

APPLICABILITY OF MISCELLANEOUS ACT FOR MANUFACTURING COMPANY

Dear Friends,

Find the below Mentioned table for basic applicability of various law to Manufacturing company.

Sr. No.	Name of the Law	Application Criteria	What an Act Demands	Basic Features and Cost to Company
1.	The Indian Companies Act, 1956	➤ Legal Structure	➤ Legal frame work of the entity and its functional reliability.	<ul style="list-style-type: none"> ➤ It is applicable for any company which is registered in India whether domestic or foreign company. ➤ The act prescribes the structure and the legal presence of the entity and its mode of operation.
2.	The Limited Liability partnership Act, 2008	➤ Legal Structure	➤ Legal frame work of the entity and its functional reliability.	<ul style="list-style-type: none"> ➤ It is applicable for any LLP which is registered in India. ➤ The act prescribes the structure and the legal presence of the entity and its mode of operation.
3.	Bombay Shops and Establishment Act, 1948	➤ Based on location	➤ To take into net of local trade rules and giving benefit of local authorities.	➤ Any establishment situated in Mumbai has to identify in which area/ward the Shop or commercial establishment is situated and accordingly make an application for registration the Bombay Muncipal Corporation.

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				<ul style="list-style-type: none"> ➤ It is applicable for any Commercial establishment situated in Mumbai ➤ It is a form of legal approval from the local authority.
4.	Employees' Provident Fund and Miscellaneous Provisions Act, 1952	<ul style="list-style-type: none"> ➤ Number of Employees Employed and their Pay scale. 	<ul style="list-style-type: none"> ➤ Employers contribution in the savings of Employee. 	<ul style="list-style-type: none"> ➤ Every Establishment which is a factory engaged in any industry and in which 20 or more persons are employed ➤ Any other establishment employing 20 or more persons which Central Government of India may, by notification, specify in this behalf ➤ Any person who is employed for work of an establishment or employed through contractor in or in connection with the work of an establishment where his salary is less than Rs.6,500/- p.m.
5.	Employees' Deposit Linked Insurance Scheme, 1976	<ul style="list-style-type: none"> ➤ Number of Employees Employed 	<ul style="list-style-type: none"> ➤ To give a financial security to an employee in 	<ul style="list-style-type: none"> ➤ On the death of the member, the nominees of the deceased shall in addition to PF/EPS accumulation,

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		and their Pay scale. (Same as PF & Misc. Provisions Act)	case of accident and any medical requirement	be paid an amount equal to the average balance in the PF accumulation of the deceased for preceding one year and if the average balance exceeds Rs.35,000/- then the amount payable shall be 35,000 plus 25% in excess of Rs. 35,000 subject to Maximum of Rs. 60,000
6.	Employees' State Insurance Act, 1948	➤ Number of Employees Employed and their Pay scale	➤ The act provides for medical attendance and treatment in, cash or kind during sickness, maternity and employment injury.	<ul style="list-style-type: none"> ➤ All factories excluding seasonal factories employing 10 or more persons and working with Power. ➤ All factories excluding seasonal factories employing 20 or more persons working without power. ➤ An Establishment covered under the Shops & Establishments Act, 1948 employing 20 and more employees who are drawing gross salary up to and including Rs. 10,000 per Month for carrying out the business activity. ➤ Employers Contribution is 4.75% of the Basic Salary which is

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				further added as 1.75% of Employees' Contribution.
7.	The Equal Remuneration Act, 1976	➤ Based on gender of the employees.	➤ The act demands of non-discrimination in the payment of wages to workers on the ground of their gender .	<ul style="list-style-type: none"> ➤ The Act applies to every establishment including partnership firm. ➤ The Act provides for the payment of equal remuneration to men and women workers for the same work or work of a similar nature and for the prevention of discrimination on the ground of sex against women in the matter of employment.
8.	The Factories Act, 1948	➤ Activity of the Entity	➤ The Factories Act ensures Health, Safety, Welfare, proper working hours, leave & other benefits for workers employed in factories.	<ul style="list-style-type: none"> ➤ Any premises in which 10 or more workers are working and a manufacturing process is carried on with the aid of power. ➤ Any premises in which 20 or more workers are working and a manufacturing process is carried on without the aid of power.

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				<ul style="list-style-type: none"> ➤ The act also prescribes about other requirements like Pollution department certificate, Fire department certificate etc.
9.	<p>The Industrial Employment (Standing Order) Act, 1946.</p>	<ul style="list-style-type: none"> ➤ Work Location 	<ul style="list-style-type: none"> ➤ The object of the Act is to lay down with sufficient precision uniform conditions of service in industrial establishments so that the employees and the employers know in a clear and unambiguous language their respective 	<ul style="list-style-type: none"> ➤ The Act is applicable to every industrial establishment employing 50 or more workmen in Maharashtra and Gujarat State.

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			rights and obligations	
10.	The labour Welfare Fund Act	<ul style="list-style-type: none"> ➤ No. of employee 	<ul style="list-style-type: none"> ➤ The Act has been constituted for financing of activities to promote welfare in the respective States. 	<ul style="list-style-type: none"> ➤ The Act is applicable to an establishment, which engages 5 or more persons in the establishment. ➤ The employers' contribution is Rs. 18 where salary of an employee is up to Rs. 3000 and Rs. 36 where salary is more than Rs. 3000 (Per Month Figures)
11.	The Maternity Benefits Act, 1961 <u>Note:</u> _____ In case of Establishment or a Factory or a Shop is covered under the Employees' State Insurance Act, 1948, the provisions of the Maternity Benefits Act, 1961 will not be applicable	<ul style="list-style-type: none"> ➤ Gender and no. of Employee. 	<ul style="list-style-type: none"> ➤ A woman employee shall be entitled to Maternity Benefit, provided she works for not less than 80 days in the 12 months immediately 	<ul style="list-style-type: none"> ➤ Every Shop or Establishment wherein 10 or more persons are employed ➤ An woman employee is entitled for payment of maternity benefit at the rate of average daily wage for the period of her actual absence i.e. period preceding the day of her delivery, the actual day of her delivery and any period

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			<p>preceding the date of her expected delivery in an Establishment of an employer from whom she claims maternity Benefit.</p>	<p>immediately following that day, subject to maximum of 12 weeks and additional 1 month for illness arising out of pregnancy</p>
12.	The Minimum Wages Act, 1948	<ul style="list-style-type: none"> ➤ Based on employees age group. 	<ul style="list-style-type: none"> ➤ The Act prescribes the minimum rates of wages payable to employees for different scheduled employments for different class of work and for adults, adolescents, 	<ul style="list-style-type: none"> ➤ Any person who directly or through another person, whether for himself or for any other person employs one or more employees in any scheduled employment in respect of which minimum rates of wages have been fixed under this Act. (Different Rates are provided for different types of industry)

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			children and apprentices depending upon different localities.	
13.	The Payment of Bonus Act, 1965	<ul style="list-style-type: none"> ➤ Based on no. of employees employed and their pay scale. 	<ul style="list-style-type: none"> ➤ It ensures reward for good work or share of profit of the unit where the employee is working. 	<ul style="list-style-type: none"> ➤ Every factory / establishment in which 20 or more persons (less than 20 but 10 or more if State govt. notifies) are employed on any day. Once the act is applicable, it continues to apply even if number of employees' falls below 20. ➤ Employees' drawing remuneration of Rs.10,000/- or more and those who have worked for less than 30 days are not eligible to receive bonus under the Act. ➤ Minimum bonus payable shall be 8.33% of salary/ wages earned or Rs. 100 whichever is higher.

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14.	The Payment of Gratuity Act, 1972	<ul style="list-style-type: none"> ➤ Based on no. of employees employed and their pay scale. 	<ul style="list-style-type: none"> ➤ The act demands reward to employee for the services rendered during the considerable life tenure of an employee. 	<ul style="list-style-type: none"> ➤ Every shop or establishment to which Shop & Establishment Act of a States applies in which 10 or more persons are employed at any time during the year and. ➤ The quantum of gratuity payable is depend on the rate of 15 days wages based on rate of wages last drawn by the employee concerned for every completed year of service or a part thereof exceeding 6 month. If the employee has completed more than 6 months, it will be treated as full year for the purpose of gratuity calculation.
15.	The Maharashtra Profession Tax Act	<ul style="list-style-type: none"> ➤ Based on the Pay scale of the employee. 	<ul style="list-style-type: none"> ➤ The Profession Tax Act is a State Enactment. This Act is enacted for the benefit of the 	<ul style="list-style-type: none"> ➤ Every employer liable to pay Tax in respect of his employees shall obtain a Certificate of Registration from the Profession Tax authority. The Certificate of Registration is to be obtained within 30 days of

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			<p>State for raising additional resources needed for implementing the Employment Guarantee Scheme of the State Government.</p>	<p>engagement of 1st employee, liable to pay tax.</p> <ul style="list-style-type: none"> ➤ There are different slab rates for different salary level. (Maximum Rs. 2500) ➤ It is employees liability and not employers.
16.	The Payment of Wages Act, 1936	<ul style="list-style-type: none"> ➤ Nature of Entity (Type of Legal Structure) 	<ul style="list-style-type: none"> ➤ The regular and timely payment of wages ➤ Preventing unauthorized deductions being made from wages and arbitrary fines. 	<ul style="list-style-type: none"> ➤ Every person employed in any factory, upon any railway or through sub-contractor in a railway and a person employed in an industrial or other establishment. ➤ The act prescribes for the regular and timely payment of wages (on or before 7th day or 10th day last day of the wage period in respect of which the wages are payable)

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17.	<p>The Workmen's Compensation Act, 1923</p> <p><u>Note:</u>In case of Establishment or a Factory or a Shop is covered under the Employees' State Insurance Act, 1948, the provisions of the Workmen's Compensation Act, 1923 will not be applicable</p>	<ul style="list-style-type: none"> ➤ Based on the type of work carried out by the employee. 	<ul style="list-style-type: none"> ➤ The Workmen's Compensation Act, 1923, provides financial benefits to workmen in case of injury or death by accident while in employment. The compensation provided is merely a measure of social assistance developed out of the concept of Employer's Liability without any financial 	<ul style="list-style-type: none"> ➤ Employer includes any person whether incorporated or not and any agent of employer and where services are temporarily lent or let on hire to another person, that means such other person. ➤ The compensation is based on the injury.

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			burden on the workmen or on the government body.	
18.	The Trademark Act, 1999	➤ For Safety of brand image.	➤ The act protects the unauthorized use of the brand image or brand name.	<ul style="list-style-type: none"> ➤ The act provides for registration better protection of trademarks for goods and services and for the prevention of the use of fraudulent marks. ➤ Once the company product is registered with the office of the Controller General of Patent, Designs and Trademark, the patent holder can even restrict others to use the registered design. ➤ Trademark registration charges are one time charges.