

# Labour Laws and Human Rights: A Converging Agenda

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## ABSTRACT

India is an emerging nation that heavily relies on its unorganized sector. Throughout history, the workers in the nation have faced exploitation and have been deprived of their fundamental human rights. Following independence, various actions were implemented at various points to address this issue and ensure the prioritization of Human Rights. In furtherance to international conventions and Constitutional requirements, multiple statutes were enacted to guarantee the rights of workers. There were approximately 44 laws have been enacted in India since independence to improve the welfare of workers and enhance working conditions in the workplace. These statutes encompassed various rights such as Right to minimum wages, Right to Maternity Leave and benefits, Right to Bonus, Right to insurance and other medical benefits, Right to compensation for injuries, and Right to safe working conditions. The abundance of statutes resulted in a huge mess and a tangle of complexities. In order to enhance accessibility for workers, the government has consolidated the key legislation into 4 Labour Codes.

Throughout the years, the judiciary has played a crucial role in safeguarding the human rights aspect of the labour laws. When determining cases, a purposive interpretation approach has been given to all the beneficial statutes while deciding cases. This research study thoroughly explains the evolution of labour laws in India, shedding light on the Human Rights aspect of labor laws through various judicial precedents and the rights guaranteed under statutes and newly introduced codes and this paper deepens our understanding of the relationship between labour law and human rights.

**Keywords:** Human Rights, Labour Laws, Workmen, Constitution of India, Maternity Leave, Right to live with dignity, Right to Minimum Wages, Right to Compensation, Constitutional Mandates.

## 1. Introduction

*“Article 21 assures the right to live with human dignity free from exploitation. The Central Government is therefore bound to ensure observance of various social, welfare and labour laws enacted by Parliament for the purpose of securing to the workmen a life of basic human dignity in compliance with the directive principles of the state policy.”<sup>1</sup>*

The Hon’ble Supreme Court of India has said that *“Right to life does not mean mere animal existence, but it means a dignified life with basic amenities and rights.”<sup>2</sup>* The concept of Human Rights encompasses the fundamental rights and freedoms that are inherently inherent to every individual solely by virtue of being human. These rights are universal, inalienable, and indivisible, and are grounded in the inherent

<sup>1</sup> Bandhua Mukti Morcha v. union of India, 1984 AIR 802, 1984 SCR (2) 67.

<sup>2</sup> *Ibid*

dignity and cannot be separated from one another. They are rooted in the inherent dignity and value of each person. When it comes to Labour Laws, Human Rights pertain to the entitlements of workers, including the right to a safe working environment, basic pay scale, and benefits such as insurance, maternity benefit, reasonable working hours, safety equipment, and medical benefit etc.

Approximately 81% of India's labour force operates within the informal sector, highlighting the significant reliance of the country's economy on this workforce. This sector primarily encompasses factories, manufacturing units, and construction companies, where employees lack fixed employment agreements. For many years, these workers in the informal sector workers had no job security, minimal benefits, very low pay, and frequently encountered hazardous working conditions and harmful environments. The challenges within this sector have been numerous and arduous. From the rights to achieving gender equality there was a noticeable absence. Women were particularly vulnerable to exploitation by employers. Safeguarding the fundamental human rights of workers posed challenges. Following independence India faced difficulties in establishing everything all at once. Human rights violations were rampant across the nation. To address this issue and align with conventions on labour rights various laws and regulations were put in place to safeguard worker's rights in accordance, with constitutional mandates and human rights aspects.

These legislations included – *The Factories Act, 1948, The Contract Labour (Regulation and Abolition) Act, 1970, The Building and Other Constructions Workers' (Regulation of Employment and Conditions of Service) Act, 1996, The Mines Act, 1952, Industrial Disputes Act, 1947, The Plantation Labour Act, 1951, Indian Trade Union Act, 1926, The Industrial Employment (Standing Orders) Act, 1946, The Minimum Wages Act, 1948, The Payment of Wages Act, 1936, The Payment of Bonus Act, 1965, The Equal Remuneration Act, 1976, The Employees' State Insurance Act, 1948, The Employees' Provident Funds & Miscellaneous Provisions Act, 1952, The Employee's Compensation Act, 1923, The Maternity Benefit Act, 1961, The Payment of Gratuity Act, 1972.*

The above-mentioned laws have proven to be very helpful, in transforming the situation in the sector. However, putting them into practice has posed challenges. The regulations created a tangled web that trapped workers. Previously employees had to fill out four forms due, to the nature of Acts to receive a single benefit. Consequently, the current government has eliminated labor laws. Out of all the labor statutes 29 have been substituted by the 4 Labor Law Codes. Following discussions and debates Parliament consolidated the provisions of each law under four categories and enacted the codes on it, namely,

1. Code on wages, 2019
2. Code on Social Security, 2020
3. Code on Occupational Safety, Health, and Working Conditions, 2020
4. Code on Industrial Relations, 2020.

This marks a significant milestone for India in safeguarding the rights of its labor force. Throughout the years, the judiciary has consistently adopted a constructive and purposeful approach in resolving disputes within this domain. This comprehensive research study will delve into the human rights aspects of labour laws, examining both their historical context and the judicial precedents that have shaped them.

## **2. Evolution of labour law in india**

Labour law in India has its roots in the early 20th century when the British colonial government introduced legislation to govern labour relations and enhance working conditions. During the British Raj, India adopted labour laws and practices that did not include rights such as freedom of association, fair wages,

wage equality, decent working conditions, and other labour rights.

The enactment of the Factories Act was a direct result of British lawmakers prioritizing their own interests. The British textile industry faced tough competition from Indian textiles in the global export market, leading influential textile tycoons from Manchester and Lancashire to pressure the British parliament in 1883. As a result, the Factories Act was implemented with the aim of increasing labor costs in India. This led to the introduction of various labor regulations in India, such as the requirement of an eight-hour workday, the prohibition of child labor, restrictions on women working at night, and the introduction of overtime pay for exceeding eight hours of work. While these measures were intended to improve the welfare of workers, it is clear that protectionism played a significant role in driving this legislation.

### **Pre-Independence Era**

The Trade Dispute Act of 1929<sup>3</sup> marked the earliest attempt in India to regulate the relationship between employers and their workers. While the Act included provisions to restrict the rights of strikes and lockouts, it lacked mechanisms to effectively resolve disputes. Following India's independence, there were substantial revisions to the colonial-era laws to ensure a harmonious collaboration between labor and capital.

In a tripartite conference held in December 1947, the terms of this partnership were unanimously agreed upon. The agreement stipulated that workers would be entitled to fair wages and favorable working conditions in exchange for the full cooperation of labor in boosting production and enhancing productivity, thereby contributing to the nation's economic development.

India has been a member of the International Labour Organization (ILO) since its establishment in 1919. It has ratified numerous conventions and recommendations put forth by the ILO and has incorporated them into its national laws and policies.

The ILO was founded in 1919 as a branch of the League of Nations, the predecessor of the United Nations, with the aim of advancing social justice and enhancing working conditions for laborers worldwide. The organization's Constitution was formulated during the Paris Peace Conference in 1919, and its inaugural annual conference took place in Washington, D.C. that same year. India has actively participated in the ILO and has played a significant role in shaping its policies and initiatives.

In 1998, the International Labour Conference reaffirmed the importance and universality of fundamental labor rights and human rights, emphasizing that all member states have a duty to uphold, promote, and fulfill these fundamental rights as outlined in the ILO Conventions, namely: (a) freedom of association and the effective recognition of the right to collective bargaining; (Article 2). Considering that nearly every country and territory is part of the ILO, and the significant increase in the number of independent States since 1919, this reiteration is truly remarkable.

### **Post – Independence Era**

The labor laws of independent India draw their foundations, inspiration, and strength from various sources. Firstly, they are influenced by the ideas put forth by prominent nationalist leaders during the national freedom movement. Secondly, they are shaped by the discussions held in the Constituent Assembly. Thirdly, they are derived from the provisions of the Constitution itself, as well as from international conventions and recommendations. Additionally, the labor laws are motivated by significant human rights principles and the treaties and standards established by the United Nations. In the post-independence era, the Indian government took proactive measures to enact several labor legislations aimed at safeguarding

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<sup>3</sup> (Act 7 of 1929).

the rights of workers and regulating labor relations in the country.

Here are some of the significant labor legislations enacted post-independence:

1. ***The Industrial Disputes Act of 1947***: This legislation governs the resolution of conflicts between employers and workers in India. It also establishes industrial tribunals and labor courts to expedite dispute resolution.<sup>4</sup>
2. ***The Minimum Wages Act of 1948***: This act ensures the establishment of minimum wages for workers in specific employments.<sup>5</sup>
3. ***The Payment of Bonus Act of 1965***: This legislation mandates the payment of bonuses to employees working in certain establishments.<sup>6</sup>
4. ***The Employees' Provident Funds and Miscellaneous Provisions Act of 1952***: This act establishes a provident fund for workers in designated establishments, with contributions from both the employer and the employee.<sup>7</sup>
5. ***The Factories Act of 1948***: This act regulates the working conditions in factories and enforces safety, health, and welfare measures for workers.<sup>8</sup>
6. ***The Contract Labour (Regulation and Abolition) Act of 1970***: This act governs the employment of contract labor in specific establishments and ensures their welfare measures.<sup>9</sup>
7. ***The Maternity Benefit Act of 1961***: This act ensures that female employees are entitled to maternity benefits such as paid time off and access to medical services.<sup>10</sup>
8. ***The Child Labour (Prohibition and Regulation) Act of 1986***: This act strictly prohibits the employment of minors in specific industries and sets guidelines for the working conditions of children in other sectors.<sup>11</sup>

The aforementioned legislations brought forth numerous rights for the workmen. This marked the commencement of a fresh era in India, where Human Rights are safeguarded and ensured through these legislations. It was a significant stride for India, a developing nation that had previously endured the brutal oppression of British colonialism. The exploitation was immeasurable. Nevertheless, India, through the fundamental framework of its Constitution, has been proactive in bestowing the Right to Life with dignity upon the workmen.

### **Constitutional Mandates**

The Constitution of India upholds the significance of human dignity and emphasizes the protection and preservation of labour rights. This is in accordance with the Fundamental Rights and Directive Principles of State Policy. Labour is considered a concurrent subject in the Indian Constitution, which means that both the Union and state governments have the authority to enact legislation and oversee labor-related issues.

Here are some of the key labor and human rights protected by the Indian Constitution:

1. ***Right to Equality, Article 14***: This provision ensures that all individuals are treated equally before the law and are entitled to equal protection under the law, regardless of gender, caste, religion, or any other

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<sup>4</sup> The Industrial Disputes Act, 1947, Act No. 14 of 1947.

<sup>5</sup> The Minimum Wages Act, 1948, Act No. 11 of 1948

<sup>6</sup> The Payment of Bonus Act, 1965

<sup>7</sup> Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (No. 19 of 1952).

<sup>8</sup> The Factories Act, 1948 (Act No. 63 of 1948), as amended by the Factories (Amendment) Act, 1987 (Act 20 of 1987)

<sup>9</sup> Contract Labour (Regulation and Abolition) Act 1970 (Act No. 37 of 1970).

<sup>10</sup> The Maternity Benefit Act, 1961, (ACT NO. 53 OF 1961).

<sup>11</sup> Child Labour (Prohibition and Regulation) Act 1986 (No. 61 of 1986).

factors.

2. **Right to Freedom, Articles 19-22:** These articles guarantee various freedoms such as freedom of speech, assembly, and association, which are crucial for the establishment and operation of trade unions and workers' organizations.
3. **Right against Exploitation, Articles 23-24:** These articles prohibit practices such as human trafficking, forced labour, and child labour.
4. **Right to Life and Personal Liberty, Article 21:** This article safeguards individuals from being deprived of their life or personal liberty without due process of law. It also includes the right to a safe working environment, fair wages, and benefits.
5. **Right to Education, Article 21A:** This article mandates free and compulsory education for children aged six to fourteen, ensuring they are not engaged in hazardous or exploitative work and have the opportunity to acquire skills for decent employment.
6. **Directive Principles of State Policy, Articles 39, 41-43:** These principles guide the State in promoting the welfare of workers by ensuring fair working conditions, living wages, social security, and opportunities for skill development and knowledge enhancement.<sup>12</sup>

Overall, The Indian Constitution establishes a robust framework for safeguarding the labor rights of workers within the nation. Yet, effectively enforcing these rights poses a significant challenge that requires the active participation of workers, trade unions, and civil society organizations.

### 3. Human Rights and Recent Developments in the Labour Law Regime

#### • Right to Minimum Wages

*“The minimum wages must ensure not only the sustenance of the employee and his family but also preserve his efficiency as a worker.”<sup>13</sup>*

Following the implementation of the Code on wages, more than 500 million workers in India's unorganized sector will now have the explicit Right to minimum wages. The minimum wages will be reviewed every 5 years, ensuring fairness and consistency. Furthermore, both male and female workers will receive equal remuneration, signifying significant progress in achieving gender parity in India. To address regional disparities in minimum wages, the introduction of a floor wage provision has been made. Determining minimum wages has also been simplified, based on criteria such as skill level and geographical location. Additionally, the inclusion of the Payment of Bonus Act will also guarantee the workers a part of the profit as per the rules laid down in the code.

The Minimum Wages Act, 1948 faced a challenge regarding its constitutional validity due to the alleged oversight of the employer's ability to pay. Despite this, the judiciary intervened and confirmed the Act's constitutionality, emphasizing its role in safeguarding workers' rights to basic necessities such as food, shelter, education, and medical assistance. Additionally, the judiciary declared that paying below the minimum wage equates to forced labour.

The constitutionality of the Minimum Wages Act of 1948 was first challenged in the 1954 legal battle between *Bijay Cotton Mills Ltd. v. The State of Ajmer*.<sup>14</sup> In this particular case, a dispute arose between the employer and the employees regarding an increase in salaries. The corporation argued in court that the provisions of the Act were unconstitutional as they placed unjustifiable restrictions on the employer,

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<sup>12</sup> INDIA CONSTITUTION

<sup>13</sup> U. Unichoyi and Others v. The State of Kerala, 1962 AIR 12, 1962 SCR (1) 946.

<sup>14</sup> 1955 AIR 33, 1955 SCR (1) 752.

preventing them from resuming their trade or business until they were willing to pay the minimum wages to the workers. Similarly, the rights of the employees were also limited, as they were not allowed to work in any profession unless the predetermined conditions were agreed upon by both parties. The Act was deemed to violate Article 19(1)(g) of the Indian Constitution, which safeguards the freedom of trade and business. However, the Supreme Court of India ruled that the provisions of the Act were permissible under Article 19 of the Indian Constitution, and that it was implemented for the betterment of the general public in accordance with Article 43 of the Constitution, which encompasses the Directive Principles of State Policy.

Further in another landmark judgement of 1962, *U. Unichoyi and ors. v. State of Kerala*,<sup>15</sup> The apex court held that the act is constitutionally valid, and any difficulties faced by the employer in complying with the minimum wage as per the act are irrelevant consideration in setting such wages. According to the court's multiple judgments, including *M/S Crown Aluminium Work Ltd. v. their workmen*<sup>16</sup> and *Hydro Engineering Pvt. Ltd. v. its workmen*<sup>17</sup>, the minimum wages should not only ensure the employee and their family's sustenance but also maintain their efficiency as a worker. The court has explicitly stated that the Cost of Living index should be taken into consideration, rather than other factors like the employer's capacity to pay.

#### • Right to Bonus

Prior to the enactment of the Payment of Bonus Act 1965, employees did not have a legal entitlement to receive bonuses. This was considered unjust from a moral and ethical standpoint, as employees should rightfully share in the profits generated by their employers. Unlike the right to minimum wage, the right to bonus is not unconditional, as it is granted by law and subject to certain restrictions.

The legislation applies to the entire country of India and encompasses any organization with a workforce of twenty or more individuals on any given day during the accounting year. Additionally, it includes any factory as defined by the Factories Act of 1948. The primary objective of this Act is to facilitate the provision of bonuses to employees working in designated establishments, based on sales or other forms of production. The Bonus Act was introduced with the intention of fostering harmony and cooperation between labor and capital, enabling employees to partake in the prosperity of the organization. It establishes both the maximum and minimum rates of bonus, as well as the framework for set-off and set-on, ensuring not only the protection of labor's entitlement to a share of profits but also the legal recognition of the Bonus Act.<sup>18</sup>

In the case of *Jalan Trading Company Ltd. v. Mill Mazdoor Sabha*,<sup>19</sup> the apex court examined the legality of the statute. The challenge was based on the violation of Articles 14 and 19 of the Constitution. The Supreme Court determined that the main provision of the Act, which required the payment of a minimum bonus, was in line with the Constitution. Since it accords with Articles 39 and 43 of the Constitution, the payment of a bonus is considered fair and just.<sup>20</sup>

In the case of *Sanghi Jeevraj Ghewar Chand and ors. v. Secretary Madras Chillies*,<sup>21</sup> the court emphasized that the right to bonus is a statutory right. Therefore, the exemptions provided under the act

<sup>15</sup> 1962 AIR 12, 1962 SCR (1) 946.

<sup>16</sup> 1958 AIR 30, 1958 SCR 651.

<sup>17</sup> 1969 AIR 182, 1969 SCR (1) 156.

<sup>18</sup> *Ibid*

<sup>19</sup> 1967 AIR 691, 1967 SCR (1) 15

<sup>20</sup> *Ibid*

<sup>21</sup> 1969 AIR 530, 1969 SCR (1) 366.

are legitimate and have been designed with the specific needs of very small establishments in mind, which may struggle to provide bonuses to their employees. While the court's stance in this case may face criticism, it is important to note that small shop owners and other establishments that do not fall under the definition of a factory or have less than 20 workers are not obligated to pay bonuses.

To provide clarity on the matter of bonus payments, the court introduced a formula in the case of *Rashtriya Mill Mazdoor Sangh v. Mill Owners Association*.<sup>22</sup> This formula outlines four deductions from the gross profit to determine the available surplus, from which a portion is allocated as bonus for the employees. Despite facing challenges in various cases, the court has consistently upheld the validity of this formula. Judges have repeatedly emphasized the beneficial nature of these legislations, which aim to improve the working conditions of workers in India. It is crucial to recognize the inherent rights of workers and ensure their protection. The courts have adopted a purposive approach in interpreting the provisions and circumstances of each case.

- **Right to Maternity Leave and other benefits**

In accordance with Article 39 of the Constitution of India, the state is obligated to implement measures that ensure equal rights to livelihood for both men and women, including equal pay. In India, maternity leave allows female employees to take time off from work after giving birth and receive compensation for the duration of their leave. Initially, the Maternity Benefit Act of 1961 limited maternity leave to 12 weeks, but this has been extended to 26 weeks by the Maternity Benefits Act of 2017. Additionally, the Employees State Insurance Act of 1948 outlines specific provisions for women. According to Section 46(1)(b) of the ESI Act, “an insured women are entitled to periodical payments in the following situations: confinement (labour leading to birth or birth after 26 weeks), miscarriage, pregnancy-related sickness, and premature birth of the child. The benefit is payable for three months, with the possibility of a one-month extension if necessary. It is important to note that the woman must have worked for a minimum of 70 days in the year preceding her pregnancy to be eligible for these benefits”.

In the case of *Deepika Singh v. Central Administration Tribunal*, the court emphasized that Article 21 guarantees the right to privacy and livelihood, which includes the crucial aspects of reproduction and child rearing. Maternity leave is granted with the purpose of supporting women in their professional endeavors. Without such benefits, women would be forced to abandon their jobs and remain at home to fulfill their childcare responsibilities.<sup>23</sup>

India is a nation wherein women goddesses are worshipped and prayed from centuries. However, when it comes to empowering and ensuring the rights of women, we have lagged behind. The Hindu Vedas and other religious texts have always emphasized the importance of women's rights, their dignity, and their active participation in building a better world. In alignment with these principles, India is making significant efforts to restore women's rightful place in society, which has been overshadowed by patriarchal ideologies.

After the Maternity Benefit Act was implemented, female employees are entitled to take leave before and after pregnancy to manage their responsibilities and ensure their well-being. In accordance with Section 11 – Nursing Breaks of the Convention on the Elimination of all forms of Discrimination against Women. Maternity benefits are now available to employees, including those who are not on a regular, ad hoc, or temporary basis. In the case of *Municipal Corporation of Delhi v. Female workers, (Muster Rolls)*,<sup>24</sup> the

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<sup>22</sup> AIR 1959 SUPREME COURT 1147:1960 (1) SCR 2.

<sup>23</sup> C.A. No 5308/2022

<sup>24</sup> Special Leave Petition (civil) 12797 of 1998

court deliberated on whether female workers on a muster roll basis should receive maternity benefits under the act. The court emphasized the need for a purposeful interpretation of the legislation to ensure that female workers are granted maternity leave based on the minimum working day requirement.

In *Dr. Rachna Chaurasiya v. State of U.P. and Ors.*,<sup>25</sup> the court instructed the state government to provide 180 days of child care leave to all female employees, regardless of their employment status. If a mother is unable to attend work due to her childcare responsibilities, the employer must recognize and protect the personhood as mother of the women.<sup>26</sup>

In numerous cases, the court has been presented with a dispute regarding the request for maternity leave for a third child. The employer rejected the request of women workers who were having third child. In response to this argument, the apex court, in the case of *Jyoti Suhag v. State of Haryana*,<sup>27</sup> has clearly stated that there is no provision within the law that imposes a restriction on claiming maternity leave for a woman who is expecting her third child. Furthermore, it was also held that subordinate legislation cannot override principal legislation, in the case of *ESIC v. HMT Ltd.*<sup>28</sup>

In each of the aforementioned rulings and many more, the court has consistently taken a beneficial interpretation. This reflects the commitment of the Indian Judiciary to harmonising the working culture for women. It is essential that women are able to step out of their homes without facing unnecessary obstacles, considering the numerous responsibilities they already shoulder. These specific provisions are outlined in Chapter VI of the Social Security Code, 2020.

#### • **Right to Compensation**

The Workmen's Compensation Act of 1923 was established to safeguard workers from workplace injuries. It was evident that many factories and establishments were maintaining unsafe working conditions for their employees, who were left uncompensated in case of accidents or injuries on the job. Numerous incidents revealed that workers were operating heavy machinery without proper protective gear such as gloves. Additionally, there was a lack of first aid kits on site. The primary objective of this act was to ensure that workers receive compensation following workplace accidents. According to the act, it is the employer's duty and responsibility to prioritize the welfare of their workers in cases where injuries occur as a result of employment.

The primary objective of the act is to guarantee that employees have stable working conditions and can maintain a sustainable livelihood even in the event of injuries.

According to Section 3(1) of the Employees Compensation Act, 1923,<sup>29</sup> if an employee sustains a personal injury due to an accident that occurs during the course of employment, the employer is obligated to provide compensation. In cases where an employee dies, experiences partial or total disablement for more than 3 days, or suffers permanent total disablement as a result of an accident, they are entitled to receive compensation from their employer.

To be eligible for compensation under Section 3(1), the employee must demonstrate that there was an accident,

- the accident was related to their employment, and
- the accident occurred during the course of employment.

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<sup>25</sup> WRIT - A No. 24627 of 2017.

<sup>26</sup> *Ibid*

<sup>27</sup> C.W.P. No. 3652 of 2015.

<sup>28</sup> Appeal (civil) 340 of 2008.

<sup>29</sup> 1923 (8 of 1923).



The term "arising out of employment" encompasses more than just the type of work performed. This phrase applies to conditions, obligations, and events associated with the employment. If the employee is at risk and sustains an injury due to any of these factors, then the injury is considered to have arisen "out of employment."

In *Lancashire and Yorkshire Railway Co. v. Highley*,<sup>30</sup> the following test was laid down for determining whether an accident arose out of the employment:

1. "Was it part of the injured person's employment to hazard, to suffer, or to do that which caused his injury? If yes, the accident arose out of his employment. If nay, it did not, because, what it was not part of the employment to hazard, to suffer, or to do, cannot well be the cause of an accident arising out of the employment.
2. To ask if the cause of the accident was within the sphere of the employment, or was one of the ordinary risks of the employment, or reasonably incidental to the employment, or conversely was an added peril and outside the sphere of the employment, are all different ways of asking whether it was a part of his employment,
3. The workman should have acted as he was acting or should have been in the position in which he was, whereby in the course of that employment he sustained injury."<sup>31</sup>

Employer's responsibility in the event of occupational illnesses - Certain occupations inherently expose employees to diseases. These include diseases caused by working in compressed air, exposure to infra-red radiations, skin diseases resulting from work in chemical or leather processing units, hearing impairment caused by excessive noise, lung cancer caused by asbestos dust, and diseases resulting from extreme climatic conditions. Miners are particularly at risk of developing silicosis, a disease caused by exposure to silica dust. Additionally, miners may also develop lung diseases due to dust exposure. Agricultural workers are prone to developing illnesses from pesticide spraying, as these toxic substances pose significant health hazards. It is important to recognize that there are numerous workplaces where the nature of the occupation itself poses inherent dangers.

In the case of *The Divisional Manager, M/s. United India Insurance Company Ltd. v. Harijana P. Israil & P. Mabu*,<sup>32</sup> the Andhra Pradesh High Court ruled that a workman who loses a limb in an on-site accident is entitled to compensation for 100% loss of earning capacity under the Workmen's Compensation Act, 1923. Justice Ravi Nath Tilhari emphasized that the loss of earning capacity should not be equated with the percentage of physical disability. The court also clarified that compensation is payable from the date of the accident, with interest calculated from that date until actual realization.<sup>33</sup>

In the case of *State of Rajasthan v. Ram Prasad and Another*,<sup>34</sup> the Supreme Court held that there must be a direct causal connection with the employment for compensation to be awarded. Even though the employee died due to natural lightning while working, it was deemed outside the course of employment. Therefore, the employer was found liable to pay compensation.

Lastly, in the case of *Divisional Manager, United India Insurance Co. Ltd. v. Shanmuga Mudliar T. and others*,<sup>35</sup> a bus driver passed away due to heart failure while taking a break for refreshment. His wife claimed compensation, which was awarded by the commissioner and not the insurance company. The

<sup>30</sup> [1917] A.C. 352; 86 L.J.K.B. 715.

<sup>31</sup> *Ibid*

<sup>32</sup> CIVIL MISCELLANEOUS APPEAL No. 588 of 2008.

<sup>33</sup> *Ibid*.

<sup>34</sup> (2001) 1 LLJ 177 (SC).

<sup>35</sup> (2003) 1 LLJ. 776 (Mad).

court ruled that both the insurance company and the employer are responsible for paying compensation.

- **Right to Medical Benefits and Insurance**

The Employees' State Insurance (ESI) Act, enacted in 1948, aims to offer social security and financial protection to workers in India. Administered by the Employees' State Insurance Corporation (ESIC), the act establishes a social insurance system where both employees and employers contribute a portion of wages to the ESI Fund. This fund is utilized to provide various benefits to insured employees and their dependents, such as medical benefits. These benefits encompass comprehensive medical care, outpatient treatment, specialist consultations, hospitalization, maternity benefits, and preventive healthcare services. Additionally, the Act offers cash benefits to insured employees during periods of sickness, maternity, disablement, or injury, based on a percentage of their average daily wages. In cases of permanent or temporary disability due to employment injury, disability benefits are provided based on the degree of disablement and the employee's average daily wages. Maternity benefits, including paid leave, medical care, and financial assistance during childbirth and pregnancy-related periods, are ensured for women employees. The Act extends coverage to the dependents of insured employees. In the event of the death of an insured person, the Act provides for the payment of dependent benefits to their eligible dependents. The Employees' State Insurance Act seeks to enhance the well-being of workers by providing access to medical treatment, financial security in times of need, and assistance for their families. Its objective is to ease the financial burden of healthcare costs and offer a safety net for employees in case of injury, illness, maternity, or disability.

*Kerala CBSE School Management v. State of Kerala*,<sup>36</sup> case is a significant ruling related to the ESI Act, as it revolves around the question of whether a specific institution can fall under the purview of the ESI Act. The initial dispute centered on a new notification issued by the Kerala State Government in the Official Gazette, which broadened the scope of the ESI Act to cover schools and other educational establishments. The matter was resolved by interpreting Section 1 of the ESI Act. It was established that educational institutions could be encompassed under the ESI Act even if they were not inherently commercial or did not function like a typical factory. The key argument that settled the issue was the ultimate responsibility towards educational institutions. Given the Central Government's aim to supervise numerous educational institutions, the decision to extend the protections of the ESI Act to schools was deemed lawful.

### **Conclusion:**

India has reached a significant milestone with the establishment of a pro-worker framework that guarantees multiple rights which is required to sustain an efficient life. While there may be some gaps in implementation, progress takes time. Beside all this, both the Indian Legislature and Indian Judiciary have played a crucial and remarkable role in establishing the Human Rights of the workers all over the country. In the above elucidated case laws, it is to be noted that the Court decisions have consistently favored workers without overstepping legal boundaries. The precedents have been set in favour of the workmen. The intent is although not to punish the employer but to make sure that a worker is not exploited on the hands of the employer.

The implementation of the new Labour Codes in India guarantees a transparent and accountable system, simplifying procedures. With one registration and one license, all the Codes can be easily managed through

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<sup>36</sup> WP(C).No. 5986 of 2008(K).

a single return. Additionally, a Social Security fund will be established to support 40 crore unorganized workers, including gig and platform workers, providing them with comprehensive social security coverage. These reforms are highly beneficial for workers, as they now have access to all benefits and social security, even if they are hired for a fixed term. The labour reforms not only promote significant employment opportunities but also safeguard workers by ensuring minimum wage reforms, social security provisions for those in the informal sector, and reducing government interference. Furthermore, they prioritize timely payment of wages and occupational safety, contributing to a better working environment. Over the past years, we have successfully achieved our objectives. We have consolidated 44 central labour laws, comprising over 1,200 sections, into just four codes. This consolidation means there will only be one registration, one assessment, and one return filing. This will not only make compliance easier but also establish a stable environment for businesses to invest in, creating a mutually beneficial situation for both employees and employers.