Labour Law-II

KSLU LL.B. — New Syllabus (Labour Codes) — Complete Exam-Ready Study Bundle

KSLU LL.B. Study Bundle

Medha-Academy

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August 2026

Contents

Medha-Academy.in · KSLU LL.B. · Complete Notes for All Five Units (New Labour Codes)

> ***Read this first page, then go to your unit.*** *This single file holds the whole subject: how to use the notes, the rules that win marks, and all five units of content. Everything is in plain English, every Latin maxim is translated in [brackets], and every topic is built backwards from the real exam questions. Labour Law-II is taught on the* ***new syllabus****: the* ***Code on Social Security, 2020*** *(employees' compensation, ESI, provident fund, gratuity, maternity, building/construction, unorganised/gig/platform workers) and the* ***Occupational Safety, Health and Working Conditions Code, 2020*** *(health, safety, welfare, hours, contract labour, inter-state migrant workers). These two Codes have subsumed the older Acts, and the notes teach the law as the Codes state it, noting enforcement/notification status where it matters.*

How to Use These Notes

What this is. A complete, exam-focused bundle covering all five units of KSLU Labour Law-II. Every topic is built from one question: *what will the examiner ask, and how do I score full marks?* High-frequency questions get the most space; the years listed under each question tell you where to spend revision time.

A word on the new Codes. Your previous-year papers were set under the old multi-Act scheme (Workmen's Compensation Act, ESI Act, EPF Act, Maternity Benefit Act, Payment of Gratuity Act, Factories Act, Contract Labour Act, Inter-State Migrant Workmen Act, Unorganised Workers Act). The new syllabus consolidates all of these into the **two 2020 Codes**. So a question phrased in the old Act's language (e.g. "under the Factories Act" or "under the ESI Act, 1948") is answered under the **corresponding Code provision**, which carries the same substance forward. The notes always give the Code chapter and section, and flag where the Code changed the old position or where a provision awaits notification.

Who it is for. The first-time learner (understand before memorising), the revision student (fast high-yield recall), and the last-week crammer (which questions repeat and how to answer them).

What is inside every topic — the same blocks, in the same order:

Block	Its job	The mark it earns
Previous Year Questions	Real questions + years asked	What to prepare and how often it repeats

Block	Its job	The mark it earns
The Hook	A true story / landmark-case opener	Memorable; a strong opening line
The Concept + Statutory Quotes	Plain-English teaching + exact sections	Understanding, and the precise authority examiners reward
In Simple Terms	Plain-English translation	Ensures you *understand*
The Visual (chart)	Maps the topic structure	Recall and structure at a glance
Case Laws	Landmark judgments + ratio	Case names with years are pure marks

Each unit closes with a **Quick Revision & Case Law Table** for the final hour.

These notes **teach** the subject. The **Question Bank** is the companion volume that turns that knowledge into marks — it carries a model answer for every past question, each opening with a ▤ **Answer Outline** (the skeleton to reproduce under time pressure) and, where two questions are easily confused, a ⚠ **Don't Confuse** box.

The 4-step study plan. (1) Read the PYQ box first. (2) Understand, then memorise. (3) Trace the chart from memory. (4) Rehearse the matching answers in the Question Bank.

The 10 Rules That Win Marks

1. **Lead with a definition + roadmap.**
2. **Cite the Code, not just the old Act** — e.g. "employer's liability under Section 74 of the Code on Social Security, 2020 (formerly the Workmen's Compensation Act, 1923)".
3. **Name the case AND the year** every time.
4. **Quote the exact section / jurist** where given.
5. **Translate every Latin maxim in [brackets].**
6. **Use the four IRAC headings** for problems; spot the decoy fact (intoxication, "only two children", the below-threshold headcount).
7. **Always give a definite verdict.**
8. **Use the chart's structure** to organise the body.
9. **Close with a short, confident conclusion.**
10. **Manage time** so no high-mark question is left unwritten.

> ***Disclaimer.*** *A study aid, not a substitute for the bare Codes and prescribed texts. The 2020 Labour Codes are being brought into force in stages; cross-check section numbers and the current notification status against the official text.*

UNIT I — Labour Welfare & Employee’s Compensation

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In this unit.

This unit has two halves that fit together. The first is the *why* of the whole subject — labour welfare, social security, the way the Constitution and the ILO push the State to protect workers. The second is the oldest social-security law we have: **Employee’s Compensation** (now Chapter VII of the Code on Social Security, 2020), which makes an employer pay when a worker is hurt at work, whether or not anyone was careless. Almost everything here turns on two phrases — “arising out of and in the course of employment” — and on one big idea: the law shifted the risk of workplace injury from the injured worker onto the business that profits from the work. Get those, and the essays and the “is the employer liable?” problems both fall into place.

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1. Labour Welfare, Social Security and Constitutional Dimensions

Previous Year Questions

- **[16M / 10M]** Define ‘Labour Welfare Legislation’ and explain the Indian constitutional provisions relating to labour welfare with the help of decided cases. *(Nov 2022, Mar 2023, Oct 2023, Mar 2024, Aug 2024, Jan 2025, Jul 2025, Jan 2026)* ★★★
- **[10M]** ‘The Fundamental Rights and Directive Principles of State Policy are the backbone of Industrial Jurisprudence in India.’ Elucidate. *(Mar 2023, Oct 2023, Jan 2025, Jul 2025)* ★★★

The Hook

In 1986 a pavement-dweller in Bombay, threatened with eviction, argued that losing his slum meant losing his livelihood, and losing his livelihood meant losing his life. In *Olga Tellis v Bombay Municipal Corporation* (1986) the Supreme Court agreed: the right to life in Article 21 includes the right to livelihood. That single move turned the “non-binding” Directive Principles about workers into something with real constitutional bite — and that is what this topic is about.

What “labour welfare” and “social security” mean

Start with the everyday picture. A factory worker earns a wage, but the wage alone does not keep him safe when things go wrong — an accident, an illness, old age, the birth of a child, or simply unsafe and inhuman working conditions.

Labour welfare is everything the law and the employer do to improve the *conditions* of working life beyond the bare wage: safety, health, cleanliness, rest, canteens, housing, recreation. **Social security** is the narrower, legally guaranteed core — protection of *income* against the standard risks of working life (accident, sickness, maternity, disablement, old age, death). One looks after the *conditions* of work; the other insures against *loss of income*.

Why does the State bother? Because a worker bargaining alone is weak, and a market left alone will not provide these things. So the Constitution *directs* the State to provide them.

The **constitutional dimensions** sit in two places:

- **The Directive Principles of State Policy (Part IV)** — the main source. Article 39(e)–(f) (the State must protect the health and strength of workers and see that children are not abused); **Article 41** (right to work, education and public assistance in old age, sickness and disablement); **Article 42** (just and humane conditions of work, and maternity relief); **Article 43** (a living wage and a decent standard of life); and **Article 43A** (workers' participation in management).

- **The Fundamental Rights (Part III)** — read to *support* the Directives. Article 21 (life and personal liberty, expanded to include livelihood and humane conditions), Article 23 (no forced labour), Article 24 (no child in a hazardous factory), and Article 14 (equality, behind "equal pay for equal work").

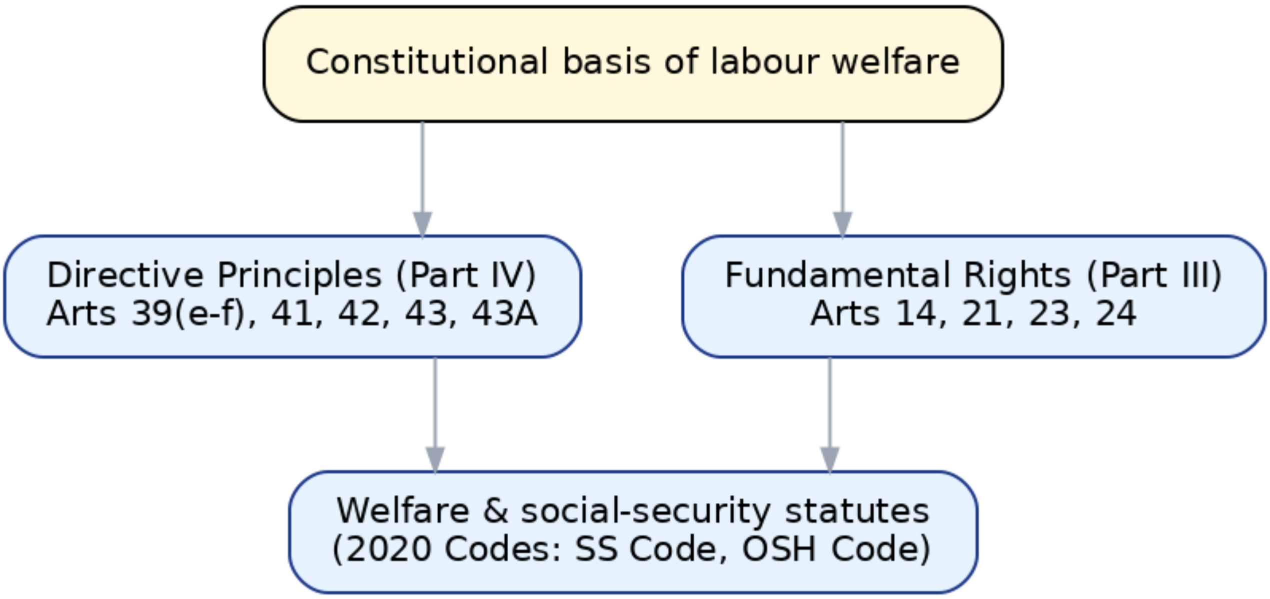
The Directives are *not* directly enforceable in a court (Article 37), but the courts use them to read the Fundamental Rights generously — that is the whole meaning of the exam line "FR and DPSP are the backbone of industrial jurisprudence." Every statute in this subject (the Codes of 2020) is Parliament turning these Directives into enforceable law.

> ***Article 41, Constitution of India:*** *"The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement …"*
>
> ***Article 42:*** *"The State shall make provision for securing just and humane conditions of work and for maternity relief."*
>
> ***Article 43:*** *"The State shall endeavour to secure … to all workers … work, a living wage, conditions of work ensuring a decent standard of life …"*

In Simple Terms: The Constitution cannot itself run a hospital or pay compensation, but it *orders* the State to make laws that do. Article 42 is the constitutional parent of the Factories/OSH welfare rules and of maternity benefit; Articles 41 and 43 are the parents of ESI, provident fund and the unorganised-workers schemes.

> **◈ WORKED EXAMPLE — turning a Directive into a right**
>
> **Facts.** A daily-wage road worker is dismissed and argues the State denied him the "right to work" in Article 41.
>
> **Rule.** Article 41 is a Directive Principle — not directly enforceable (Article 37). But Article 21 (right to life) *is* enforceable, and since *Olga Tellis* (1986) it includes livelihood.
>
> **Apply.** He cannot sue on Article 41 alone. He can, however, argue that arbitrary deprivation of his livelihood violates Article 21 read with the Directive in Article 41.
>
> **Conclusion.** The Directive supplies the *value*; the Fundamental Right supplies the *remedy*. That is the "backbone" relationship in one example.

The Visual



Case Laws

- ***[C-1] Olga Tellis v Bombay Municipal Corporation (1986)*** — right to life under Article 21 includes the right to livelihood.
- ***[C-2] Bandhua Mukti Morcha v Union of India (1984)*** — Article 21 read with Directive Principles guarantees humane conditions and freedom from bondage for workers.
- ***Randhir Singh v Union of India (1982)*** — “equal pay for equal work” is a constitutional goal under Articles 14, 16 and 39(d).
- ***People’s Union for Democratic Rights v Union of India (1982)*** — denial of minimum wages to workers is “forced labour” under Article 23.

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2. Impact of the ILO on National Laws

Previous Year Questions

- **[10M]** Explain the Constitutional Mandate and the influence of the ILO in the formation of social-security legislation (e.g. the Unorganised Workers’ Social Security Act). *(Oct 2023)* ★

The Hook

After the First World War the peace-makers at Versailles decided that lasting peace needed *social justice*, not just borders. So in 1919 they created the **International Labour Organisation** — and India was a founder member, in the room from day one. A century later the eight-hour day, weekly rest, maternity leave and workmen's compensation you study in this subject all trace back to ILO standards.

What the ILO is and how it reaches Indian law

The ILO is the United Nations' specialised agency for the world of work. Its one unusual feature — worth a mark — is that it is **tripartite**: every member country sends *governments, employers and workers* together, so standards are not dictated from the top. It produces two kinds of instrument:

- a **Convention**, which is a treaty a country may *ratify* and is then bound to implement; and
- a **Recommendation**, which is only guidance.

Here is the point students miss: **a ratified Convention does not automatically become Indian law.** Under our Constitution a treaty must be turned into a statute by Parliament (Article 253) before it binds courts. So the ILO's influence is *indirect but powerful* — it sets the standard, and India legislates to meet it.

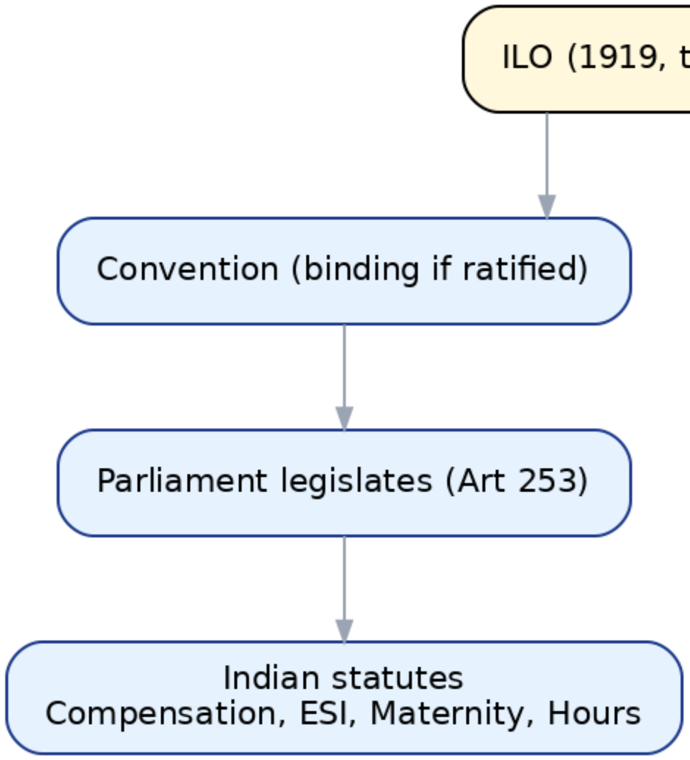
Concrete influences you can name:

- the **Employees' (Workmen's) Compensation** scheme mirrors early ILO conventions on workmen's compensation for accidents;
- the **ESI** and **maternity-benefit** schemes reflect ILO social-insurance and maternity-protection conventions;
- the **eight-hour day and weekly rest** in the Factories/OSH regime follow the very first ILO Convention (Hours of Work, 1919);
- **Convention No. 102 (Social Security Minimum Standards, 1952)** is the model behind the branches of social security the 2020 Codes now cover.

> ***Preamble, ILO Constitution (1919):*** *"universal and lasting peace can be established only if it is based upon social justice."*

In Simple Terms: The ILO does not police Indian factories. It agrees a world standard, India promises to meet it, and Parliament then passes a law — so the ILO is the *source of the idea* behind almost every statute in this subject.

The Visual



Case Laws

- ***Gramophone Co. of India v Birendra Bahadur Pandey (1984)*** — an international norm can be read into Indian law only so far as it is not inconsistent with a domestic statute; treaties need legislative adoption to bind courts.
- ***People's Union for Democratic Rights v Union of India (1982)*** — used ILO norms as an aid to interpret labour guarantees under the Constitution.

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3. Employee's Compensation — Evolution and Key Definitions

Previous Year Questions

- **[Problem]** 'A' is employed as a security inspector at the gate of the factory premises. Is he a "workman"/"employee"? Give reasons. *(Jul 2025)* ★

The Hook

At common law an injured worker who sued his employer almost always lost. Three defences — the "unholy trinity" — beat him every time: *common employment* (the injury was caused by a fellow worker, not the master), *contributory negligence* (the worker was partly careless), and *volenti non fit injuria* [to one who consents, no wrong is done] (he knew the job was risky and took it anyway). The Workmen's Compensation Act, 1923 swept all three aside and said: if the injury arose out of the work, the employer pays — full stop.

What the scheme is, and the words that decide every case

The idea is **no-fault liability**. The worker no longer has to prove the employer was careless; he only has to show the injury *arose out of and in the course of* his employment. In return, the amounts are fixed by a formula, not by what a civil court might award. The Workmen's Compensation Act 1923 is now **Chapter VII of the Code on Social Security, 2020** (sections 73–99), renamed "Employee's Compensation".

Because liability is automatic, the *definitions* do the heavy lifting — most problems are really "does this person / this event fall inside a definition?"

- **Employee** — a person employed on wages to do any work (skilled, unskilled, manual, clerical, supervisory). The old Act used "workman" with a schedule of covered employments; the Code widens this to "employee". A watchman or **security guard at the factory gate is an employee** — he is engaged on wages for the employer's work — so the "is he a workman?" problem is answered *yes*.
- **Dependant** — the relatives who may claim if the worker dies: widow, minor children, and (where wholly/partly dependent) parents and others listed in the Code. This decides *who* receives a death compensation.
- **Employer** — includes any body of persons, and the legal representative of a deceased employer, and a person to whom the services of the worker are temporarily lent or let on hire.
- **Wages** — the earnings used to calculate the amount; includes any privilege or benefit capable of being valued in money, but not a contribution to a pension/PF or travelling allowance.
- **Partial and total disablement** — the loss of earning capacity (taught in full in Topic 5).

> ***Section 2, Code on Social Security 2020 (employee, in brief):*** *"any person … employed on wages … to do any skilled, semi-skilled or unskilled, manual, operational, supervisory, managerial, administrative, technical or clerical work …"*

In Simple Terms: Forget fault. Ask three things — is the injured person an *employee*, was there an *accident*, and did it arise *out of and in the course of* the employment? If yes, the employer pays a formula amount. The claimant on a death is a *dependant*.

◈ **WORKED EXAMPLE — is the gate guard an “employee”?**

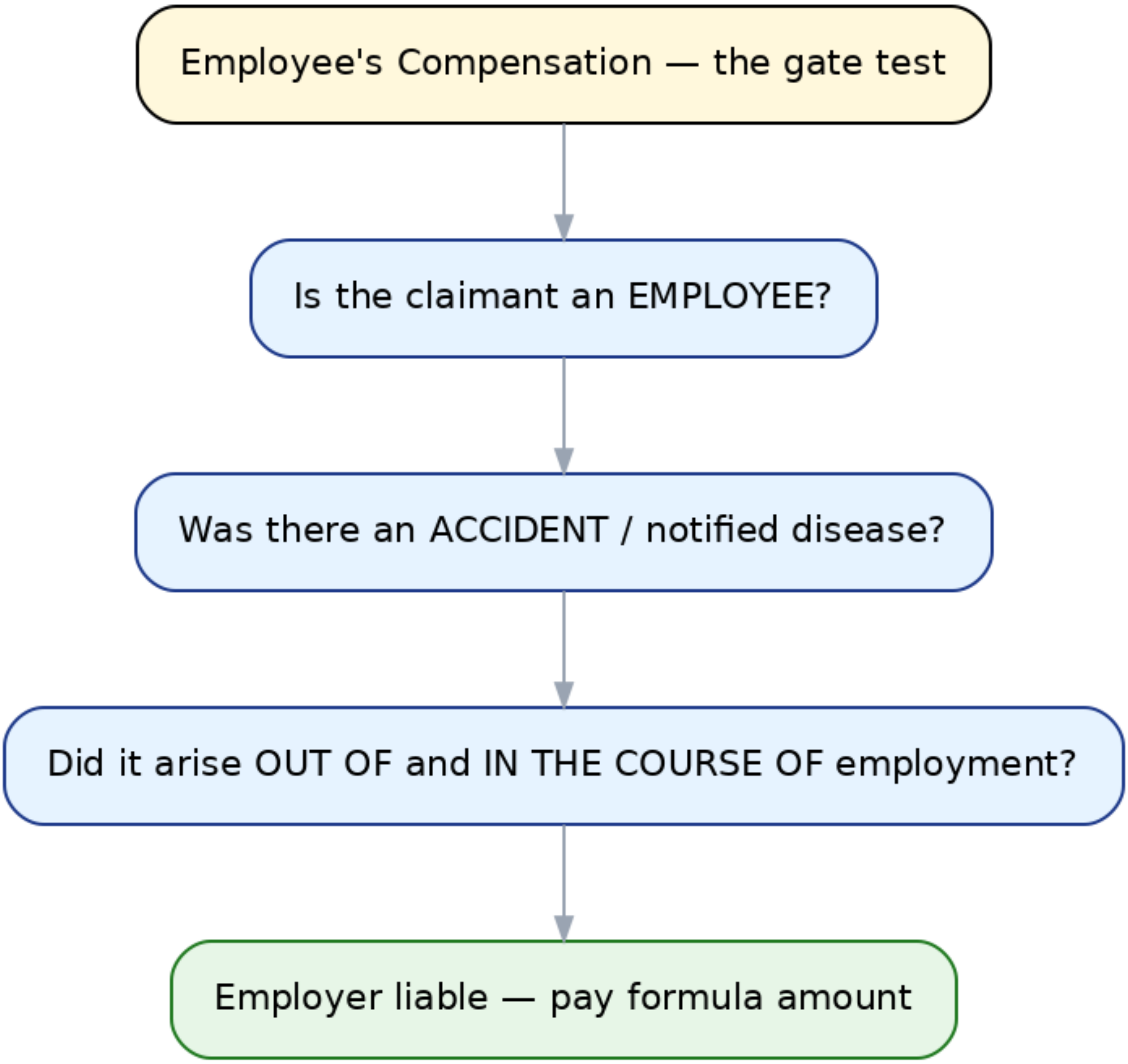
Facts. ‘A’ is engaged on monthly wages as a security inspector at the factory gate and is injured on duty.

Rule. An “employee” is a person employed on wages for the employer’s work, whatever its nature — manual, supervisory or otherwise.

Apply. A guards the employer’s premises for wages; the work is done for and under the employer. Nothing in the definition excludes security work.

Conclusion. A is an employee and, if injured in an accident arising out of and in the course of that employment, can claim compensation.

The Visual



Case Laws

- ***Dharangadhara Chemical Works v State of Saurashtra (1957)*** — the test of an employee is the employer's right to *control* how the work is done, not merely what is done.
- ***B. Shah v Presiding Officer (1977)*** — welfare legislation must be construed beneficially, in favour of the worker.

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4. Employer's Liability to Pay Compensation and the Defences

> **Previous Year Questions**
>
> - **[16M / 10M]** Discuss the liability of the employer to pay compensation under the Employees' Compensation Act. / Circumstances under which an employer is (or need not be) liable. *(Nov 2022, Oct 2023, Mar 2024, Aug 2024, Jul 2025, Jan 2026)* ★★★

The Hook

A workman drank on the job, fell, and died. The employer said: "He was drunk — I owe nothing." The law's answer is more careful than that, and it is exactly what this topic tests. Drink is a defence only in a narrow way — and never where the worker *dies*.

When the employer is liable — and the four exceptions

The rule is in **Section 74 of the Code on Social Security, 2020**. The employer is liable to pay compensation **if personal injury is caused to an employee by an accident arising out of and in the course of his employment.** That is the whole trigger — no need to prove negligence.

But the same section lists the situations where the employer is **not** liable:

1. where the injury does **not** result in total or partial disablement for more than **three days**; and
2. where the injury (**not** resulting in death **or permanent total disablement**) is *directly attributable* to the employee having, at the time, been — (a) under the influence of **drink or drugs**; or (b) in **wilful disobedience** of an order expressly given, or a rule expressly framed, for the purpose of securing the safety of employees; or (c) in **wilful removal or disregard** of a safety guard or device he knew was provided for safety.

▶ KEY POINT

Notice the built-in limit: the drink/disobedience/safety-guard defences apply **only** where the injury did *not* cause death or permanent total disablement. So if the drunk worker *dies*, the defence is gone — the employer still pays. This is the single most-tested point in the unit.

Section 74(1), Code on Social Security 2020: *“If personal injury is caused to an employee by accident arising out of and in the course of his employment, his employer shall be liable to pay compensation … save as provided … [the exceptions above].”*

In Simple Terms: The default is: accident at work → employer pays. The employer escapes only in the listed cases, and even then *never* when the worker is killed or permanently and totally disabled.

◈ WORKED EXAMPLE — the drunk workman who died

Facts. A workman, on the employer’s duty, dies in an accident; it is proved he was under the influence of drink at the time.

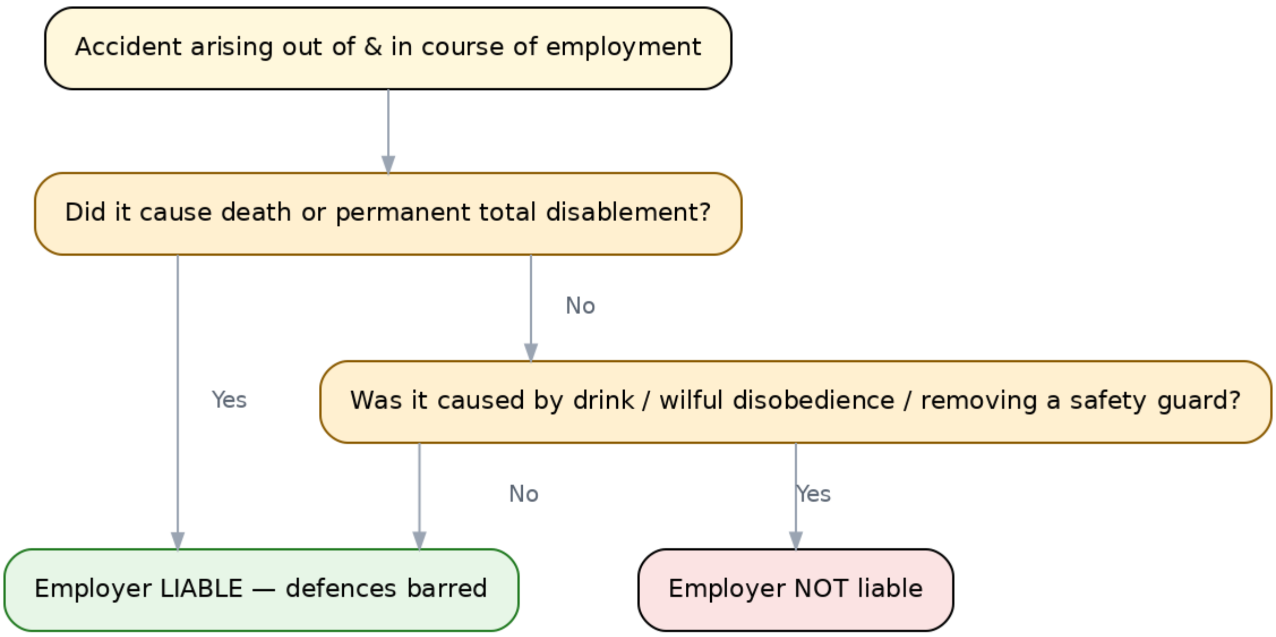
Rule. Section 74 makes the employer liable for accidents arising out of and in the course of employment. The intoxication exception applies **only** where the injury did **not** cause death or permanent total disablement.

Apply. The accident happened on duty (in the course of employment). The worker *died*, so the drink exception cannot be used, even though he was drunk.

Decoy. “He was intoxicated” is planted to make you deny compensation — resist it; drink is irrelevant once death results.

Conclusion. The employer is liable to pay compensation to the dependants.

The Visual



Case Laws

- ***Mackinnon Mackenzie & Co. v Ibrahim Mahmmed Issak (1969)*** — once the accident and its connection with employment are shown, the burden shifts; the workman need not prove the exact cause.
- ***Jyothi Ademma v Plant Engineer, Nellore (2006)*** — where the stress and strain of the work materially contribute to a heart attack on duty, the death can be held to arise out of employment on the facts.

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5. Disablement; "Arising Out of and in the Course of Employment"; Notional Extension

Previous Year Questions

- **[16M / 10M]** Explain partial and total disablement under the Employees' Compensation Act. *(Dec 2020, Mar 2023, Oct 2023, Mar 2024, Aug 2024, Jul 2025)* ★★★
- **[16M / 10M / 6M]** Explain the doctrine of Notional Extension with decided cases. *(Mar 2023, Oct 2023, Mar 2024, Aug 2024, Jan 2026)* ★★★
- **[Problem]** An employee dies from natural lightning / at the employer's premises — is the employer liable? *(Dec 2020, Mar 2024, Aug 2024, Jul 2025, Jan 2026)* ★★

The Hook

In 1958 a factory worker crossed a public ferry on his way home from the salt works, the boat capsized, and he drowned. Was that "in the course of employment", though he had left the factory? The Supreme Court in *Saurashtra Salt* said the answer depends on how far the employment can be *notionally extended* beyond the gate — and that doctrine has decided such problems ever since.

Two phrases, one doctrine, and the disablement ladder

"Arising out of employment" means the injury has a *causal* connection with the work — the risk was one the job exposed the worker to. **"In the course of employment"** means it happened within the *time and place* of the job. Both must be satisfied. Say them together as one test.

The rigid "time and place" limit is softened by the **doctrine of notional extension**. Employment does not begin sharply at the factory gate and end sharply there; it is treated as *notionally extended* a reasonable distance in time and space — for example while the worker is entering or leaving by a route the employment requires him to use. An accident in that extended zone is still "in the course of employment."

There is a matching idea for *cause*: the **added-peril** and **act-of-God** tests. If the employment exposes the worker to a special risk greater than the public faces, an injury from that risk arises out of employment (added peril). A pure act of God — lightning, an earthquake — does **not** arise out of employment *unless* the work added to the risk (e.g. the job put the worker in a specially exposed place).

Disablement is the loss of earning capacity, and it comes in a ladder:

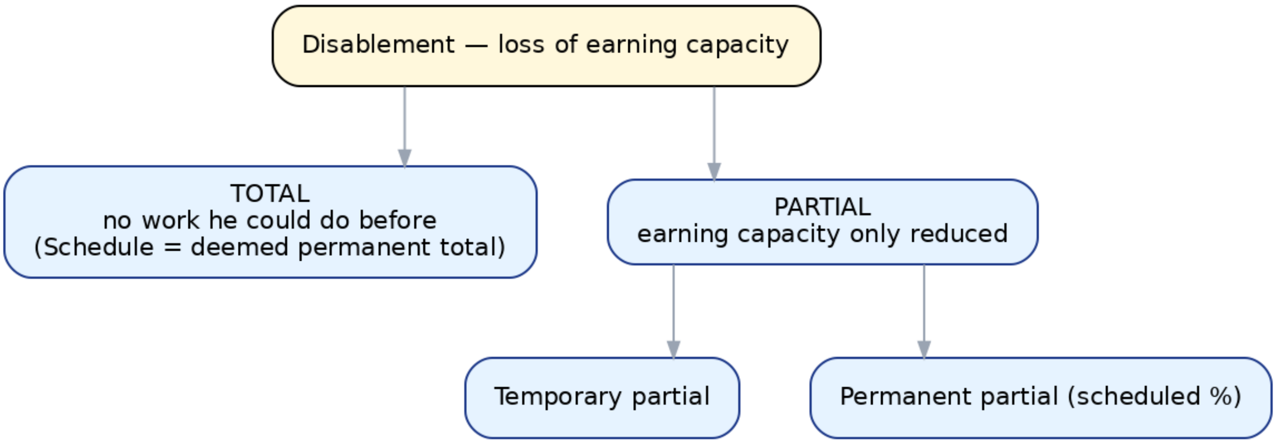
- **Total disablement** — the worker is disabled from *all* work he was capable of doing at the time of the accident. Certain injuries listed in the Schedule (e.g. loss of both hands, or sight of both eyes) are *deemed* to be permanent total disablement without further proof.
- **Partial disablement** — earning capacity is only *reduced*. It is **temporary** (capacity reduced for a period) or **permanent** (a scheduled injury, e.g. loss of one eye, reduces earning capacity permanently by a fixed percentage).

> ***Section 2, Code on Social Security 2020 (partial disablement, in brief):***
> *"where the disablement is of a temporary nature, such disablement as reduces the earning capacity … in any employment in which he was engaged at the time of the accident; and where permanent, such disablement as reduces his earning capacity in every employment which he was capable of undertaking …"*

In Simple Terms: *Total* = cannot earn at all in the work he could do before; *partial* = can still earn, but less. Notional extension stretches "in the course of employment" a little past the gate; the added-peril test stretches "arising out of" to cover special risks the job creates.

> ◈ **WORKED EXAMPLE — death by natural lightning at the workplace**
>
> **Facts.** A worker is killed by natural lightning while working on the employer's premises.
>
> **Rule.** A natural act of God does not "arise out of employment" *unless* the employment exposed the worker to a *greater* risk than the general public (added-peril test).
>
> **Apply.** If the work merely placed him where anyone might have been struck, there is no special risk and no liability. If the work put him in a specially exposed spot (a high open structure, a metal tower) the employment *added* to the risk, and the death arises out of employment.
>
> **Conclusion.** Liability turns on the added-peril test — state the test, then decide on the facts given; do not answer "act of God, so never liable".

The Visual



Case Laws

- ***[C-3] Saurashtra Salt Manufacturing Co. v Bai Valu Raja (1958)*** — notional extension covers a reasonable route/time to and from work; here the ferry crossing fell outside it on the facts.
- ***[C-4] Mackinnon Mackenzie & Co. v Ibrahim Mahmmed Issak (1969)*** — a seaman missing from a ship; the accident is presumed to arise out of employment where the facts point that way — the classic "arising out of" authority.
- ***General Manager, B.E.S.T. Undertaking v Agnes (1964)*** — a tram-driver killed while travelling home in the employer's transport was "in the course of employment" — notional extension applied.
- ***Trustees, Port of Bombay v Yamunabai (1952)*** — a bomb injured a worker at the workplace; the added risk of the place made it arise out of employment.

6. Personal Injury and Occupational Disease

Previous Year Questions

- **[10M]** Explain the employer's liability under the Employees' Compensation Act for personal injuries. *(Jan 2025)* ★
- **[8M]** Occupational Disease. *(Aug 2024)* ★
- **[Problem]** An ex-prisoner contracts tuberculosis from dust while working in the prison — can he claim compensation? *(Aug 2024)* ★

The Hook

A prisoner is put to work in a dusty prison workshop, breathes the dust for months, and contracts tuberculosis. There was no single "accident" — no fall, no machine. Can a slow disease from the work still be an "employment injury"? The answer is the whole point of the occupational-disease rule.

Personal injury by accident vs. a disease built up over time

Ordinarily compensation needs an **accident** — a sudden, identifiable event. But some jobs cause harm *gradually*: a miner's lung disease, a chemical worker's poisoning, a dust-worker's tuberculosis. To cover these, the Code treats certain **occupational diseases** as if they were an employment injury, so no single accident need be proved.

The scheme (drawn from Schedule III of the Code) works in parts:

- If a worker in a specified employment contracts a disease **listed** for that employment, the disease is **deemed to be an injury by accident arising out of and in the course of employment**, and the employer is liable without proof of a specific accident.
- The employment must be of the kind for which the disease is scheduled, and (for some diseases) the worker must have been engaged in it for a continuous period.

"Personal injury" itself is read widely — it covers not only a visible wound but also physiological injury such as a heart attack or a nervous shock brought on by the strain of the work.

> ***Section 74 read with Schedule III, Code on Social Security 2020 (in brief):*** *a listed occupational disease contracted in the corresponding employment "shall be deemed to be an injury by accident … arising out of and in the course of employment."*

In Simple Terms: For a normal injury you point to an *accident*. For a scheduled occupational disease you do not need an accident at all — the disease, caught in the matching job, is *treated* as the accident.

◈ **WORKED EXAMPLE — the prisoner with tuberculosis**

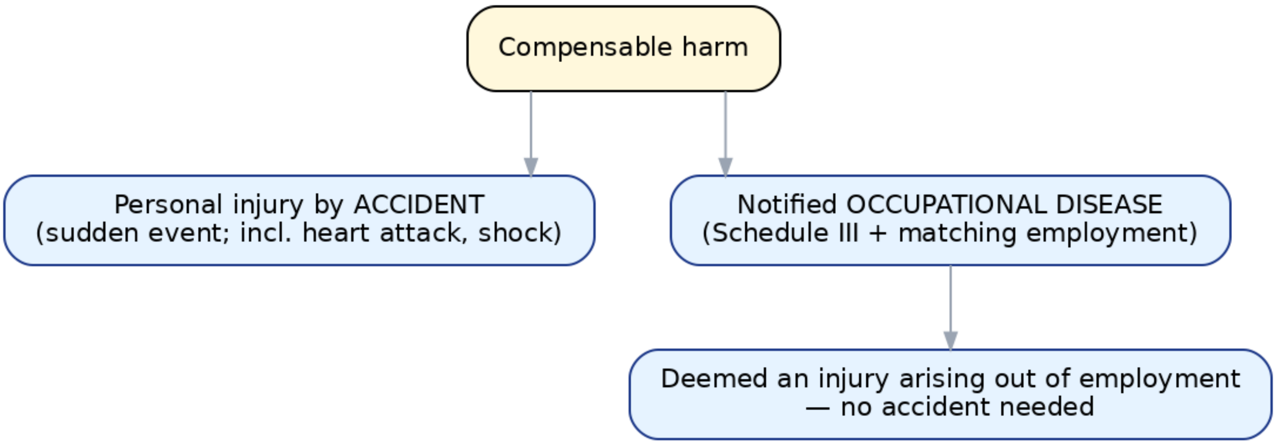
Facts. A person working in a dusty prison workshop contracts tuberculosis from the dust and claims compensation.

Rule. A disease contracted from a workplace hazard can be compensable if it is a notified occupational disease for that employment, when it is deemed an injury arising out of and in the course of employment.

Apply. If the dust-borne disease is scheduled for that kind of work and the exposure was in the course of the work, it is treated as an employment injury; the absence of a single "accident" is no bar.

Conclusion. He can succeed *provided* the disease is a notified occupational disease for that employment and the employer-employee relationship exists; otherwise he must show the illness arose out of the employment.

The Visual



Case Laws

- ***Indian News Chronicle v Mrs Lazarus (1961)*** — an employee who caught pneumonia from repeatedly entering a cold chamber died of an "injury by accident"; disease from the work's conditions is compensable.
- ***E.S.I. Corporation v Francis De Costa (1996)*** — clarified the causal link required between the employment and the injury/disease.

7. Amount and Calculation of Compensation

> **Previous Year Questions**
>
> - *(Not directly asked as a standalone question — taught for completeness and because death/disablement problems may need a one-line figure.)*

The Hook

Two workers lose an arm in the same machine on the same day — one aged 25, one aged 55. They do **not** get the same money. The Code deliberately pays the younger worker more, and the reason reveals how the whole formula thinks.

How the money is worked out

Compensation is **not** at large — it is a formula fixed by **Section 76 read with the Sixth Schedule** of the Code. Three inputs drive it: the *nature* of the injury (death / total / partial), the worker's *monthly wages*, and his *age* (through a "relevant factor" set out in the **Sixth Schedule**; the injury-percentage list for partial disablement is the **Fourth Schedule**).

- **Death** — 50% of the monthly wages × the relevant factor for the worker's age, subject to a minimum floor; plus funeral expenses.
- **Permanent total disablement** — 60% of monthly wages × the relevant factor, subject to a minimum floor.
- **Permanent partial disablement** — a proportion of the total-disablement amount, matching the percentage loss of earning capacity for that injury in the **Fourth Schedule**.
- **Temporary disablement** — a half-monthly payment while the disablement lasts.

The **relevant factor falls as age rises** — that is why the younger worker gets more: he has more working years ahead, so a larger multiplier. Monthly wages above a notified ceiling are capped for the calculation.

> ***Section 76, Code on Social Security 2020 (amount of compensation, in brief):*** *compensation for death is "an amount equal to fifty per cent. of the monthly wages of the deceased … multiplied by the relevant factor", and for permanent total disablement "sixty per cent. … multiplied by the relevant factor", subject to the prescribed minimum.*

In Simple Terms: Pick the injury type → take the right percentage of monthly wages → multiply by the age factor from the Sixth Schedule → check it is not below the floor. Younger worker, bigger factor, more money.

◈ **WORKED EXAMPLE — reading the formula**

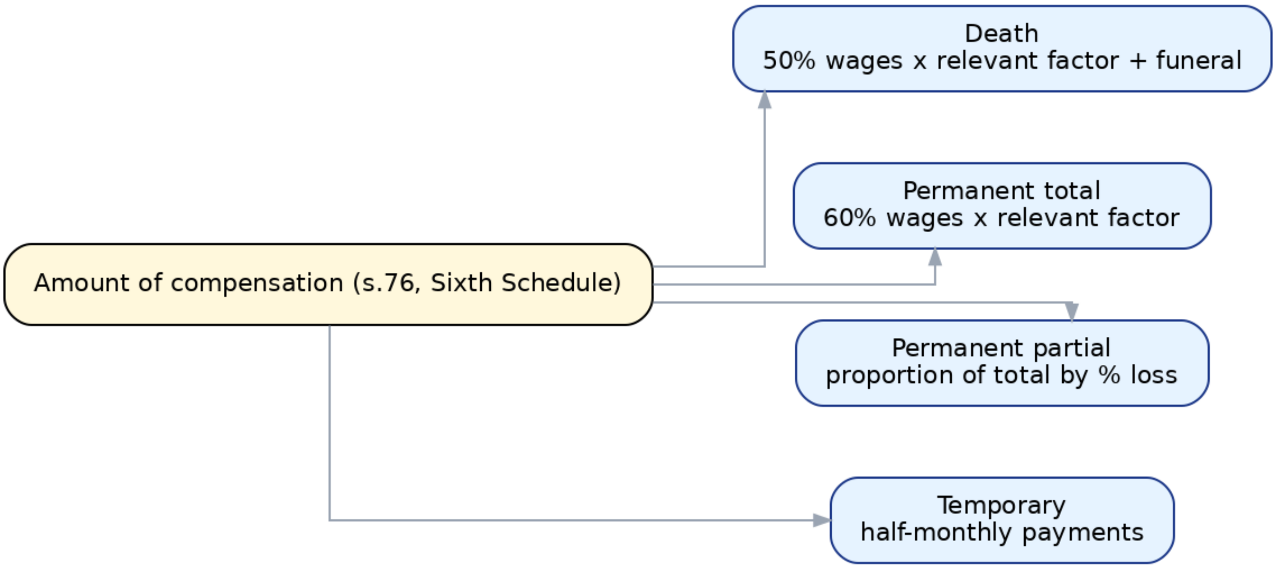
Facts. A worker aged 25 dies in a workplace accident; monthly wages are within the ceiling.

Rule. Death compensation = 50% of monthly wages × the relevant factor for age 25 (Sixth Schedule), subject to the statutory minimum, plus funeral expenses.

Apply. Take half the monthly wage, multiply by the (high) factor for a 25-year-old, compare with the floor and pay the higher.

Conclusion. State the formula and the inputs; you are not expected to recite the exact factor, only to show you know *how* the figure is built.

The Visual



Case Laws

- ***Pratap Narain Singh Deo v Srinivas Sabata (1976)*** — compensation falls due from the date of the accident, not the date of settlement or award; interest runs on default.

8. Competent Authority — Powers, Notice, Claim and Deposit

Previous Year Questions

- **[16M]** Discuss the powers and functions of the Commissioner (competent authority) under the Employees' Compensation Act. *(Dec 2020, Aug 2024)* ★★
- **[6M]** Procedure for claiming compensation. *(Jan 2025, Jul 2025)* ★
- **[Problem]** The employer pays the widow ₹1 lakh directly as compensation — is it a valid payment? *(Jan 2025, Jul 2025)* ★

The Hook

An employee dies in a factory accident. The kind-hearted employer hands the widow ₹1 lakh in cash and thinks the matter is closed. It is **not** — and the reason protects the very widow he tried to help.

The authority that decides claims, and the rule that money goes through it

Disputes about compensation are decided not by an ordinary civil court but by a **competent authority** (the old "Commissioner"), appointed under **Section 91** of the Code, whose powers and procedure are in **Sections 90–99**.

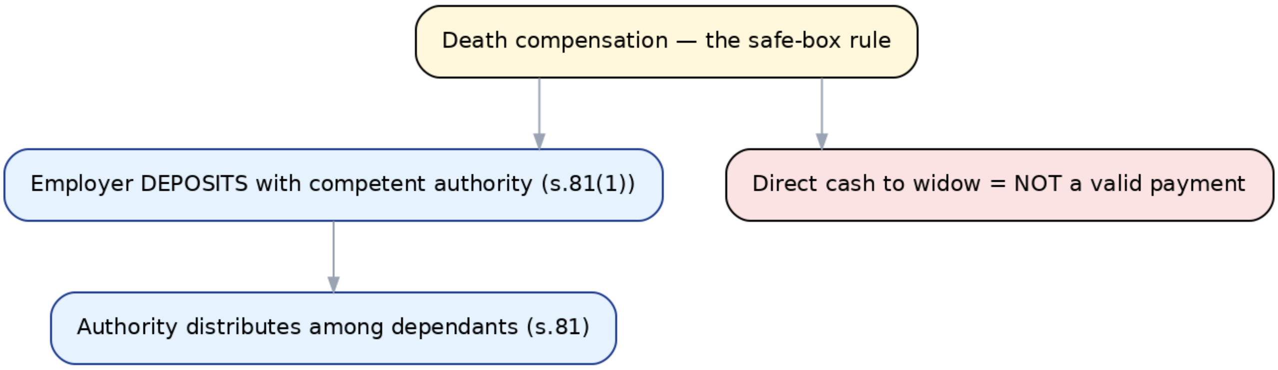
- **Powers and functions** (Section 95) — the competent authority has the **powers of a civil court** (summoning witnesses, taking evidence on oath, compelling production of documents). It settles disputes on liability and amount, **apportions** a lump sum among dependants, decides who is a dependant, and registers agreements.
- **Notice and claim** (Section 82) — notice of the accident should be given as soon as practicable, and a claim must be made within the limitation period (generally **two years** of the accident or death), though the authority may admit a late claim for sufficient cause.
- **Deposit and distribution of compensation** (Section 81(1)) — this is the exam favourite. Where an employee dies, the compensation must be **deposited with the competent authority**, which then distributes it among the dependants. A payment made **directly** to a dependant is **not** a valid payment of compensation. (Separately, Section 77 requires the compensation to be **paid as soon as it falls due**, with damages/interest for default.) The rule exists to stop widows and minors from being short-changed or pressured into accepting too little.

> ***Section 81(1), Code on Social Security 2020:*** *"No payment of compensation in respect of an employee whose injury has resulted in death … shall be made otherwise than by deposit with the competent authority, and no such payment made directly by an employer shall be deemed to be a payment of compensation."*

In Simple Terms: Think of the competent authority as the safe box. On a death, the employer must put the money *in the box*; the authority decides how much and splits it fairly among the dependants. Cash slipped to the widow at the gate does not count.

> ◈ **WORKED EXAMPLE — ₹1 lakh handed to the widow**
>
> **Facts.** After a fatal factory accident, the employer pays the widow ₹1 lakh directly.
>
> **Rule.** On death, compensation must be *deposited with the competent authority* (s. 81(1)); a direct payment is not a valid payment of compensation (and the amount must also match the s.76 formula).
>
> **Apply.** The employer bypassed the authority and fixed the sum himself, so the payment does not discharge his statutory liability, and the widow is not bound by it.
>
> **Conclusion.** The direct payment is invalid. The employer must deposit the correctly-calculated compensation with the competent authority for distribution.

The Visual



Case Laws

- ***Pratap Narain Singh Deo v Srinivas Sabata (1976)*** — the employer must pay/ deposit compensation as soon as it falls due; he cannot wait to be forced, and interest/ penalty runs on default.
- A civil court has **no jurisdiction** to settle a question required to be decided by the competent authority (Code on Social Security 2020, **Section 90(2)**), and a claimant who has sued for damages in a civil court cannot also claim compensation (**Section 74(7)**).

Landmark Cases — in Brief

[C-1] Olga Tellis v Bombay Municipal Corporation (1986) — livelihood is part of “life”

Facts.

Pavement and slum dwellers in Bombay faced eviction that would end their means of earning.

Issue.

Does the right to life in Article 21 include the right to livelihood?

Held.

Yes. Depriving a person of livelihood by unfair means can amount to depriving him of life; the Directive Principles about work inform Article 21.

Why it matters.

It is the bridge that makes the “non-binding” labour Directives constitutionally effective — the core of every “FR and DPSP are the backbone” answer.

[C-3] Saurashtra Salt Manufacturing Co. v Bai Valu Raja (1958) — how far the workplace extends

Facts.

A salt-works employee drowned crossing a public creek by ferry on his way home.

Issue.

Was the drowning “in the course of employment” once he had left the works?

Held.

Employment can be *notionally extended* to a reasonable time and route around the workplace, but on these facts the public ferry crossing fell outside it, so the claim failed.

Why it matters.

It is the leading Indian statement of the **notional extension** doctrine — cited in every “arising in the course of employment” problem.

[C-4] Mackinnon Mackenzie & Co. v Ibrahim Mahmmed Issak (1969) — proving “arising out of”

Facts.

A seaman disappeared from the employer’s ship at sea; the exact cause of death was unknown.

Issue.

Must the dependants prove precisely how the accident happened?

Held.

No. Where the facts reasonably point to an accident connected with the employment, the injury is presumed to arise out of it; certainty of cause is not required.

Why it matters.

It fixes the *burden of proof* in the worker's favour — the standard authority on "arising out of employment".

Quick Revision & Case Law Table

One-line memory hooks

- **Labour welfare & constitution:** DPSP (Arts 41, 42, 43, 43A) are the value; Art 21 (life = livelihood) is the enforceable remedy — the "backbone".
- **ILO:** tripartite; Convention binds only after Parliament legislates (Art 253); source of compensation/ESI/maternity/hours law.
- **Compensation basics:** no-fault; ask employee? accident? arising out of and in course of employment?
- **Liability & defences (s.74):** accident at work → employer pays; drink/disobedience/safety-guard defences fail once death or permanent total disablement results.
- **Disablement & notional extension:** total = no work he could do before; partial = reduced capacity; employment extends notionally past the gate; act of God only if the job added the peril.
- **Occupational disease:** a scheduled disease in the matching job is *deemed* an employment injury — no accident needed.
- **Amount (s.76):** death 50% × relevant factor; total 60% × relevant factor (age factor = Sixth Schedule; injury % = Fourth Schedule); younger worker → bigger factor.
- **Competent authority (ss.90–99):** civil-court powers; on death, deposit with the authority (s.81(1)) — direct cash to the widow is invalid.

Master Case List for Unit 1

Case	Topic	One-line ratio
[C-1] Olga Tellis v Bombay Municipal Corporation (1986)	Constitutional dimensions	Article 21 includes the right to livelihood.

Case	Topic	One-line ratio
[C-2] Bandhua Mukti Morcha v Union of India (1984)	Constitutional dimensions	Art 21 + DPSP guarantee humane, bondage-free labour.
Randhir Singh v Union of India (1982)	Constitutional dimensions	Equal pay for equal work under Arts 14, 16, 39(d).
People’s Union for Democratic Rights v UOI (1982)	Constitution / ILO	Non-payment of minimum wages is “forced labour” (Art 23).
Gramophone Co. v B.B. Pandey (1984)	ILO	Treaties bind courts only when adopted by legislation.
Dharangadhara Chemical Works v State of Saurashtra (1957)	Employee definition	The “control” test identifies an employee.
[C-3] Saurashtra Salt Mfg. Co. v Bai Valu Raja (1958)	Notional extension	Employment extends notionally to a reasonable route/time.
[C-4] Mackinnon Mackenzie v Ibrahim Issak (1969)	Arising out of employment	Accident presumed to arise out of employment on the facts.
General Manager, BEST v Agnes (1964)	Notional extension	Travel home in employer’s transport is in the course of employment.
Indian News Chronicle v Mrs Lazarus (1961)	Occupational disease	Disease from work conditions is an “injury by accident”.
Pratap Narain Singh Deo v Srinivas Sabata (1976)	Amount / deposit	Compensation is due from the date of the accident.

End of Unit 1.

Labour Law-II

KSLU LL.B. — Question Bank · Model Answers (Essays & Problems) · 100-mark pattern

KSLU LL.B. Question Bank

Medha-Academy

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Notes Version: **v1.0**

August 2026

Contents

Medha-Academy.in · KSLU LL.B. · Essays · Short Notes · Problems · All Units (New Labour Codes)

> ***Read this first, then go to your unit.*** *This companion to the study notes gives you a full, exam-ready* ***model answer*** *to every 16M essay, every 10M short / explanatory note, and every fact-pattern problem asked in past KSLU Labour Law-II papers — grouped by unit and topic in the same order as the notes. Sub-10-mark short notes (5M / 6M / 8M) are answered in the notes bundle, not here. The law is stated as the* ***2020 Codes*** *(Code on Social Security + OSH Code) put it; a question phrased under an old Act is answered under the matching Code provision.*
>
> ***Built for the 100-mark paper.*** *KSLU sets an* ***80-mark*** *and a* ***100-mark*** *paper; this bank is the* ***100-mark*** *edition (* `Labour_Law_II_Question_Bank_100.pdf` *), which most students sit. Its essays and short notes are the 100-mark questions, but its* ***problems cover every fact-pattern from both patterns*** *— problems repeat, so none is left out. Sitting the 80-mark paper? An 80-mark edition can be generated on request.*

How to Use This Question Bank

What this is. A rehearsal book. The study notes teach the concept; this bank shows you how to *write the marks* — a complete answer in the exact shape an examiner rewards.

The 3-step drill. (1) Read the question and try a 2-minute plan from memory.

1. Read the model answer; note the structure, the cases, the verdict. (3) For problems, re-do the IRAC in your own words under time.

Priorities. The ★ rating shows how often a question repeats — ★★★ (5+ times) is a near-certainty; do these first. The Priority Index below lists them ranked.

House rules that win marks. Lead with a definition + roadmap; cite the Code section (not just the old Act) and name the case **and** the year; for problems use the four IRAC headings and always give a definite verdict; spot the planted decoy (intoxication, “only two children”, the below-threshold headcount).

Exam Pattern & Mark Weights

> ***100-mark paper*** *— long essays are 16 marks and the last question is a set of application problems (10 marks each). This bank drills the* ***16M essays (§A)****, the substantial* ***10M explanatory questions (§B)*** *(which recur across sittings), and* ***every fact-pattern problem (§C)****. Purely descriptive sub-10-mark short notes are answered in the study-notes bundle, not here.*

Mark slot	What it is	How many	Where it's drilled
16M	Long essay	16 model essays	Section A of each unit
10M	Short / explanatory note	17 model notes	Section B of each unit
Problems	Fact-pattern, IRAC	12 model problems	Section C of each unit

> 🆕 ***New-syllabus (anticipated) blocks.*** *Because LL-II is a brand-new syllabus built on the 2020 Codes, several topics — the OSH Code's objectives, employer/ employee duties, safety, offences/penalties and the Social Security Fund, the ILO's impact, the compensation-calculation formula, and above all* ***gig & platform workers*** *and* ***building & construction workers*** *— have* ***no past-year question yet****. The bank adds* ***anticipated model answers*** *for them (marked "🆕 new" in the Priority Index), sourced entirely from the study notes, because examiners mine exactly these fresh topics.*

Priority Index — Questions by Frequency

Rank	Question (short)	Type	Times asked	Unit
1	Labour welfare & the constitutional dimensions of social security	16M	★★★	1
2	Liability of the employer to pay compensation (defences)	16M	★★★	1
3	Partial & total disablement	16M	★★★	1
4	ESI benefits available to employees	16M	★★★	2
5	Constitution, powers & procedure of the ESI Court	16M	★★★	2

Rank	Question (short)	Type	Times asked	Unit
6	Maternity benefit — right, calculation & features	10M	★★★	2
7	Provident Fund schemes (PF, EPS, EDLI)	16M	★★★	3
8	Contribution under the EPF Act	16M	★★★	3
9	Health measures under the OSH Code (Factories)	16M	★★★	4
10	Welfare measures (incl. creche)	16M	★★★	4
11	Contract labour — objectives & essential features	16M	★★★	5
12	Unorganised workers — schemes & features	16M	★★★	5
13	Gratuity — negligent-damage forfeiture problem	Prob	★★	3
14	Creche-refusal problem	Prob	★★	4
15	Intoxication-death compensation problem	Prob	★★	1
🆕	**Gig & platform workers** — definitions, schemes, aggregator contribution (Q5.3)	16M	🆕 new	5
🆕	**OSH Code** — objectives, scope, applicability & transition (Q4.3)	16M	🆕 new	4
🆕	Duties of employer & employees under the OSH Code (S4.2)	10M	🆕 new	4
🆕	Safety provisions under the OSH Code (S4.3)	10M	🆕 new	4
🆕	Offences & penalties under the OSH Code (S4.4)	10M	🆕 new	4
🆕	Social Security Fund (s.141) (S4.5)	10M	🆕 new	4
🆕	Building & construction workers — cess, fund, board (S5.4)	10M	🆕 new	5

Rank	Question (short)	Type	Times asked	Unit
🆕	Impact of the ILO on national laws (S1.2)	10M	🆕 new	1
🆕	Calculation / amount of compensation (S1.3)	10M	🆕 new	1

> *The 🆕 rows are **anticipated** (no PYQ yet). Prioritise **Gig & platform workers** and the **OSH Code objectives/scope** — the examiner's most likely fresh picks.*

Year Index — Questions by Paper

Year (paper)	Essays asked	Short notes (10M) asked	Problems asked
2023(100)	Q1.1, Q3.2, Q5.1, Q5.2	—	P3.3
2024(100)	Q1.3, Q2.2, Q3.1, Q4.1	—	P1.1, P4.2
2024(80)	—	S3.3, S5.1, S5.2	—
2025(100)	Q1.2, Q2.2, Q4.1	—	P1.3, P1.5, P4.2
2025(80)	—	S1.1	P1.4, P4.1, P4.3
2026(100)	Q1.4, Q3.3, Q5.2	—	P3.2
2026(80)	—	S3.1, S5.2	P3.1
2020(100)	Q1.5, Q2.2, Q4.2	—	P1.1
2022(80)	—	S3.1	P3.4

> ***This bank is built for the 100-mark paper.*** *Its* ***essays*** *(§A) and* ***short notes*** *(§B) are the long questions asked on a* ***100-mark*** *KSLU sitting for Labour Law-II; its* ***problems*** *(§C) cover* ***every*** *fact-pattern problem from both the 80- and 100-mark papers, because problems recur across sittings and are the easiest marks to lose. Every unit, in the notes' topic order. Sub-10-mark short notes are answered in the study-notes bundle, not here.*

UNIT 1 — Labour Welfare & Employee’s Compensation

A. Essay Questions (16M) — Model Answers

Q1.1 — `[16M]` Define ‘Labour Welfare Legislation’ and explain the Indian constitutional provisions relating to labour welfare / social security with decided cases.

> *Asked: Nov 2022 (80), Mar 2023 (100), Oct 2023 (80), Mar 2024 (80), Aug 2024 (80), 2024(100), Jan 2025 (80), Jul 2025 (80), Jan 2026 (80) · Pattern: both · ★★★ · Notes: Unit 1 → Topic 1 (Labour Welfare, Social Security and Constitutional Dimensions)*

> ▤ ***ANSWER OUTLINE***
>
> 1. *Define labour welfare and social security — conditions of work vs income security.*
> 2. *The source is the Constitution: Directive Principles (Arts 39, 41, 42, 43, 43A).*
> 3. *Supported by Fundamental Rights (Arts 21, 23, 24, 14) — the “backbone” relationship.*
> 4. *Cases: Olga Tellis, Bandhua Mukti Morcha, PUDR, Randhir Singh.*
> 5. *Conclusion — the 2020 Codes are the Directives turned into law.*

Introduction

“Labour welfare legislation” is the body of law that improves the conditions of working life beyond the bare wage — safety, health, cleanliness, rest and, above all, **social security** (protection of income against accident, sickness, maternity, old age and death). Its ultimate source is the Constitution, which *directs* the State to secure these things for workers. This is why the examiner asks the two ideas together: the welfare law is the flesh, the constitutional provisions are the bone.

A. Labour welfare and social security — the meaning

1. **Labour welfare** covers the *conditions* of work — the measures that make the workplace and the working life humane. It is preventive and facilitative: creches, canteens, safety, hours limits, rest.
2. **Social security** is the narrower, legally-guaranteed core — it insures the worker’s *income* against the standard contingencies of working life (employment injury,

sickness, maternity, disablement, old age, death). Employees' compensation, ESI, provident fund, gratuity and the unorganised-workers schemes are all social-security law.

3. The two differ in aim: welfare looks after the *conditions* of work; social security compensates for *loss of income*. Together they answer the worker's weakness in bargaining with capital.

B. The Directive Principles — the primary constitutional source

The mandate sits mainly in Part IV of the Constitution:

1. **Article 39(e)–(f)** — the State must ensure that the health and strength of workers is not abused and that citizens are not forced by economic necessity into unsuitable work.
2. **Article 41** — the State shall make effective provision for the **right to work, education and public assistance** in unemployment, old age, sickness and disablement — the parent of ESI and the unorganised-workers schemes.
3. **Article 42** — the State shall secure **just and humane conditions of work and maternity relief** — the parent of the OSH welfare rules and of maternity benefit.
4. **Article 43** — the State shall endeavour to secure a **living wage and a decent standard of life**; and **Article 43A** — **workers' participation** in management.

C. The Fundamental Rights — the enforceable backbone

The Directive Principles are not by themselves enforceable in a court (**Article 37**), but the courts read them into the enforceable Fundamental Rights, which is the whole meaning of the exam line "FR and DPSP are the backbone of industrial jurisprudence".

1. **Article 21** (life and personal liberty) has been expanded to include the **right to livelihood** and to humane conditions, giving the labour Directives real bite.
2. **Article 23** forbids forced labour, and **Article 24** bars a child under 14 from a factory, mine or hazardous work.
3. **Article 14** (equality) underlies the principle of "equal pay for equal work".

D. How the Directives and Rights work together

The relationship is the crux of any full answer. Standing alone, a Directive Principle cannot be enforced in court — Article 37 says so in terms. But the judiciary has refused to treat the Directives as pious wishes. Instead it uses them as an **interpretive key**: where a Fundamental Right such as Article 21 is capable of a narrow or a broad reading, the court reads it **broadly, in the light of the Directive Principles**, so that the value the Directive protects becomes enforceable through the Right. That is exactly how the "right to livelihood" was read into the "right to life", and how humane working conditions were read into Article 21. So the Directives supply the **content**, the Fundamental Rights supply the **remedy**, and the labour statutes supply the **detail** — three layers of the same protection. This is the whole force of the statement that the Fundamental Rights and the Directive Principles are the "backbone of industrial jurisprudence".

Leading cases

- ***Olga Tellis v Bombay Municipal Corporation (1986)*** — the right to life in Article 21 includes the **right to livelihood**; depriving a person of his means of living can violate Article 21.
- ***Bandhua Mukti Morcha v Union of India (1984)*** — Article 21 read with the Directive Principles guarantees humane, bondage-free working conditions.
- ***People's Union for Democratic Rights v Union of India (1982)*** — non-payment of minimum wages amounts to "forced labour" under Article 23.
- ***Randhir Singh v Union of India (1982)*** — "equal pay for equal work" is a constitutional goal under Articles 14, 16 and 39(d).

Conclusion

Labour welfare legislation is the machinery by which the State discharges its constitutional duty to protect workers. The **Directive Principles** (Articles 39, 41, 42, 43, 43A) set the value; the **Fundamental Rights** (Articles 21, 23, 24, 14), as interpreted in *Olga Tellis* and *Bandhua Mukti Morcha*, make it enforceable. The two 2020 Codes — the Code on Social Security and the OSH Code — are simply these Directives translated into statute. That relationship is what "FR and DPSP are the backbone of industrial jurisprudence" means, and it is the spine of any full-marks answer.

Q1.2 — `[16M]` Discuss the liability of the employer to pay compensation under the Employees' Compensation Act (Chapter VII, Code on Social Security 2020), including the circumstances in which he need not pay.

> *Asked: Dec 2020 (100), Nov 2022 (80), Oct 2023 (80), Mar 2024 (80), Aug 2024 (80), Jul 2025 (100), Jan 2026 (80), Jan 2026 (100) · Pattern: both · ★★★ · Notes: Unit 1 → Topic 4 (Employer's Liability to Pay Compensation)*

> ▤ ***ANSWER OUTLINE***
>
> 1. *The no-fault principle; s.74 — accident arising out of and in the course of employment.*
> 2. *The three ingredients: employee, accident, arising out of/in the course of.*
> 3. *The four exceptions where the employer is NOT liable.*
> 4. *The death / permanent-total-disablement override on the defences.*
> 5. *Cases + conclusion.*

> ⚠ **DON'T CONFUSE**
>
> **Looks like:** Q1.3 (Unit 1) — partial & total disablement. **How it differs:** this question is about *when the employer must pay* (the trigger and defences under s.74); Q1.3 is about *classifying the injury* to fix the *amount*. **Tell them apart by:** "liable / circumstances / need not pay" points to s.74; "partial / total / earning capacity" points to disablement.

Introduction

The Employees' Compensation scheme — the Workmen's Compensation Act 1923, now **Chapter VII of the Code on Social Security, 2020** — rests on one revolutionary idea: **no-fault liability**. The injured worker need not prove the employer was negligent; the employer pays because the injury arose out of the work he profits from. The governing provision is **Section 74**.

A. The general rule of liability (s.74)

1. **The trigger.** The employer is liable if **personal injury is caused to an employee by an accident arising out of and in the course of his employment**. Negligence is irrelevant — this is the break with the common law, which once let the employer escape behind the "unholy trinity" of common employment, contributory negligence and *volenti non fit injuria* [to one who consents no wrong is done].
2. **Three ingredients.** There must be (a) an **employee** (widely defined — even a gate security guard qualifies), (b) an **accident** (or a notified occupational disease treated as one), and (c) the accident must arise **out of** (a causal connection with the work) **and in the course of** (within the time and place of) the employment.
3. **Personal injury** is read widely — it covers not only wounds but physiological injury such as a heart attack or nervous shock brought on by the strain of work, provided the causal connection with the employment is shown.

Why did the law abandon fault? Because the common-law position left the injured worker almost always uncompensated: the employer could point to a careless fellow-workman (common employment), to the worker's own carelessness (contributory negligence), or to the worker's acceptance of a known risk (*volenti non fit injuria*). Industrial accidents are a normal cost of running a business, so the law shifted that cost onto the enterprise that profits from the work — the worker gives up the chance of a large civil-court award in exchange for a **certain, formula-based** payment without having to prove anyone was at fault.

B. When the employer is NOT liable (the exceptions)

Section 74 itself carves out the situations where liability does not arise:

1. where the injury does **not** cause total or partial disablement for **more than three days**;

2. where the injury — **not** being one that results in **death or permanent total disablement** — is directly attributable to the employee having, at the time, been (a) under the influence of **drink or drugs**; or (b) in **wilful disobedience** of an express safety order or rule; or (c) in **wilful removal or disregard** of a safety guard or device he knew was provided for safety.

C. The death / permanent-total-disablement override

This is the single most-tested point. The drink, wilful-disobedience and safety-guard defences apply **only** where the injury did **not** cause death or permanent total disablement. So if a drunk worker *dies* at work, the intoxication defence is gone and the employer still pays. The reason is one of policy: the defences are meant to withhold compensation from a worker who brought a *minor* injury on himself by his own fault, not to deprive a dead worker's widow and children of their livelihood. Where the consequence is death or permanent total disablement, the human need is at its greatest and the law refuses to let the employer escape. The decoy fact "he was drunk" is deliberately planted to mislead — resist it whenever death results, and say so expressly.

D. Occupational disease

Liability is not confined to sudden accidents. A **notified occupational disease** (Schedule III) contracted in the corresponding employment is **deemed** an injury arising out of and in the course of employment, so the employer is liable without proof of any specific accident.

Leading cases

- ***Mackinnon Mackenzie & Co. v Ibrahim Mahmmed Issak (1969)*** — once the facts reasonably point to a work-connected accident, it is presumed to arise out of employment; the claimant need not prove the exact cause.
- ***Jyothi Ademma v Plant Engineer, Nellore (2006)*** — where the stress and strain of the work materially contribute to a heart attack on duty, the death can arise out of employment.

Conclusion

Under **Section 74**, an accident arising out of and in the course of employment makes the employer liable to pay compensation, regardless of fault. He escapes only in the four listed situations — and never where the worker is killed or permanently and totally disabled. State the rule, list the exceptions, apply the death override, and close with a definite verdict.

Q1.3 — `[16M]` Explain ‘partial disablement’ and ‘total disablement’ under the Employees’ Compensation law.

> *Asked: Nov 2022 (80), Mar 2023 (80), Oct 2023 (80), Mar 2024 (100), Jul 2025 (80), Jan 2026 (80) · Pattern: both · ★★★ · Notes: Unit 1 → Topic 5 (Disablement; Arising Out of Employment; Notional Extension)*

> ▤ ***ANSWER OUTLINE***
>
> *1. Disablement = loss of earning capacity; why it matters (fixes the amount).*
>
> *2. Total disablement — all work he could do before; deemed cases in the Schedule.*
>
> *3. Partial disablement — temporary and permanent; scheduled percentages.*
>
> *4. Distinction table + the added-peril/act-of-God connection.*
>
> *5. Conclusion.*

Introduction

“Disablement” in compensation law does not mean a medical injury for its own sake — it means the **loss of earning capacity** the injury causes. This is a crucial shift of focus: the law is not compensating the wound, it is compensating the worker’s reduced ability to **earn a living** because of the wound. This is why the classification matters — the *amount* of compensation is fixed by whether the disablement is total or partial, and whether it is temporary or permanent. Two workers with the same medical injury may fall into different classes if it affects their earning capacity differently, so the answer must always be argued in terms of earning capacity, not anatomy.

A. Total disablement

1. **Definition.** Total disablement is a disablement, temporary or permanent, that incapacitates the employee for **all the work he was capable of doing at the time of the accident**. The test is complete loss of the capacity to earn in the kind of work he could previously do.
2. **Deemed total disablement.** The law does not always require proof of complete incapacity. Certain injuries listed in the Schedule — for example, loss of both hands, or the sight of both eyes, or such combinations — are **deemed** to be permanent total disablement, whatever the worker can in fact still do.
3. **Effect.** Permanent total disablement attracts the highest compensation (60% of monthly wages multiplied by the age-based relevant factor).

B. Partial disablement

1. **Definition.** Partial disablement is a disablement that **reduces** the earning capacity without destroying it.

2. **Temporary partial** — the earning capacity is reduced for a period *in the employment the worker was engaged in at the time of the accident*.
3. **Permanent partial** — the injury permanently reduces the worker's earning capacity in **every** employment he was capable of undertaking. For scheduled injuries (e.g. loss of one eye, loss of a thumb) the Schedule fixes a **percentage** loss of earning capacity, and the compensation is that proportion of the permanent-total figure.

There is an important refinement. The percentage in the Schedule is not conclusive for a *non-scheduled* injury or where the actual loss differs: for an unscheduled injury the loss is assessed on the facts, and the enquiry always returns to how much the worker's real capacity to earn has been cut. This is why a small anatomical injury to a skilled worker whose trade depends on that very part (a pianist's finger, a driver's eye) can produce a large percentage of disablement, while the same injury to another worker may produce little.

C. Total v partial — the distinction

	Total disablement	Partial disablement
Earning capacity	Lost for all work he could do	Only reduced
Kinds	Temporary / permanent (some deemed)	Temporary / permanent
Measure	Full figure (60% × factor for permanent total)	Proportion, by the scheduled percentage
Proof	Sometimes deemed by the Schedule	Percentage from the Schedule

D. Reading disablement with "arising out of employment"

Disablement only becomes compensable when the injury **arises out of and in the course of** employment. Two related tests decide borderline cases: the **notional extension** doctrine stretches "in the course of employment" a reasonable distance beyond the factory gate, and the **added-peril / act-of-God** test decides whether a natural cause (lightning) arises out of the work — it does only if the employment exposed the worker to a greater-than-ordinary risk.

Leading cases

- ***Saurashtra Salt Manufacturing Co. v Bai Valu Raja (1958)*** — the notional-extension doctrine; employment extends notionally to a reasonable route and time around the workplace.
- ***Mackinnon Mackenzie & Co. v Ibrahim Mahmmed Issak (1969)*** — the accident is presumed to arise out of employment where the facts reasonably point to it.

Conclusion

Total disablement destroys the worker's earning capacity for all the work he could previously do (with certain scheduled injuries deemed permanent total); partial disablement merely reduces it, temporarily or permanently, measured by the scheduled percentage. Temporary disablement, whether total or partial, is compensated by half-monthly payments for as long as it lasts, whereas permanent disablement attracts the lump-sum figure under the s.76 formula. Because the classification fixes the compensation, an accurate distinction — anchored to *earning capacity*, not to the medical wound — is what earns the marks.

Q1.4 — `[16M]` Explain the doctrine of notional extension of time and place under the Employees' Compensation law.

> *Asked: Mar 2023 (80), Oct 2023 (80), Mar 2024 (80), Aug 2024 (80), Jan 2026 (80), Jan 2026 (100) · Pattern: both · ★★ · Notes: Unit 1 → Topic 5 (Disablement; Arising Out of Employment; Notional Extension)*

> ▤ ***ANSWER OUTLINE***
> 1. *The problem — employment does not begin and end sharply at the gate.*
> 2. *"Arising out of and in the course of employment" — the two limbs.*
> 3. *The notional-extension doctrine; how far it stretches.*
> 4. *Cases: Saurashtra Salt, BEST v Agnes, Mackinnon Mackenzie.*
> 5. *Conclusion.*

Introduction

Compensation is payable only for an accident **arising out of and in the course of** employment. Taken literally, "in the course of" would cover only the hours and the exact spot of work — leaving a worker injured just outside the gate, on his way in or out, unprotected. The **doctrine of notional extension** solves this by treating employment as extended, in reasonable measure, beyond the strict time and place of work.

A. The two limbs of the phrase

1. **"Arising out of employment"** requires a **causal connection** between the injury and the work — the risk must be one the employment exposed the worker to.
2. **"In the course of employment"** requires the injury to occur within the **time and place** of the job. Both limbs must be satisfied; the notional-extension doctrine operates on the *second*.

B. The doctrine of notional extension

1. **The idea.** Employment does not begin sharply when the worker crosses the factory gate and end sharply when he leaves. It is treated as **notionally extended** in time and space — to a reasonable period before he starts and after he finishes, and to the area he must pass through by reason of the employment.
2. **How far it stretches.** The extension is a question of degree. It covers, for example, the worker entering or leaving by a route the employment obliges him to use, or travelling in transport the employer provides. It does **not** cover the worker once he is on a general public route on his own account, wholly disconnected from the work.
3. **Application.** In practice the court asks: was the worker, at the moment of the accident, within the *notional* zone of his employment — doing something reasonably incidental to entering, leaving or performing the work? If yes, the accident is "in the course of employment".
4. **The rationale.** The doctrine exists because a rigid "factory-gate" line would produce absurd and unjust results — a worker crushed at the entrance a moment before clocking in would be uncovered, while the same worker crushed a moment after would be covered. Employment is a continuous relationship, not a switch flicked at the gate, so the law recognises a reasonable margin of time and space around the work. The margin is not unlimited: once the worker is on a general public journey pursuing his own purposes, the connection with the employment is broken and the doctrine no longer applies.

C. The related cause tests

Because both limbs must be met, the doctrine is often paired with the **added-peril** and **act-of-God** tests on causation. A natural peril such as lightning arises out of employment only if the work placed the worker at a **greater risk than the general public** faced. So notional extension answers the *"in the course of"* question — was the worker within the employment's zone in time and place — while the added-peril test answers the *"arising out of"* question — did the work create or increase the risk that injured him. A complete answer keeps the two enquiries distinct and applies each in turn, because a worker may be within the notional zone yet injured by a risk unconnected with the work, in which case the claim still fails on the "arising out of" limb.

Leading cases

- ***Saurashtra Salt Manufacturing Co. v Bai Valu Raja (1958)*** — the leading statement of notional extension; employment extends to a reasonable route and time, though on the facts a public ferry crossing fell outside it.
- ***General Manager, B.E.S.T. Undertaking v Agnes (1964)*** — a worker killed while returning home in the employer's transport was "in the course of employment" — notional extension applied.
- ***Mackinnon Mackenzie & Co. v Ibrahim Mahmmed Issak (1969)*** — where the facts point to a work-connected accident, it is presumed to arise out of employment.

Conclusion

Notional extension is the judicial device that keeps the compensation scheme humane at the edges: it stretches “in the course of employment” a reasonable distance in **time and place** so that a worker injured entering, leaving, or travelling for the work is not left uncovered. Its limits are set by reasonableness and by the requirement that the accident still **arise out of** the employment. Cite *Saurashtra Salt* and *BEST v Agnes*, apply the reasonableness test to the facts, and conclude with a definite result.

Q1.5 — `[16M]` Discuss the powers and functions of the Commissioner / competent authority under the Employees’ Compensation law, including notice, claim and the deposit of compensation.

> *Asked: Dec 2020 (100), Aug 2024 (100), Jan 2025 (80) · Pattern: both · ★★ · Notes: Unit 1 → Topic 8 (Competent Authority — Powers, Notice, Claim and Deposit)*

> ▤ ***ANSWER OUTLINE***
>
> 1. *The competent authority (old Commissioner) — appointment (s.91), an adjudicatory body.*
> 2. *Powers & functions (s.95) — civil-court powers, apportionment, deciding disputes.*
> 3. *Notice and claim (s.82) — limitation period.*
> 4. *Deposit of compensation on death (s.81(1)); civil-court bar (ss.74(7), 90(2)).*
> 5. *Conclusion.*

Introduction

Disputes about employees’ compensation are not decided by an ordinary civil court but by a specialised **competent authority** — the officer the old Act called the “Commissioner” — appointed under **Section 91** of the Code on Social Security, 2020, with powers and procedure in **Sections 90–99**. Its job is to settle claims quickly, fairly and finally.

A. Powers and functions (s.95)

1. **Civil-court powers.** The competent authority has the **powers of a civil court** — summoning and enforcing the attendance of witnesses, taking evidence on oath, and compelling the production of documents.
2. **Deciding disputes.** It settles all questions of **liability and amount**, decides **who is a dependant**, and **apportions** a lump sum among the dependants of a deceased worker.
3. **Ancillary functions.** It registers agreements between employer and worker (guarding against inadequate settlements), requires further deposits in fatal cases where the

amount deposited is insufficient, may commute half-monthly payments into a lump sum, and can review a half-monthly payment if the worker's condition changes.

4. **Recovery and enforcement.** Its orders are executable, and an amount payable under its order can be recovered as an **arrear of land revenue**, so the worker is not left with a paper award. An appeal against a substantial order lies to the **High Court** on a substantial question of law, which keeps the authority within the law while preserving the speed of the forum.

B. Notice and claim (s.82)

1. **Notice of accident** should be given **as soon as practicable** after the accident.
2. **The claim** must be preferred **within the limitation period** (generally **two years** of the accident, or of the death), though the authority may **admit a late claim for sufficient cause**. Notice and limitation exist so the employer can investigate while the facts are fresh.
3. **Want of notice is not fatal.** A defect in, or absence of, notice does not by itself bar the claim where the employer knew of the accident from any other source, or where the failure was for a sufficient reason. The provisions are procedural safeguards, not traps to defeat a genuine claim, and the beneficial nature of the legislation is kept in mind.

The powers, notice and deposit rules together make the competent authority a quick, worker-friendly forum: cheap to approach, armed to compel evidence, and structured so that the money reaches the right dependants in the right shares.

C. Deposit and distribution of compensation (s.81(1))

This is the exam favourite. Where an employee **dies**, the compensation must be **deposited with the competent authority**, which then distributes it among the dependants. A payment made **directly** to a dependant — for instance cash handed to the widow at the gate — is **not** a valid payment of compensation, and does not discharge the employer's liability. The rule protects widows and minors from being pressured into accepting too little; the authority checks the amount against the **s.76** formula, decides who the dependants are, and apportions the sum in proper shares. It may even invest a minor's share for his benefit. This is the point most problems on the topic turn on: an employer who "settles" directly with the family has not paid compensation in law and remains liable to deposit the correct amount.

D. Exclusive jurisdiction and the civil-court bar

1. A **civil court has no jurisdiction** to decide a question the competent authority is required to settle (**Section 90(2)**).
2. A claimant who has **sued for damages in a civil court** cannot also claim compensation, and vice versa (**Section 74(7)**) — the remedies are alternative, not cumulative.

Leading cases

- ***Pratap Narain Singh Deo v Srinivas Sabata (1976)*** — compensation falls due from the **date of the accident**; the employer must pay/deposit it then, and interest/penalty runs on default.

Conclusion

The competent authority is the compensation scheme's own court: appointed under s.91, armed with civil-court powers under s.95, it decides liability, amount and dependency, receives the **deposit** of death compensation under **s.81(1)**, and enjoys **exclusive jurisdiction** (s.90(2)) with a bar on double remedies (s.74(7)). A direct payment to the widow does not discharge the employer — that single point, well stated, secures the marks.

B. Short Notes (10M) — Model Answers

S1.1 — `[10M]` Explain the employer's liability for personal injuries and occupational disease.

> *Asked: Aug 2024 (100), Jan 2025 (80) · Pattern: both · ★ · Notes: Unit 1 → Topic 6 (Personal Injury and Occupational Disease)*

> ***▤ ANSWER OUTLINE***
>
> *1. Personal injury by accident — wide meaning (incl. heart attack, shock).*
>
> *2. Occupational disease — Schedule III deems it an injury; no accident needed.*
>
> *3. The qualifying employment / period.*
>
> *4. Conclusion.*

Introduction

Compensation is ordinarily paid for **personal injury by accident**, but the law also protects workers whose employment harms them **gradually** through a disease. Both routes are governed by **Section 74** of the Code on Social Security, 2020.

A. Personal injury by accident

"Personal injury" is read widely. It covers not only a visible wound but also **physiological injury** — a heart attack, a stroke or a nervous shock brought on by the strain of the work — provided it arises out of and in the course of employment. There must ordinarily be an **accident**: a sudden, identifiable event.

B. Occupational disease

Some employments injure by slow exposure, not a single accident — a miner's lung disease, a chemical worker's poisoning, a dust-worker's tuberculosis. To cover these, the Code (drawing on **Schedule III**) provides that a **notified occupational disease** contracted in the corresponding employment is **deemed to be an injury by accident arising out of and in the course of employment**. The worker need not prove any specific accident.

1. The employment must be of the **kind for which the disease is scheduled**.
2. For some diseases the worker must have been **engaged in that employment for a continuous period**.

Leading case

- ***Indian News Chronicle v Mrs Lazarus (1961)*** — an employee who repeatedly entered a cold chamber and died of pneumonia suffered an "injury by accident"; disease from the work's conditions is compensable.

Conclusion

The employer is liable both for **personal injury by accident** — read widely to include physiological injury — and for a **notified occupational disease** contracted in the matching employment, which the law treats as an injury without proof of an accident. State the section, name the scheduled-disease rule, and give a definite result.

S1.2 — `[10M]` Explain the impact / influence of the International Labour Organisation (ILO) on Indian labour and social-security legislation.

> *Asked: Anticipated — new syllabus, no PYQ yet · Pattern: both · Notes: Unit 1 → Topic 2 (Impact of the ILO on National Laws)*

> ▤ ***ANSWER OUTLINE***
>
> 1. *ILO (1919) — tripartite UN agency for the world of work; India a founder member.*
> 2. *Conventions (binding if ratified) v Recommendations (guidance); Art. 253 legislation needed.*
> 3. *Concrete influences — compensation, ESI, maternity, eight-hour day, Convention 102.*
> 4. *Leading case + conclusion.*

Introduction

The **International Labour Organisation (ILO)** was created in **1919** under the Treaty of Versailles on the premise, in its Constitution's Preamble, that "**universal and lasting peace can be established only if it is based upon social justice**". It is the United Nations' specialised agency for the world of work, and India was a **founder member**. Almost every statute in this subject traces its idea back to an ILO standard.

A. What the ILO is and how it works

1. Its distinctive feature is that it is **tripartite** — every member sends **governments, employers and workers** together — so standards are negotiated, not dictated from the top.
2. It produces two kinds of instrument. A **Convention** is a treaty a country may **ratify** and is then bound to implement; a **Recommendation** is only guidance.

B. How ILO norms reach Indian law

1. A ratified Convention does **not** automatically become Indian law. Under **Article 253** of the Constitution a treaty must be turned into a statute by Parliament before it binds the courts, so the ILO's influence is **indirect but powerful** — it sets the standard, and India legislates to meet it.
2. The influence is therefore felt as the **source of the idea** behind the domestic statute, not as directly enforceable law.

C. Concrete influences on Indian legislation

1. The **Employees' (Workmen's) Compensation** scheme mirrors the early ILO conventions on compensation for industrial accidents.
2. The **ESI** and **maternity-benefit** schemes reflect the ILO's social-insurance and maternity-protection conventions.
3. The **eight-hour day and weekly rest** in the Factories/OSH regime follow the very first ILO Convention (**Hours of Work, 1919**).
4. **Convention No. 102 (Social Security Minimum Standards, 1952)** is the model behind the branches of social security that the 2020 Codes now consolidate.

Leading cases

- ***Gramophone Co. of India v Birendra Bahadur Pandey (1984)*** — an international norm can be read into Indian law only so far as it is not inconsistent with a domestic statute; treaties need legislative adoption to bind the courts.
- ***People's Union for Democratic Rights v Union of India (1982)*** — ILO norms were used as an aid to interpret the labour guarantees in the Constitution.

Conclusion

The ILO does not police Indian workplaces; it agrees a **world standard**, India promises to meet it, and **Parliament legislates (Art. 253)**. Through this route it is the intellectual source of compensation, ESI, maternity, hours-of-work and the social-security branches of the 2020 Codes — an influence that is indirect in form but decisive in substance.

S1.3 — `[10M]` Explain how the amount of compensation is calculated under the Employees' Compensation law (Chapter VII, Code on Social Security 2020).

> *Asked: Anticipated — new syllabus, no PYQ yet · Pattern: both · Notes: Unit 1 → Topic 7 (Amount and Calculation of Compensation)*

> ▤ ***ANSWER OUTLINE***
>
> *1. Compensation is a fixed formula — s.76 read with the Sixth Schedule.*
>
> *2. The three inputs — nature of injury, monthly wages, age (relevant factor).*
>
> *3. The four heads — death, permanent total, permanent partial, temporary.*
>
> *4. Why the young worker gets more + case + conclusion.*

Introduction

Compensation under the Code is **not at large** — it is a **formula** fixed by **Section 76 read with the Sixth Schedule** of the Code on Social Security, 2020. The amount turns on three inputs: the **nature** of the injury (death / total / partial / temporary), the worker's **monthly wages**, and his **age** (through a "relevant factor").

A. The Schedules that drive the figure

1. The **Sixth Schedule** supplies the **relevant factor** — a multiplier keyed to the worker's age.
2. The **Fourth Schedule** lists, for each specified injury, the **percentage loss of earning capacity**, which fixes the amount for **permanent partial disablement**.

B. The four heads of compensation

1. **Death** — an amount equal to **50% of the monthly wages** multiplied by the **relevant factor** for the worker's age, subject to a prescribed minimum floor, plus **funeral expenses**.
2. **Permanent total disablement** — **60% of monthly wages** multiplied by the relevant factor, again subject to the minimum floor.
3. **Permanent partial disablement** — a **proportion** of the total-disablement amount, matching the **percentage loss of earning capacity** for that injury in the Fourth Schedule.
4. **Temporary disablement** — a **half-monthly payment** for the period the disablement lasts.

C. Why age matters, and the wage ceiling

The **relevant factor falls as age rises**, so a younger worker — with more working years ahead — receives a **larger multiplier and more money** than an older worker with the same injury. **Monthly wages above a notified ceiling** are capped for the calculation, so the formula does not run away with high earners.

Leading case

- ***Pratap Narain Singh Deo v Srinivas Sabata (1976)*** — compensation falls due from the **date of the accident**, not the date of settlement or award, and interest runs on default.

Conclusion

Pick the **injury head** → take the right **percentage of monthly wages** (50% death, 60% permanent total) → multiply by the **relevant factor** for the worker's age (Sixth Schedule), using the Fourth Schedule for partial disablement → check the statutory **floor**. A full-marks answer names s.76 and both Schedules and shows it knows *how* the figure is built.

C. Problems (IRAC) — Model Answers

P1.1 — `[Prob]` A workman, on the employer's duty, dies in an accident; it is proved he was under the influence of intoxication at the time. Is the employer liable to pay compensation?

> *Asked: Dec 2020 (100), Mar 2024 (100), Jan 2026 (100) · Pattern: both · ★★ · Notes: Unit 1 → Topic 4 (Employer's Liability to Pay Compensation)*

> ▤ ***ANSWER OUTLINE***
>
> 1. *Issue — does intoxication defeat liability where the worker died?*
> 2. *Rule — s.74; intoxication defence barred where death results.*
> 3. *Application — expose the "he was drunk" decoy.*
> 4. *Conclusion — employer liable.*

Issue.

Whether an employer is liable to pay compensation for a workman who died in an accident on duty while under the influence of drink.

Rule.

1. Under **Section 74** of the Code on Social Security, 2020, an employer is liable for personal injury caused by an accident **arising out of and in the course of** employment, regardless of fault.
2. The **intoxication defence** — that the injury was directly attributable to the worker being under the influence of drink or drugs — applies **only** where the injury did **not** result in **death or permanent total disablement**.

Application.

1. The accident happened while the workman was performing the employer's duty, so it arose **in the course of** (and, on these facts, out of) the employment. The trigger for liability is met.
2. The employer relies on the planted **decoy** — "he was intoxicated". But the exception cannot be used here because the workman **died**. Once death results, the drink defence falls away entirely, however drunk the worker was.
3. Intoxication is therefore legally irrelevant on these facts; it neither breaks the causal connection nor engages the exception.

Conclusion.

The employer **is liable** to pay compensation to the dependants. The intoxication is no defence because the accident caused the worker's death.

P1.2 — `[Prob]` An ex-prisoner contracts tuberculosis from the dust to which he was exposed while working in a prison. Can he succeed in getting compensation?

> *Asked: Aug 2024 (100) · Pattern: 100-only · ★ · Notes: Unit 1 → Topic 6 (Personal Injury and Occupational Disease)*

> ▤ ***ANSWER OUTLINE***
>
> *1. Issue — is a slowly-contracted disease an "employment injury"?*
>
> *2. Rule — occupational disease deemed an injury (Schedule III).*
>
> *3. Application — dust-borne disease + qualifying employment.*
>
> *4. Conclusion — compensable if notified for that work.*

Issue.

Whether a disease (tuberculosis) contracted from workplace dust, with no single accident, can be compensated as an employment injury.

Rule.

1. Compensation ordinarily needs an **accident**, but a **notified occupational disease** contracted in the corresponding employment is **deemed** an injury by accident arising out of and in the course of employment (**Section 74** read with **Schedule III**), so no specific accident need be proved.
2. There must be an **employer–employee relationship** and the disease must be one **scheduled** for that kind of dusty/hazardous work.

Application.

1. The disease was contracted from the **dust of the work** — a gradual harm, not a sudden accident. The absence of an “accident” is therefore no bar if the disease is a notified occupational disease.
2. If tuberculosis (or the relevant lung disease) is **scheduled** for that dusty employment and the claimant was employed to do that work, the disease is treated as an employment injury and he need not prove more.
3. The claim turns on two facts: that the disease is notified for the employment, and that the working relationship existed.

Conclusion.

He **can succeed** in getting compensation **provided** the disease is a notified occupational disease for that employment and the employment relationship is established; the lack of a single accident does not defeat the claim.

P1.3 — `[Prob]` Ajay dies in a fatal factory accident; the employer pays his widow ₹1 lakh directly. Is it a valid payment?

> *Asked: Jul 2025 (100) · Pattern: 100-only · ★ · Notes: Unit 1 → Topic 8 (Competent Authority — Powers, Notice, Claim and Deposit)*

> ▤ ***ANSWER OUTLINE***
>
> *1. Issue — is direct payment to the widow a valid discharge?*
>
> *2. Rule — s.81(1): death compensation must be deposited with the competent authority.*
>
> *3. Application — direct payment not a valid payment; amount must match s.76.*
>
> *4. Conclusion — invalid; must deposit.*

Issue.

Whether an employer’s **direct** payment of compensation to a deceased worker’s widow is a valid payment discharging his statutory liability.

Rule.

1. Under **Section 81(1)** of the Code on Social Security, 2020, compensation payable on the **death** of an employee **must be deposited with the competent authority**, which then distributes it among the dependants.
2. The same section provides that **no payment made directly by the employer** shall be deemed a payment of compensation.
3. The amount itself must be calculated on the **Section 76** formula (50% of monthly wages × the age-based relevant factor, subject to the minimum), not fixed by the employer at will.

Application.

1. Ajay died in the accident, so the death-compensation regime applies and the money must go **through the competent authority**, not into the widow's hands directly.
2. The employer bypassed the authority and himself fixed ₹1 lakh. That is neither a valid mode of payment nor necessarily the correct amount under s.76.
3. The widow is not bound by the direct payment, and the employer's liability is **not discharged** by it.

Conclusion.

The direct payment is **not valid**. The employer must **deposit** the correctly-calculated compensation with the competent authority for lawful distribution; the ₹1 lakh handed over does not discharge his liability.

P1.4 — `[Prob]` An employee dies due to natural lightning while working at the employer's premises. Is the employer liable to pay compensation?

> *Asked: Jul 2025 (80) · Pattern: 80-only · ★ · Notes: Unit 1 → Topic 5 (Disablement; Arising Out of Employment; Notional Extension)*

> ▤ ***ANSWER OUTLINE***
>
> *1. Issue — does an act of God (lightning) "arise out of employment"?*
>
> *2. Rule — added-peril / act-of-God test.*
>
> *3. Application — liable only if the work added to the risk.*
>
> *4. Conclusion — decide on the added-peril test.*

Issue.

Whether death by **natural lightning** at the workplace arises out of employment so as to make the employer liable.

Rule.

1. Compensation requires an accident **arising out of** employment — a causal connection with the work (**Section 74**).
2. A **natural act of God**, such as lightning, does **not** arise out of employment **unless** the employment exposed the worker to a **greater risk than the general public** faced — the **added-peril** test.

Application.

1. If the work merely placed the worker where any member of the public might equally have been struck, there is **no special risk** and the death does not arise out of employment — the employer is not liable.
2. But if the work put him in a **specially exposed position** — on a high open structure, a metal tower, an exposed rooftop — the employment **added to** the risk of being struck, and the death then arises out of employment.
3. The decoy is to answer "act of God, therefore never liable". That is wrong: liability turns on whether the *work* increased the risk.

Conclusion.

The employer is liable **only if** the employment exposed the worker to a greater-than-ordinary risk of lightning (added-peril test). State the test and decide on the facts; a bare "act of God" answer earns nothing.

P1.5 — `[Prob]` 'A' is employed as a security inspector at the gate of the factory premises. Is he a "workman" / employee entitled to compensation?

> *Asked: Jul 2025 (80), Jul 2025 (100) · Pattern: both · ★ · Notes: Unit 1 → Topic 3 (Employee's Compensation — Evolution and Key Definitions)*

> ▤ ***ANSWER OUTLINE***
>
> *1. Issue — is a gate security guard an "employee"?*
>
> *2. Rule — wide definition of employee; control test.*
>
> *3. Application — guards for wages under employer's control.*
>
> *4. Conclusion — yes, an employee.*

> ⚠ **DON'T CONFUSE**
>
> **Looks like:** P4.3 (Unit 4) — the same guard asked as "is he a *worker*?" under the OSH Code. **How it differs:** here the definition is "employee" under the compensation chapter (Ch VII, CSS); in P4.3 it is "worker" under the OSH Code — same fact, two statutes, same result. **Tell them apart by:** "compensation / workman / injury" → this block; "OSH / factory worker / safety" → P4.3.

Issue.

Whether a security inspector employed at the factory gate is an "employee"/"workman" who can claim compensation.

Rule.

1. An **"employee"** under the Code on Social Security, 2020 is a person **employed on wages** to do any skilled, unskilled, manual, supervisory or other work — the definition is wide and contains no exclusion for security work.
2. The classic test of the relationship is the employer's **right to control** how the work is done (***Dharangadhara Chemical Works v State of Saurashtra, 1957***).

Application.

1. 'A' is engaged on **wages** to guard the employer's premises; the work is done **for and under the control** of the employer.
2. Nothing in the definition excludes a watchman or security guard; guarding the establishment is work done in connection with the employer's business.
3. He therefore satisfies every ingredient of "employee".

Conclusion.

'A' **is an employee/workman**. If he is injured in an accident arising out of and in the course of that employment, he (or his dependants) can claim compensation.
