive from her employer a medical bonus of [amount is increased to Rs.250/- from 19.1.1989], if no pre-natal confinement and post-natal care is provided for by the employer from of charge. The medical bonus shall be paid along with the second installment of the maternity benefit.

(2) In case of miscarriage, a woman shall, on production of a certificate from a registered medical practitioner in Form 2 appended to the Maternity Benefit Rules or of a certificate from a registered midwife in Form 3 appended to those rules be entitled to leave with wages at the rate of maternity benefit, for a period of six weeks immediately following the day of her miscarriage. The said wages shall be paid within forty-eight hours of production of the certificate in Form 2 or Form 3, as the case may be.

(3) A woman suffering from illness arising out of pregnancy, delivery premature birth of child or miscarriage shall, on production of a certificate from a registered medical practitioner in Form 2 appended to the Maternity Benefit Rules be entitled, in addition to the period of absence allowed to her on account of maternity or miscarriage, as the case may be, to leave with wages at the rate or maternity benefit for a maximum period of one month. The wages for the leave period shall be paid within forty-eight hours of production of proof of such illness.

7. Every woman delivered of a child who return to duty after such delivery shall, in addition to the interval for rest allowed to her, be allowed in the course of her daily work two breaks of fifteen minutes duration each for nursing the child until the child attains the age of fifteen months:

Provided that, having regard to the time reasonably required to a woman for reaching the creche or the place where her child is kept by her while on duty and for coming back to the place of duty, the duration of each such break shall be extended by not less than five and not more than fifteen by woman for the aforesaid purpose, each such break shall be extended by such time as may be determined by Competent Authority.

8. (1) When a woman absents herself from work in accordance with the provisions of the Act, it shall be unlawful for her employer to discharge or dismiss her during or on account of such absence or to give notice of discharge or dismissal on such a day that the notice will expire during such absence, or to vary to her disadvantage any of the conditions of her service.

(2) (a) The discharge or dismissal of a woman at any time during her pregnancy, if the woman but for such discharge or dismissal would have been entitled to maternity benefit or medical bonus shall not have the effect of depriving her of the maternity benefit or medical bonus :
Provided that, where the dismissal is for any of the following acts, the employer may, by order in writing communicated to the woman, deprive her of the maternity benefit or medical bonus or both:-

- (i) willfully destroying the goods or property of the employer;
- (ii) assaulting superiors or colleagues at the place of duty;
- (iii) criminal offence involving moral turpitude resulting in conviction by a court of law;
- (iv) theft, fraud or dishonestly in relation to the employer's business or in relation to the employer's property at the premises where the woman is employed;
- (v) wilful failure to observe the safety measures of the rules on that subject;
- (vi) wilfully interfering with safety devices or fire fighting equipment.

(b) Any woman deprived of maternity benefit or medical bonus or both may, within sixty days from the date on which the order of such deprivation is communicated to her, appeal in Form 5 appended to the Maternity Benefit rules to the Competent Authority and the decision of that authority on such appeal, whether the woman should or should not be deprived of maternity benefit or medical bonus or both, shall be final.

9. If a woman work in any establishment after she has been permitted by her employer to absent herself under the provisions of the Act for any period during such authorised absence, she shall forfeit her claim to the maternity benefit for such period.

10. (1) Any woman or her nominee or legal representative claiming that maternity benefit or any other amount to which she is entitled under the Act has been improperly withheld may make a complaint to the Inspector in writing in Form 6 or, as the case may be, Form 7 appended to the Maternity Benefit Rules.

(2) The Inspector may, of his own motion or on receipt of a complaint in Form 6 or 7 make an inquiry or cause an inquiry to be made and if satisfied the payment has been wrongfully withheld, may direct the payment to be made in accordance with his orders.

(3) Any person aggrieved by the decision of the Inspector may, within thirty days from the date on which such decision is communicated to such person, appeal to the competent authority.

(4) The decision of the competent authority where an appeal has been referred to it or of the Inspector where no such appeal has been preferred shall be final.

11. (a) The employer shall supply to every woman employed by him at her request copies of all Form appended to the Maternity Benefit Rules other than Forms 9, 10 and 11.

(b) Where a notice, appeal or complaint has been received in a form other than the form prescribed under the Act, the person receiving such notice, appeal or complaint shall, within fifteen days of the receipt of such notice, appeal or complaint, require the woman to submit the notice, appeal or complaint, as the case may be, in the prescribed form.

12. (1) The employer of every factory in which woman are employed shall prepare and maintain up-to-date a maternity benefit register in Form 10 appended to the maternity Benefit rules and shall enter therein particulars of all women workers in the factory.

(2) All entries in the register shall be made in ink and it shall always be available for inspection by the Inspector during working hours.

(3) The employer of every factory shall on or before the 15th day of January in each year submit to the Competent Authority a return in Form 11 appended to the Maternity Benefit rules.

9. The Payment of Bonus Act, 1965 --

The payment of Bonus Act provides for payment of bonus to persons employed in certain establishments on the basis of profits or on the basis of production or productivity and for matters connected therewith.

It extends to the whole of India and is applicable to every factory and to every other establishment where 20 or more workmen are employed on any day during an accounting year

Eligibility For Bonus

Every employee receiving salary or wages upto RS. 3,500 p.m. and engaged in any kind of work whether skilled, unskilled, managerial, supervisory etc. is entitled to bonus for every accounting year if he has worked for at least 30 working days in that year.

However employees of L.I.C., Universities and Educational institutions, Hospitals, Chamber of Commerce, R.B.I., IFCI, U.T.I. Social Welfare institutions are not entitled to bonus under this Act.

DISQUALIFICATION FOR BONUS

Notwithstanding anything contained in the act, an employee shall be disqualified from receiving bonus, if he is dismissed from service for fraud or riotous or violent behaviour while in the premises of the establishment or theft, misappropriation or sabotage of any property of the establishment.

Minimum/Maximum Bonus Payable

MINIMUM BONUS

1. The minimum bonus which an employer is required to pay even if he suffers losses during the accounting year or there is no allocable surplus is 8.33 % of the salary or wages during the accounting year, or
2. Rs. 100 in case of employees above 15 years and Rs 60 in case of employees below 15

years, at the beginning of the accounting year,
whichever is higher

MAXIMUM BONUS

If in an accounting year, the allocable surplus, calculated after taking into account the amount 'set on' or the amount 'set off' exceeds the minimum bonus, the employer should pay bonus in proportion to the salary or wages earned by the employee in that accounting year subject to a maximum of 20% of such salary or wages.

TIME LIMIT FOR PAYMENT

The bonus should be paid in cash within 8 months from the close of the accounting year or within one month from the date of enforcement of the award or coming into operation of a settlement following an industrial dispute regarding payment of bonus. However if there is sufficient cause extension may be applied for.

Calculation of Bonus

The method for calculation of annual bouns is as follow:

1. Calculate the gross profit profit in the manner specified in-
 1. First Schedule, in case of a banking company, or
 2. Second Schedule, in any other case.
2. Calculate the Available Surplus.

Available Surplus = A+B, where A = Gross Profit – Depreciation admissible u/s 32 of the Income tax Act – Development allowance – Direct taxes payable for the accounting year (calculated as per Sec.7) – Sums specified in the Third Schedule.

B = Direct Taxes (calculated as per Sec. 7) in respect of gross profits for the immediately preceding accounting year – Direct Taxes in respect of such gross profits as reduced by the amount of bonus, for the immediately preceding accounting year.

1. Calculate Allocable Surplus

Allocable Surplus = 60% of Available Surplus, 67% in case of foreign companies.

1. Make adjustment for 'Set-on' and 'Set-off'. For calculating the amount of bonus in

respect of an accounting year, allocable surplus is computed after considering the amount of set on and set off from the previous years, as illustrated in Fourth Schedule.

2. The allocable surplus so computed is distributed amongst the employees in proportion to salary or wages received by them during the relevant accounting year.

In case of an employee receiving salary or wages above Rs. 2,500 the bonus payable is to be calculated as if the salary or wages were Rs. 2,500 p.m. only.

Duties/Rights of Employer

DUTIES

1. To calculate and pay the annual bonus as required under the Act
2. To submit an annual return of bonus paid to employees during the year, in Form D, to the Inspector, within 30 days of the expiry of the time limit specified for payment of bonus.
3. To co-operate with the Inspector, produce before him the registers/records maintained, and such other information as may be required by them.
4. To get his account audited as per the directions of a Labour Court/Tribunal or of any such other authority.

RIGHTS

An employer has the following rights:

1. Right to forfeit bonus of an employee, who has been dismissed from service for fraud, riotous or violent behaviour, or theft, misappropriation or sabotage of any property of the establishment.
2. Right to make permissible deductions from the bonus payable to an employee, such as, festival/interim bonus paid and financial loss caused by misconduct of the employee.
3. Right to refer any disputes relating to application or interpretation of any provision of the Act, to the Labour Court or Labour Tribunal.

Rights of Employees

1. Right to claim bonus payable under the Act and to make an application to the Government, for the recovery of bonus due and unpaid, within one year of its becoming due.
2. Right to refer any dispute to the Labour Court/Tribunal Employees, to whom the Payment of Bonus Act does not apply, cannot raise a dispute regarding bonus under the

Industrial Disputes Act.

3. Right to seek clarification and obtain information, on any item in the accounts of the establishment.

Recovery of Bonus Due

1. Where any bonus is due to an employee by way of bonus, employee or any other person authorised by him can make an application to the appropriate government for recovery of the money due.
2. If the government is satisfied that money is due to an employee by way of bonus, it shall issue a certificate for that amount to the collector who then recovers the money.
3. Such application shall be made within one year from the date on which the money became due to the employee.
4. However the application may be entertained after a year if the applicant shows that there was sufficient cause for not making the application within time.

Offences and Penalties

For contravention of the provisions of the Act or rules the penalty is imprisonment upto 6 months, or fine up to Rs.1000, or both.

For failure to comply with the directions or requisitions made the penalty is imprisonment upto 6 months, or fine up to Rs.1000, or both.

In case of offences by companies, firms, body corporate or association of individuals, its director, partner or a principal officer responsible for the conduct of its business, as the case may be, shall be deemed to be guilty of that offence and punished accordingly, unless the person concerned proves that the offence was committed without his knowledge or that he exercised all due diligence

Criticism and Reforms -- India's labor regulations - among the most restrictive and complex in the world - have constrained the growth of the formal manufacturing sector where these laws have their widest application. Better designed labor regulations can attract more labor- intensive investment and create jobs for India's unemployed millions and those trapped in poor quality jobs. Given the country's momentum of growth, the window of opportunity must not be lost for improving the job prospects for the 80 million new entrants who are expected to join the work force over the next decade. In Uttam Nakate case, the Bombay High Court held that dismissing an employee for repeated sleeping on the factory floor was illegal - a decision which was

overturned by the Supreme Court of India. Moreover, it took two decades to complete the legal process. In 2008, the World Bank criticised the complexity, lack of modernisation and flexibility in Indian regulations

Relative regulations and rigidity in labor laws^[38]

Practice required by law	 India	 China	 United States
Minimum wage (US\$/month)	₹6,000 (US\$89) /month	182.5	1242.6
Standard work day	8 hours	8 hours	8 hours
Minimum rest while at work	30 minutes per 6-hour	None	None
Maximum overtime limit	200 hours per year ^[attribution needed]	432 hours per year^[41]	None
Premium pay for overtime	100%	50%	50%
Dismissal due to redundancy	Yes, if approved by government	Yes, without approval of government	Yes, without approval of government
Government approval required for 1 person dismissal	Yes	No	No
Government approval required	Yes	No	No

Relative regulations and rigidity in labor laws^[38]

Practice required by law	 India	 China	 United States
for 9 person dismissal			
Government approval for redundancy dismissal granted	Rarely	Not applicable	Not applicable
Dismissal priority rules regulated	Yes	Yes	No
Severance pay for redundancy dismissal of employee with 1-year tenure	2.1 week salary	4.3-week salary	None
Severance pay for redundancy dismissal of employee with 5-year tenure	10.7-week salary	21.7-week salary	None

Conclusion – There is need for reforms in labor laws in India which match with other emerging economies. Only then India can compete in world in manufacturing sector. Indian labor laws are very old they were never modernized as per today global trade. Also justice delivered time is very lengthy.

References

1. Jeanne Halladay Coughlin & Andrew R. Thomas, (2002) “The Rise of Women Entrepreneur- People, Processes and Global Trends”, Greenwood Publishing Group.
2. Medha Dubhashi Vinze (1987) Women Entrepreneurs In India: A Socio-Economic Study of Delhi - 1975-76, Mittal Publications, New Delhi.
3. Starcher, D. C. (1996). Women entrepreneurs: Catalysts for transformation : <http://www.ebbf.org/woman.htm>
4. A Reflection of the India women in Entrepreneurial World

5. Sharma Yogita, (2013), “Women Entrepreneur in India” Journal of Business and Management (IOSR-JBM)
6. Dr. Vijayakumar, A. and Jayachitra, S.(2012), Women entrepreneurs in India - Emerging issues and challenges, International Journal of Development Research
7. <http://www.businessstoday.in/powerful-businesswomen/2015/> 8. <http://www.womensweb.in/>