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## Implementation of Labour Laws in Tivim Industrial Estate, Goa – A Study

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**Abstract:** *The labour laws are passed by the Centre and the State government to regulate the working conditions of the workers in the industrial units. The employers are under an obligation to comply with the laws and not to exploit them. However, in absence of proper regulatory framework, the workers are not paid properly and forced to work beyond the stipulated duty hours in Goa. The research paper aims to study the exploitation of workers in the industrial units.*

**Keywords:** *Working conditions, Exploitation*

### 1. INTRODUCTION

Labour Law in India governs the employer-employee relationship including individual employment contracts. The laws put condition on the industrial units to follow the stipulated daily hours of work, rest interval, spread over period of time, timely payment of wages, leave with wages, medical leave, casual leave, payment of bonus etc. The labour laws in India are influenced by the prevailing social and economic conditions. The laws are shaped by the provisions of the Constitution, international conventions, basic human rights that have emerged from the United Nations, the deliberations of the various Sessions of the Indian Labour Conference and the International Labour Conference, recommendations of the various National Committees and Labour Commissions, judgments on labour related matters specifically pertaining to minimum wages, bonded labour, child labour, contract labour etc.

#### 1.2 Labour laws and Industrial Estates in Goa

Various labour laws have been passed by the legislature to provide proper working and living conditions to the workers. These include Trade Unions Act, 1926, Industrial Employment Standing Order Act, 1946, Industrial Disputes Act, 1947, Payment of Wages Act, 1936, Minimum Wages Act, 1948, Payment of Bonus Act, 1965, Factories Act, 1948, Maternity Benefit Act, 1961, Equal Remuneration Act, 1976, Workmen's Compensation Act, 1923, Employees' State Insurance Act, 1948, Payment of Gratuity Act, 1972 and many more. In Goa there are 20 industrial estates in which there are 816 registered in factories is 86,961 in 2017.

#### 1.3 Working Conditions of employees in Industrial estate

The Factories Act provide for daily and weekly hours of work, interval for rest, spread over period of work, weekly holiday, maternity benefits, cleanliness, ventilation, safety of employees, yearly leave with wages, payment of wages, fixation of wage period and wages for overtime work. However, these norms are not followed by the industry as is evident from the media reports, surveys conducted by researchers and by the government agencies. In 2017, a report of the Department of Labour and Employment of Goa Government has noted that pharmaceuticals, steel, chemical industries, automobile service centers and construction companies are identified as high-risk firms as far as implementation of labour laws are concerned. According to the report, industries with over 100 employees

showed a greater tendency to violate labour norms and exploit employees. A survey conducted by a research group revealed violation of minimum wage law. Other facilities such as bonus, provident fund and medical facilities were also lacking in most of the industries. Increments were also not paid and in certain cases negligible.

With the industries opting to prefer migrants, rather than the locals, the exploited workers do not voice their protest. Last year, a group of workers from Bihar, Jharkhand protested after they were not paid salary for two months. In this scenario, the researchers examined the implementation of basic working conditions in Tivim Industrial Estate where 30 factories operate.

#### **1.4 Objectives of the Study**

1. To find out the working conditions of the employees in 17 factories of Tivim Industrial Estate in Goa
2. To find out whether the employers are following the provisions of the Factories Act, 1948, Payment of Wages Act, 1963, Employees State Insurance Act, 1948.

#### **1.5 Hypothesis**

There is violation by employers of the provision of working conditions of the workers employed in the factories

#### **1.6 Data collection**

For the present study, the researcher collected data through primary and secondary method.

#### **1.7 Scope of study**

The scope of study is limited to the survey conducted by the researcher after visiting 17 select factories in Tivim Industrial Estate

#### **1.8 Limitation of the study**

The study is limited to the assessment of working conditions of the employees in 17 factories in Tivim Industrial Estate

#### **1.9 Data and its analysis**

For the purpose of study, the researchers conducted survey in 17 out of 38 industrial units in Tivim Industrial Estate. The information was obtained about the working conditions of the workers employed in the following four sectors:

- Auto and Ancillary.
- Consumer Durables.
- Fast Moving Consumer Goods (FMCG) and Healthcare.
- Service.

## **2. AUTO AND ANCILLARY UNITS**

The researchers surveyed all 5 auto and ancillary units in Tivim Industrial Estate to assess working conditions of the employees.

The daily working hours of employees as per the Factories Act, 1948 should be 9 hours. The total weekly working hours should not exceed 48 hours. In all 5 auto and ancillary sector units, the daily working hours range from 9–10 hours per day. In three units, the workers work for 54 hours and in two units they work for 60 hours per weeks. In 60 percent cases, the worker work for 54 hours. In 40 percent cases, the employees work for 60 hours. In 100 percent of the cases there is violation in daily working hours.

The law provides that after every five hours of work there should be a period of rest for at least half an hour. In one unit rest is provided only up to 15 minutes. In another unit rest is provided for 30 minutes only. Whereas, in remaining three units, rest is provided for more than 30 minutes. Hence in 20 percent of cases, there is violation regarding rest interval period.

The researchers found that in 3 cases, the employees received wages within 7 days of the next month. In one case, the employees got salary between the 8<sup>th</sup>-12<sup>th</sup> days of the next month. In another case, the employees got their wages between the 15<sup>th</sup>-22<sup>nd</sup> days. Hence, in 40 percent cases, the employees did not get their wages within 7 days. According to Section 5 of 'The Payment of Wages Act 1963', the wages of every employee shall be paid before the expiry of the seventh day of the wage- period in the following month. Hence, there is a violation in 40% of the cases in terms of day on which payment of wages is paid.

In all these factories, the overtime wages are paid as per the law. Hence there is no violation.

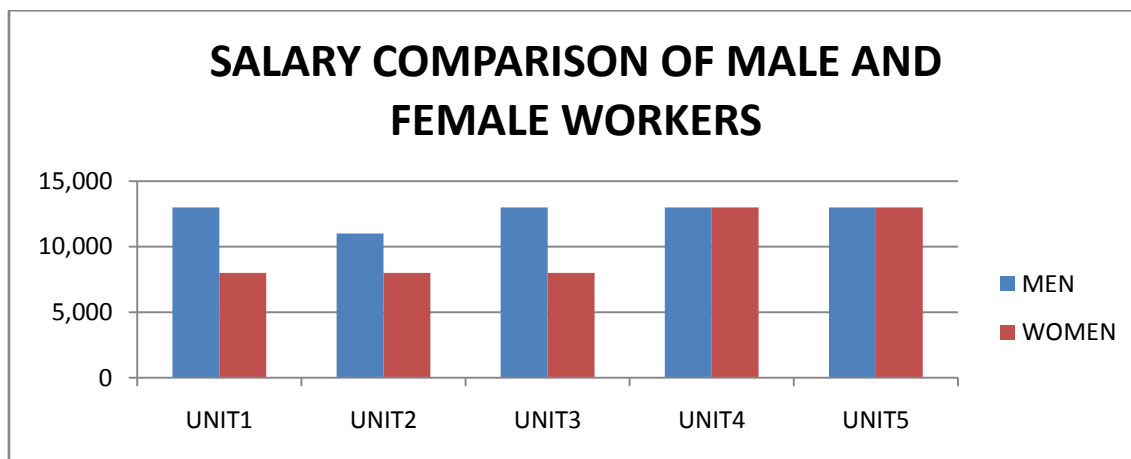
As per Payment of Wages Act 1936, employees should get a monthly wage up to Rs.18,000/- per month. In all the units, the salary is less than Rs. 18,000/-. Hence, in all units there is violation in terms of the amount of the wages paid.

**TABLE 1: SALARY COMPARISON OF MALE AND FEMALE WORKERS**

Units	Male (Salary per month in Rs.)	Female (Salary per month in Rs.)
Unit 1	13,000	8,000
Unit 2	11,000	8,000
Unit 3	13,000	8,000
Unit 4	13,000	13000
Unit 5	13,000	13000

Comparing the salary paid to the workers working in the same capacity, it is found that in two units there is no discrimination. However, in one unit male workers get Rs. 3,000/- more than the female worker. In two units, men get Rs. 5,000/- more than women. In 60 percent of the cases, there is discrimination in payment of wages when both male and female workers are doing same work. ( See Table 1 and Graph 1)

**Graph 1**



As per Section 79 of Factories Act, 1948 every employee who has served for the period of two hundred and forty days or more shall be entitled for leave. This leave is calculated at the rate of one day for every twenty days worked during a continuous period of twelve month in any unit. In two units, the employees are granted annual leave with wages. In remaining 3 cases, the employees are not granted leave with wages for less than 12 days. Hence there is violation in 60 percent cases. From the collected data, it is observed that all units are granted Casual and Medical leave as per the law.

Under the Employees State Insurance Act 1948, factories using power and employing 10 or more workers and for non - power using units, 20 or more workers should register for the same under ESI. Three units were registered while the remaining two are not registered. In this case also there is violation in 40 percent of the cases as they are not registered under the ESI Act.

As per section 79 of the Factories Act, maternity leave is 12 weeks. In four units, maternity leave is not granted and in only one unit, the employees are granted maternity leave. Hence, there is violation in 80 percent of the cases.

**2.1 CONSUMER DURABLES**

In all 4 Consumer durables sector unit, the daily working hours range from 9 hours per day. In All units they work for more than 48 hours per week. Hence in 100 percent of the cases there is violation in weekly working hours.

In one unit rest is provided only up to 15 minutes. In another unit rest is provided for 30 minutes only. Whereas, in remaining two units, rest is provided for more than 30 minutes. Hence in 25 percent of cases there is violation regarding rest interval period.

In 3 cases, the employees received wages within 7 days of the next month when they worked in the preceding month. In 1 case, the employees got wages after 8 -12 days of the next month. Hence in 25 percent cases, the employees did not get their wages within the stipulated time.

In only 1 unit, the workers do not get overtime payment which is supposed to be double than that of their wages. Hence there is 25 percent of violation in overtime payment of wages in a unit.

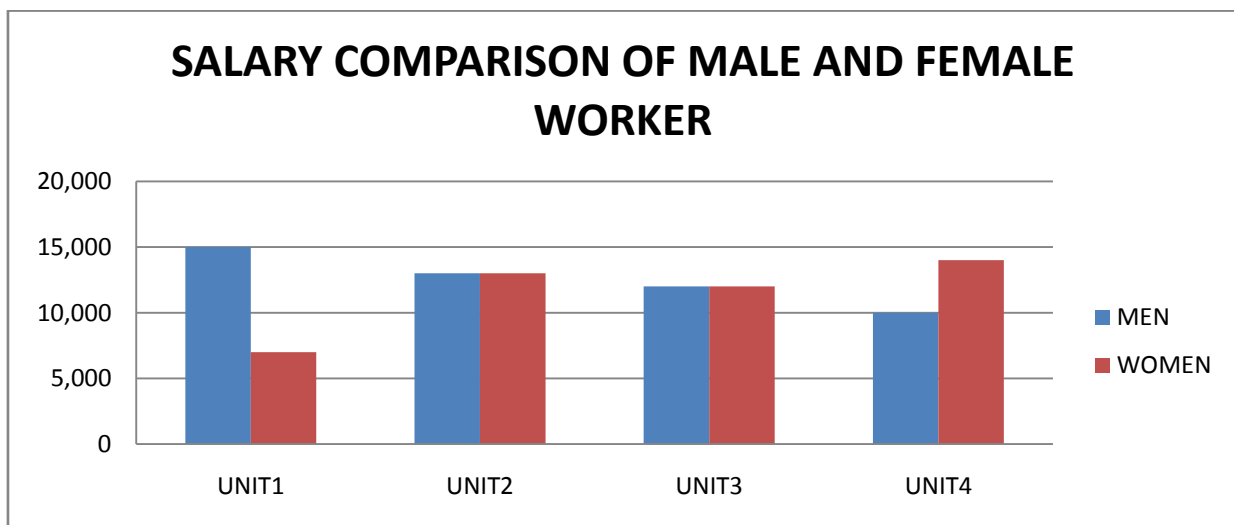
In all four units, the employees are getting less than Rs. 18,000/- per month. Hence, there is no total compliance regarding the amount of payment of wages.

**Table 2: SALARY COMPARISON OF MALE AND FEMALE WORKER**

UNITS	MALE ( Salary per month in Rs)	FEMALE ( Salary per month in Rs)
Unit 1	15,000	7,000
Unit 2	13,000	13,000
Unit 3	12,000	12,000
Unit 4	10,000	14,000

Comparing the salary paid to the workers working in the same capacity, it is found that in two units there is no discrimination. However, in one unit male workers get Rs 8000 more than the female worker .In one unit women get Rs 4000 more than men. In this unit of manufacturing unit many women are employed. In 50 percent of the cases, there is discrimination in payment of wages. ( see Table 2 and Graph 2)

**Graph 2**



In all the units surveyed, the workers receive bonus.

In all the units, except one unit, casual and medical leave is not provided. Hence there is 25 percent of violation regarding surveyed industries in this sector.

In 25 percent of cases, the surveyed units are not registered under the ESI Act.

In three units, maternity leave is not granted and in only one unit, the employees are granted maternity leave. Hence, there is violation in 75 percent of the cases.

**3. FAST MOVING CONSUMER GOODS (FMCG) AND HEALTHCARE**

In all 4 units the employees work for 48 hours per week. In 100 percent of the cases there is no violation in daily working hours. In one unit rest is provided only up to 15 minutes. In another unit rest is provided for 30 minutes. Whereas, in remaining two units, rest is provided for more than 30 minutes. Hence in 25% of cases, there is violation regarding rest interval period.

In all four units, the wages are not paid within 7 days of the next preceding month. There is total violation in terms of payment of wages. In all the four units, overtime payment is given to the workers

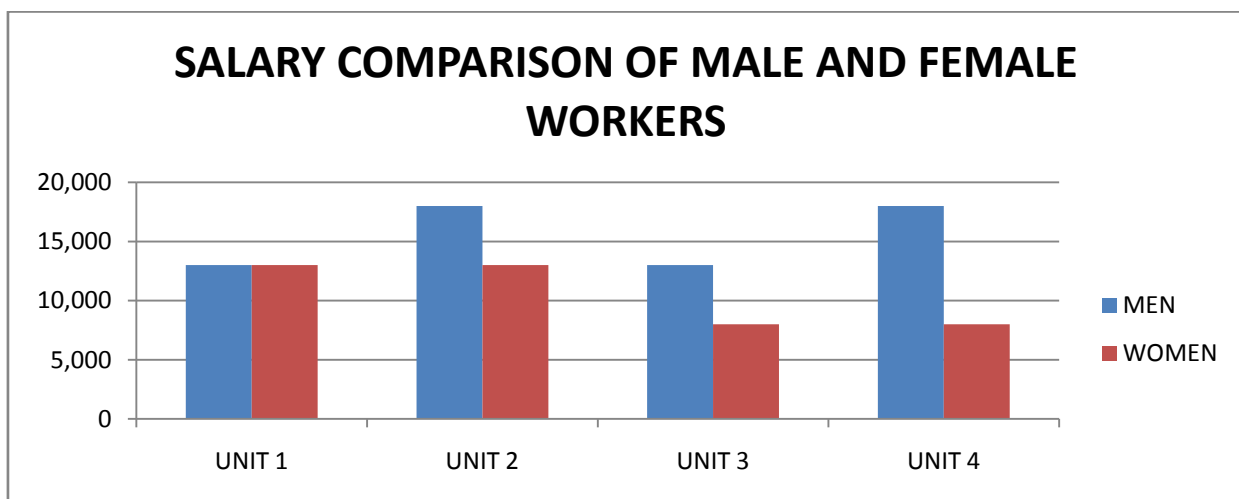
In two units, there is payment of salary of Rs.18,000/- per month and in two units it is less than Rs. 18,000 per month. Hence, in 50 percent of the cases there is violation in terms of amount of payment.

**TABLE 3: SALARY COMPARISON OF MALE AND FEMALE WORKERS**

UNITS	Male (salary per month In Rs.)	Female(salary per month In Rs.)
Unit 1	13,000	13,000
Unit 2	18,000	-
Unit 3	13,000	8,000
Unit 4	18,000	8,000

In two units there is discrimination of payment of wages between men and women workers. In one case, there is difference of wages of Rs. 5,000 per month. In another case, there is difference of wages of Rs. 10,000/- per month. Hence, in 50 percent of cases, there is discrimination. ( see Table 3 and Graph 3)

**Graph 3**



In three units out of four, annual leave with wages are paid. Hence, in 25 percent of the cases, annual leave with wages are not paid.

In all the units surveyed, employees are paid bonus.

In 3 units, the employees are not given casual and medical leave. Hence in 75 percent of the cases, there is violation in terms of casual and medical leave.

In 25 percent of the cases, the units surveyed are not registered under the ESI Act.

In 2 units, maternity leave is not granted and in only one unit maternity leave is given, whereas in another unit maternity leave is not applicable. Hence, in 66% of cases there is violation.

**4. SERVICE**

The daily working hours of employees as per law should be 9 hours. The total weekly working hours should not exceed 48 hours. In 4 Service units, the daily working hours range from 8 -9 hours per day. In three units, the

workers work up to 48 hours, while in one unit, the workers have to work for 54 hours in a week. In this case, there is violation in 25 percent of cases with respect to daily working hours.

In one unit rest is provided up to 30 minutes. In another unit rest is provided up to 15 minutes only. Whereas in remaining two units, rest is provided for more than one hour. Hence in 25 percent of cases there is violation regarding rest interval period. In all four units, the wages are paid within 7 days of the next preceding month. There is no violation in terms of payment of wages. There is no violation in terms of overtime work done.

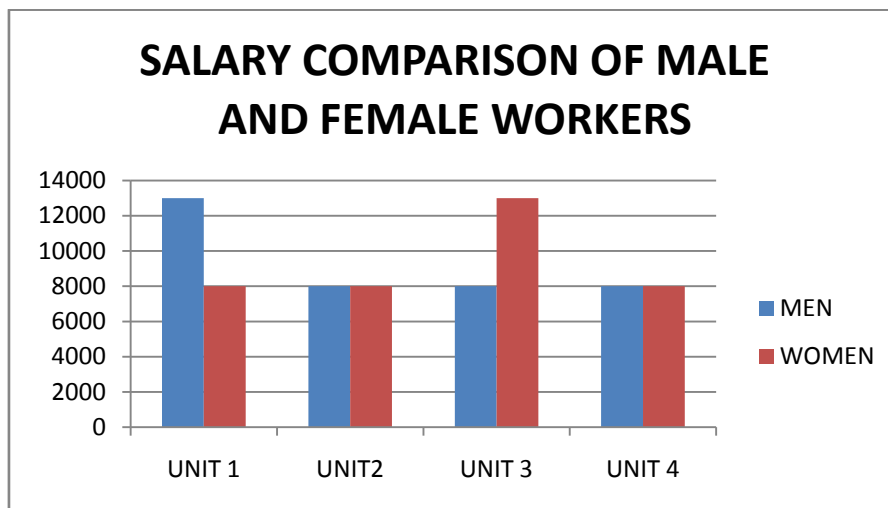
In 3 units the workers receive overtime payment double than that of their wages. Hence there is violation in 25% of cases.

**TABLE 4: SALARY COMPARISON OF MALE AND FEMALE WORKERS**

Units	Male (salary per month in Rs.)	Female (salary per month in Rs.)
Unit 1	13,000	8,000
Unit 2	8,000	8,000
Unit 3	8,000	13,000
Unit 4	8,000	8,000

In two units there is discrimination in payment of wages between men and women employees. In one unit women workers get Rs. 5,000/- more than men. In another unit male workers get Rs. 5000 more per month than female employees. ( see Table 4 and Graph 4)

**Graph 4**



In 50 percent of the units surveyed, employees do not receive bonus.

In 3 units, employees are given casual and medical leave. Hence, in 25 percent of the cases, there is violation in terms of casual and medical leave

Three units are registered under the ESI Act. One unit is not registered. Hence in 25% of cases there is violation.

In 75 percent of the units surveyed, maternity leave is not granted.

**5. COMPARISON OF DATA**

**TABLE 5: WEEKLY WORKING HOURS**

NO. OF HOURS	AUTO AND ANCILLARY	CONSUMER DURABLES	FMCG AND HEALTHCARE	SERVICE
UP TO 48 HOURS	0	0	4	3
MORE THAN 48 HOURS	5	4	0	1

It is observed that out of 17 units surveyed there is violation in 41 percent of the cases in weekly working hours that is beyond 48 hours. Maximum violation is committed in units of Auto and Ancillary and Consumer Durables while there is no violation in FMCG units. (see Table 6 and

**TABLE 6: REST INTERVAL**

REST TIME PROVIDED	AUTO AND ANCILLARY	CONSUMER DURABLES	FMCG AND HEALTHCARE	SERVICE
REST UP TO 15 MINUTES	1	1	1	1
REST UP TO 30 MINUTES	1	1	1	1
REST FOR MORE THAN 1 HOUR	3	2	2	2

From the above table and chart, it is observed that out of 17 units surveyed there is violation in only 4 cases. (See Table 6)

**TABLE 7: DAYS ON WHICH WAGES ARE PAID**

DAY OF PAYMENT OF WAGES	AUTO AND ANCILLARY	CONSUMER DURABLES	FMCG AND HEALTHCARE	SERVICE
1 <sup>ST</sup> – 7 <sup>TH</sup> DAY OF THE NEXT MONTH	3	3	0	4
8 <sup>TH</sup> – 13 <sup>TH</sup> DAY OF THE NEXT MONTH	1	1	2	0
13 <sup>TH</sup> – 22 <sup>ND</sup> DAY OF THE NEXT MONTH	1	0	2	0

From the above table and chart, in 41 percent cases there is violation in terms of days by which wages are paid. Maximum violation is committed in units of FMCG and Healthcare whilst there is no violation in the Service sector. (See Table 7)

**TABLE 8: MONTHLY SALARY**

INCOME	AUTO AND ANCILLARY	CONSUMER DURABLES	FMCG AND HEALTHCARE	SERVICE
MORE THAN RS. 18,000/-	0	0	2	0
LESS THAN RS. 18,000/-	5	4	2	4

It is seen that there is violation in 88 percent of the cases in terms of amount of payment. In Auto and Ancillary, Consumer Durables and Service sector, salary paid is not as per law. (See Table 8)

**TABLE 9: COMPARISON OF WAGES BETWEEN MALE AND FEMALE WORKERS**

UNIT	AUTO AND ANCILLARY		CONSUMER DURABLES		FMCG AND HEALTHCARE		SERVICE	
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE
UNIT 1	13,000	8,000	15,000	7,000	13,000	13,000	13,000	8,000
UNIT 2	11,000	8,000	13,000	13,000	18,000	-	8,000	8,000
UNIT 3	13,000	8,000	12,000	12,000	13,000	8,000	8,000	13,000
UNIT 4	13,000	13,000	10,000	14,000	18,000	8,000	8,000	8,000
UNIT 5	13,000	13,000	-	-	-	-	-	-

In all sectors surveyed there is discrimination in terms of payment of wages.

**TABLE 9: YEARLY LEAVE**

12 DAYS LEAVE	AUTO AND ANCILLARY	CONSUMER DURABLES	FMCG AND HEALTHCARE	SERVICE
NO 12 DAYS PAID LEAVE	2	1	1	3
12 DAYS PAID LEAVE	3	3	3	1

In seven units, workers do not receive 12 days yearly leave. This is not the case in 10 units. (See Table 9)

**TABLE 10: PAYMENT OF BONUS**

BONUS PAID	AUTO AND ANCILLARY	CONSUMER DURABLES	FMCG AND HEALTHCARE	SERVICE
YES	5	4	4	2
NO	0	0	0	2

It is observed that out of 17 units surveyed there is violation in 12% percent of the cases. No violation is committed in units of Auto and Ancillary, Consumer Durables, and FMCG and Healthcare sectors whilst violation is committed only in Service sector. (See Table 10)

**TABLE 11: REGISTRATION UNDER ESI ACT**

BONUS PAID	AUTO AND ANCILLARY	CONSUMER DURABLES	FMCG AND HEALTHCARE	SERVICE
YES	4	3	2	3
NO	1	1	2	1

71 percent of the units are registered under the ESI Act( see Table 11).In 75 percent of the units, maternitybenefit is not granted to the women worker

## 6. CONCLUSION

The researchers surveyed 17 out of 38 units operating in Tivim Industrial Unit and found that all of the employers are not totally complying with the labour laws. Even as the law stipulates monthly wage of Rs. 18,000 per month for workers infactor , in 88 percent of the units the wages are less than Rs. 18,000 . The workersare forced to work beyond 48 hours every week in 40 percent of the Industrial unitssurveyed.As their monthly wages are less than the prescribed, the workers do not getproper overtime payment. In several cases, the wages are also not paid within thetime prescribed. In most of the units, the rest interval is given as per the law.

However, in few cases there is violation as only 15 minutes are allowed for eatingfood when the law stipulates at least 30 minutes. There is discrimination in terms ofpayment of wages between men and women when the nature of work is similar.Minimum leave of 12 days per year with wages is also not given by more than 40percent of the Industrial Units . However, 88 percent units give bonus to theworkers.Even as 71 percent of the units are registered under the ESI Act , the workersare getting the benefits. However, some units are still not granting medical benefits

to the employees even as the law is strict. In 75 percent of the units, maternitybenefit is not granted to the women workers. This reflects , the working conditionof women in the Industrial Units. The women are also underpaid as compared to men.

When we compare the data of violations in each of the category discussed above,it is found that in all Auto Ancillary Units, the workers have to work beyond 48 hoursper week that ranges from 54 hours to 60 hours. In all the FMCG and health sectorunits , the monthly wages are not paid on time. Only in FMCG and health sector , 50percent of the units Pay the prescribed salary of Rs, 18,000. While in other sectors,the salary ranges from Rs. 8,000 to 14,000. In service sector, 75 percent of the units ,do not give prescribed annual leave with wages. Bonus is paid by the units in all thesectors, except two units in service sector. The maternity benefits are not given to

women in 80 percent of the auto and ancillary units. In other sectors too, averageviolation in terms of maternity benefit is 75 percent.In these circumstances, it is clear that there is violation in implementation of labour laws including Factories Act, 1948, Payment of Wages Act, 1963 and Employees State Insurance Act, 1948. In every sector surveyed there is violation in one form or the other. The government machinery should act promptly and take strict action against the violators to provide basic human rights to the employees.

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