

NEPAL

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CHAPTER I. PRELIMINARY

Section 1. *Short title and commencement.* (1) These Rules shall be known as the *Labor Rules, 1993*. (2) These Rules shall come into force at once. Section 2. *Definitions.* Unless the subject-matter or content indicates a different meaning, in these Rules:

- (a) "Act" means the 1992 Labor Act.
- (b) "Factory" means an establishment where manufacturing work is carried out.

CHAPTER II. EMPLOYMENT AND SECURITY OF SERVICE

Section 3. *Hours of work for minors.* (1) Subject to subsection 5(2) of the Act, no minor in the age-group of 14 to 16 shall be employed in any establishment for more than six hours a day and 36 hours a week.

(2) Minors above the age of 16 years may be employed as workers or employees during hours other than between 6.00 a.m. and 6.00 p.m. through mutual agreements between such workers or employees and the general manager (vyabasthapak).

Section 4. *Hours of work for women.* (1) Women may be employed as workers or employees in establishments other than those mentioned in paragraph 48(a) of the Act during hours other than

between 6.00 a.m. and 6.00 p.m. only through mutual agreements between such women workers or employees and the general manager.

(2) When employing women workers or employees under subsection (1), the general manager must make appropriate arrangements for their security.

(3) The general manager of the establishment which has engaged any woman worker or employee in the work of the establishment under subsection (1) must notify the concerned Labour Office as soon as possible about such employment.

Section 5. Other particulars to be mentioned in the register of workers or employees. In addition to the particulars referred to under subsection 9(1) of the Act, the general manager must set out the following particulars in the register of workers or employees:

- (a) date of initial appointment of the worker or employee, as well as his designation and address;
- (b) date of birth of the worker or employee;
- (c) citizenship of the worker or employee;
- (d) name of the department or section where the worker or employee is to work;
- (e) particulars relating to leave;
- (f) particulars relating to other benefits.

Section 6. Circumstances in which non-Nepali nationals may be employed. (1) In the event that no skilled Nepali national is available for employment in the establishment under subsection 4(1) of the Act, the general manager of the concerned establishment may appoint any skilled non-Nepali national on a contract basis and engage him for work or for a term not exceeding two years at a time after obtaining the approval of the Labour Department on the recommendation of the concerned Labour Office.

(2) The general manager who employs non-Nepali nationals under subsection (1) above must make arrangements for gradually replacing them by training Nepali workers or employees for their jobs.

Section 7. Other circumstances in which remuneration and other benefits will not be provided to workers or employees kept in reserve. In the event that the general manager and the workers or employees kept in reserve under section 11 of the Act sign an agreement which does not require the latter to attend the

establishment, the concerned workers or employees shall not be entitled to remuneration and other benefits as mentioned in the agreement.

Section 8. *Priority in lay-off of workers or employees.* In the event that it becomes necessary to lay-off workers or employees who have been appointed first as referred to under the restrictive clause of subsection 12(2) of the Act, the general manager shall do so in the following order:

- (a) in the event that the worker or employee who has been appointed first is a non-Nepali national, he shall be laid-off instead of the Nepali national who has been appointed last;
- (b) in the event that any worker or employee has remained absent for health reasons for a longer period than others;
- (c) in the event that there is any other necessary reason.

CHAPTER III. REMUNERATION AND WELFARE ARRANGEMENTS

Section 9. *Formation of Minimum Remuneration Determination Committee.* For the purpose of determining the remuneration of workers or employees, His Majesty's Government shall form a Minimum Remuneration Determination Committee from time to time according to need by notification in the *Nepal Rajapatra*, in such a manner that workers or employees, general managers and His Majesty's Government are equally represented on it.

Section 10. *Functions, duties and powers of the Minimum Remuneration Determination Committee.* The Minimum Remuneration Determination Committee shall have the following functions, duties and powers in addition to those referred to under subsection 21(3) of the Act:

- (a) to make necessary recommendations to His Majesty's Government relating to the determination of the minimum remuneration of workers or employees;
- (b) to make recommendations under paragraph (a) above after studying and reviewing the situation in respect to current market prices, and keeping in view the current, economic, monetary and social conditions of the country, and the ability of establishments to pay;

- (c) the opinion of the concerned experts may be obtained while offering recommendations and suggestions to His Majesty's Government in connection with the determination of the minimum remuneration, the amounts of annual increments in remuneration, cost of living allowance, or other benefits of workers or employees.

Section 11. *Prohibition against discrimination in the payment of remuneration.* In the event that male or female workers or employees are engaged in work of the same nature in an establishment they shall be paid equal remuneration without any discrimination.

Section 12. *Limit, procedure and time-limit for making deductions from remuneration.* (1) In case it becomes necessary to make deductions from the remuneration of any worker or employee under section 24 of the Act, this shall be done subject to the following provisions:

- (a) if it is necessary to deduct fines, this shall be done in such a manner that not more than 33 per cent of the remuneration is deducted each time until the fine or the total amount to be deducted is fully realized;
- (b) if it is necessary to make deductions in consideration of any damage caused to the property, in cash or in kind, of the establishment deliberately or due to negligence, or in consideration of loss of any material, this shall be done in such a manner that not more than 25 per cent of the remuneration is deducted each time until the amount to be deducted is fully realized;
- (c) if it is necessary to make deductions in order to adjust advance or excess remuneration or benefits paid, this shall be done in accordance with the conditions stipulated, if any, between the general manager of the establishment and workers or employees in connection with such deductions, and if no such conditions have been stipulated, such deductions shall be made in such a manner that not more than 25 per cent of the remuneration is deducted each time until the advance or excess remuneration is fully realized;
- (d) if it is necessary to make deductions in accordance with the orders of any government office or court, this shall be done at the rate required to fully realize the amount within the time-limit prescribed in the order concerned, if any. In the event that no such time-limit has been prescribed, such deductions shall be made in such a manner that not more than 50 per cent of the

remuneration is deducted each time until the amount mentioned in the order is fully realized;

- (e) if it is necessary to make deductions in other circumstances prescribed by His Majesty's Government by notification in the *Nepal Rajapatra*, this shall be done in such a manner that not more than 50 per cent of the remuneration is deducted each time until the total amount to be deducted is fully realized.

(2) Notwithstanding anything contained in subsection (1) above, in the event that any worker or employee dies or retires from the service of the establishment for any reason before the entire amount due from him is fully realized, the balance due from him shall be realized from the amounts due to him from the establishment, if any.

Section 13. *Welfare fund.* (1) The establishment must establish a welfare fund under section 37 of the Act in order to carry out activities for the benefit and welfare of workers or employees.

(2) Seventy per cent of the balance left after distributing bonus from the amount allocated for the purpose under section 5 of the 1974 Bonus Act shall be credited to the fund established under subsection (1).

(3) The amount credited to the fund established under subsection (1) above shall be deposited in an account opened in any commercial bank.

(4) The welfare fund shall be operated in the manner prescribed by the labour relations committee under its direct control and direction. The accounts of the fund shall be operated through the joint signatures of the two members of the labour relations committee designated by itself.

Section 14. *Use of welfare fund.* (1) The labour relations committee may spend the amounts deposited in the welfare fund in order to carry out the following activities for the benefit and welfare of workers or employees:

- (a) to provide emergency financial assistance in the event that any worker or employee of any member of his family becomes ill or has an accident;
- (b) to make necessary arrangements for the education of workers or employees or their children;

- (c) to make arrangements for sports, entertainment, libraries, clubs, etc. for workers or employees;
- (d) to lend money to workers or employees in extraordinary circumstances at preferential rates of interest;
- (e) to spend money for emergency assistance to workers or employees in the event of emergencies such as natural calamities;
- (f) to spend money for other welfare activities which provide collective benefits to workers or employees.

(2) Notwithstanding anything contained in subsection (1) above, an establishment which is fully or partially owned by His Majesty's Government must formulate action plans and obtain the prior approval of the Labour Department in order to spend money from the welfare fund for welfare activities of the type which provide collective benefits to its workers or employees.

(3) Workers or employees may not distribute among themselves, or spend for any purpose other than those mentioned in subsection (1) above, the amounts deposited in the welfare fund.

Section 15. *Compensation in the event of injuries.* (1) In the event that any worker or employee of the establishment sustains any physical injury while discharging duties assigned to him by the establishment, the general manager must pay in the form of compensation the entire expenses required for his treatment according to the recommendation made by a physician recognized by His Majesty's Government.

(2) In the event that any worker or employee who has sustained physical injuries while discharging duties assigned to him by the establishment is unable to resume work immediately and is required to undergo treatment at a hospital or at his own home according to the recommendation of the physician, the general manager must pay, in addition to the compensation payable under subsection (1), full remuneration for the period of his stay in the hospital if he has been hospitalized for treatment, or half of his remuneration if he has undergone treatment at home, for the period of such treatment, provided that in the event it becomes necessary to undergo treatment for a period exceeding one year, the general manager need not pay any remuneration for the excess period.

Section 16. *Compensation in the event of physical disability.* (1) In the event that any worker or employee is physically disabled as a

result of an accident while carrying out duties assigned to him by the establishment, the general manager must pay him a lump sum equal to five years of his remuneration calculated at the rate of remuneration being drawn by him if his physical disability is found to be 100 per cent on the basis of the percentage of physical disability referred to in the Schedule relating to physical disability.

(2) While paying compensation to the concerned worker or employee under this section in consideration of his physical disability, the amount of compensation payable according to the percentage of physical disability as mentioned in the schedule shall be determined by the general manager on a proportionate basis by taking five years' remuneration for 100 per cent disability as the basis.

Section 17. *Compensation in the event of death.* In the event that any worker or employee dies instantly or in the course of treatment as a result of an accident while discharging duties assigned to him by the establishment, an amount equal to three years' remuneration calculated at the rate of remuneration being drawn by him shall be paid in a lump sum to his nearest heir as compensation.

Section 18. *Determination of percentage of physical disability.* In the event that any worker or employee becomes physically disabled as a result of an accident while engaged in the work of the establishment, the Factory Inspector shall have the percentage of his physical disability determined by a physician recognized by His Majesty's Government according to the percentage of physical disability referred to in the Schedule, and also shall have the general manager pay him compensation under section 16, provided that the percentage of physical disability of any such worker or employee shall not be determined to be more than 100 per cent.

Section 19. *Circumstances when compensation is not paid.* In the event that any worker or employee dies or becomes physically disabled while discharging duties assigned to him by the establishment as a result of a natural calamity, he or his heir shall not be entitled to compensation under these Rules.

Section 20. *Double compensation not to be paid.* In the event that any establishment has insured its workers or employees in any way with respect to compensation, the workers or employees shall be entitled to the amount of compensation payable under these Rules or the amount payable under the compensation insurance, whichever is higher.

Section 21. *Power to retire from service after paying compensation and gratuity.* In the event that any worker or employee sustains physical injuries as a result of an accident while engaged in the work of the establishment and does not recover after a year-long treatment, or becomes physically disabled as a result of such accident and a physician recognized by His Majesty's Government certifies that he is incapable of working in the establishment, the general manager may retire him from service after paying him the amount of compensation payable under section 16 and the amount of gratuity payable under these Rules.

Section 22. *Priority in employment.* In the event that there is a vacant post in the establishment which conforms to the qualifications of any member of the dependent family of any worker or employee who has been retired from the service of the establishment under section 21 or who has died as a result of an accident while engaged in the work of the establishment, priority shall be given to such member for employment.

Section 23. *Gratuity.* (1) In the event that any permanent worker or employee of the establishment who has completed three years or more of service retires because of age or after having his resignation approved, or leaves the service of the establishment in any other way, he shall be entitled to gratuity in a lump sum at the following rates:

- (a) for each year of the first seven years of service, half of the monthly salary drawn by him in the year concerned;
- (b) for each year between seven and 15 years of service, two-thirds of the monthly salary drawn by him in the year concerned;
- (c) for each year of service exceeding 15 years, one month's salary drawn by him in the year concerned.

(2) In the event that there is a gratuity payable to workers or employees of factories or establishments which are liable to pay gratuity under the 1963 Factories and Factory Workers Rules for the period before the commencement of these Rules, action shall be taken pursuant to the 1963 Rules.

(3) Notwithstanding anything contained in subsection (1) above, no worker or employee who has been removed from service under subsection 52(4) or section 54 of the Act shall be entitled to gratuity under subsection (1) above.

Section 24. *Gratuity fund.* (1) For the purpose of depositing the amounts of gratuity payable to workers or employees under section 23, each establishment shall establish a separate gratuity fund.

(2) The establishment must maintain separate accounts clearly showing the amounts of gratuity to which each worker or employee is entitled.

(3) The amounts of gratuity payable to workers or employees under section 23(2) shall also be credited by the establishment to the gratuity fund established under subsection (1) above.

Section 25. *Right to choose between compensation and gratuity.* Any worker or employee who is laid-off under section 12 of the Act may choose either the compensation payable under the said section or the gratuity payable under section 23 of these Rules.

Section 26. *Provident fund.* (1) The establishment must deduct 10 per cent of the monthly remuneration of a permanent worker or employee, make a matching contribution to it, and credit the entire amount to the provident fund referred to under subsection (2) below in the name of the concerned worker or employee.

(2) For the purpose of crediting the amounts mentioned in subsection (1), the general manager of each establishment must establish a separate provident fund at the establishment itself, provided that the establishment may open separate accounts in the names of its workers or employees in the provident fund established under the 1962 Employees Provident Fund Act, and deposit the entire amount in such accounts.

(3) In the event that the establishment establishes its own provident fund under subsection (2), the accounts of each worker or employee shall be maintained separately.

(4) The provident fund established under subsection (2) shall be operated by the labour relations committee, if there is such a committee, and by a committee comprising representatives of the general manager, workers and employees if there is no labour relations committee. In the case of an establishment which has a welfare officer, the welfare officer shall function as the member-secretary of that committee.

(5) No worker or employee may fully withdraw the amount deposited in the provident fund in his name under subsection (1) until he is retired from the service of the establishment.

(6) In the event that any worker or employee dies while in service, the amount deposited in his name in the provident fund shall be handed over to the person appointed by him in his will. In the event that the concerned worker or employee has not appointed anyone, or the person appointed by him has also died, the amount shall be handed over to the nearest heir from among the members of his family. Where there are several heirs, all of them shall receive on a proportionate basis the amount deposited in the provident fund in the name of the deceased worker or employee.

(7) The concerned worker or employee may borrow not more than 50 per cent of the amount deposited in his name in the provident fund under this section in accordance with the rules of the establishment. One-fourth of the monthly remuneration of the concerned worker or employee shall be deducted to repay the loan until it is fully repaid.

Section 27. Medical treatment. (1) The general manager must make arrangements for medicines and other necessary materials required for the emergency treatment of any worker or employee who sustains injuries while working in the establishment.

(2) The general manager of an establishment where 50 or more workers and employees work simultaneously must appoint a person possessing general knowledge about emergency treatment in order to provide emergency treatment to any worker or employee who sustains injuries while working in the establishment.

(3) The general manager of an establishment where 400 or more workers and employees work must arrange for a medical treatment centre equipped with necessary medicine and first-aid kits for which a trained or experienced health assistant shall be responsible.

(4) The general manager of an establishment where 1,000 or more workers and employees work must arrange for a health centre equipped with necessary medicines and first-aid kits, as well as a physician and a health assistant.

Section 28. Leave. Workers or employees may obtain the following categories of leave:

- (a) public holidays;
- (b) home leave;
- (c) sick leave;
- (d) mourning leave;
- (e) special leave; and
- (f) maternity leave.

Section 29. *Public holidays.* (1) Workers or employees shall be granted 13 days of public holidays with full pay each year.

(2) At the beginning of each year, the labour relations committee shall determine public holidays to be granted to workers or employees under subsection (1) above, and inform the workers or employees immediately.

(3) In the event that an establishment has no labour relations committee, public holidays shall be determined through mutual agreement among the representatives of the general manager, workers and employees.

Section 30. *Home leave.* (1) Every worker or employee of the establishment shall be granted home leave with full pay at the rate of one day's leave for every 20 days' work. The concerned worker or employee must obtain approval for such leave in advance.

(2) The home leave to be granted to workers or employees under subsection (1) above may be accumulated for not more than 60 days.

(3) For the purpose of determining the period of home leave to be granted to workers or employees under these Rules, the term "period of service" shall include weekly holidays, public holidays, and other categories of paid leave within the concerned period.

(4) In the event that any worker or employee leaves the service by resigning voluntarily, or retires from service in any other way, he shall be entitled to a lump sum amount calculated at the rate of the most recent wage drawn by him in lieu of his accumulated home leave.

Section 31. *Sick leave.* (1) All workers or employees who have completed one year of service in the establishment without any interruption shall be granted sick leave with half-pay for not more than 15 days in a year.

(2) While sanctioning sick leave for any worker or employee for more than three days, the general manager may ask the concerned worker or employee to present a certificate issued by a physician recognized by His Majesty's Government.

(3) In the event that any worker or employee falls ill suddenly and thus needs sick leave, he must inform the general manager accordingly through the quickest available means.

Section 32. *Mourning leave.* (1) All workers or employees who have completed one year of service in the establishment without any interruption may obtain mourning leave for not more than 13 days if they must remain in mourning themselves according to their family custom.

(2) All workers or employees who have obtained mourning leave under subsection (1) shall be entitled to full pay for the period of such leave.

Section 33. *Special leave.* (1) In the event that any permanent worker or employee who has no leave due needs leave for special reason, he may obtain special leave for a period not exceeding 30 days a year after having it approved in advance.

(2) Workers or employees who have obtained special leave under subsection (1) shall not be paid remuneration for the period of such leave.

(3) The total duration of special leave which a worker or employee may obtain under this section shall not exceed six months during the entire period of his service.

Section 34. *Maternity leave.* A pregnant woman worker or employee shall be granted maternity leave with full pay for a total of 52 days before or after delivery. Such leave may be obtained not more than two times during the entire period of service, provided that in the event two children of a woman who has already utilized maternity leave twice do not survive and in the event that she becomes pregnant again, she may obtain maternity leave under this section upon the birth of two more children.

Section 35. *Authority empowered to approve leave.* The general manager, or the authority designated in the rules of the establishment,

shall approve the different categories of leave referred to in this chapter.

Section 36. *Leave is not a matter of right.* Leave is not a matter of right. It is only a benefit. The authority empowered to approve leave may reject the application for leave, postpone it, reduce its duration, or postpone leave which has already been approved according to the requirements of the work of the establishment while referring to the reason for such a decision.

Section 37. *Action against workers or employees who remain absent without obtaining leave.* (1) No worker or employee shall remain absent from the establishment without having his leave approved.

(2) In the event that any worker or employee remains absent from the establishment for more than 30 consecutive days without furnishing notice of leave, or without having his leave approved, he may be marked absent and removed from the service of the establishment.

(3) Notwithstanding anything contained in subsections (1) and (2), in the event that any worker or employee is required to go on leave without having his leave approved due to an emergency, and in the event that leave for the period concerned is sanctioned later, this section shall not be deemed to have been violated.

CHAPTER IV. ARRANGEMENTS RELATING TO HEALTH, SANITATION AND SAFETY

Section 38. *Arrangements for safety from fire.* The general manager must make the following arrangements in order to ensure safety from fire in the establishment:

- (a) fire-fighting equipment must be kept at appropriate places according to need in order to ensure safety from fire;
- (b) arrangements must be made in the factory for hydrant points as well as hose-pipes by ensuring a sufficient supply of pressurized water according to need;
- (c) arrangements must be made for emergency doors for use in the event of fire. No object may be placed around such doors so as to hinder or obstruct movement;

- (d) arrangements must be made for fire alarms or any other sound-making equipment in order to warn everybody in the event of fire;
- (e) arrangements must be made to inspect and test fire-fighting equipment at least once each year, and records thereof must be maintained;
- (f) establishments which use explosives such as gunpowder, nitroglycerine, dynamite, gun-cotton, blasting powder, fulminant of mercury or other metals, fog signals, fuses, rockets, percussion caps, detonators, cartridges or any other explosives prescribed by His Majesty's Government from time to time by notification in the *Nepal Rajapatra*, must store them in a safe manner at places outside densely populated areas and have them used or transported safely by skilled persons possessing special knowledge about them.

Section 39. *Carrying of loads.* (1) Workers shall not ordinarily be employed to lift or carry or move any load heavier than the following:

- (a) adult male: 55 kg;
- (b) adult female: 45 kg;
- (c) minor male (16-19 years): 25 kg;
- (d) minor female (16-18 years): 20 kg;
- (e) minor male or female (14-16 years): 15 kg.

(2) Notwithstanding anything contained in paragraph (a) above, the limit of load shall not be applicable in respect to lifting, carrying or moving any load packed in bags by an adult male worker.

Section 40. *Testing of pressure plants.* (1) The following shall be taken into consideration while testing any pressure plant under section 33 of the Act:

- (a) the make is good and sufficiently strong;
- (b) the pressure plant must be maintained and kept safe in an appropriate manner;
- (c) the pressure plant must be fitted with the following equipment:
 - - safety valve or any other similar equipment meant for preventing the operation of the plant at a pressure higher than the permitted one;
 - - an appropriate pressure gauge must have been fitted to monitor the operating pressure of the pressure vessel;

- - the prescribed operating pressure must be marked in the pressure gauge with a red sign;
- - an appropriate drain cock or valve must have been fitted at the bottom of the pressure vessel to remove the liquid material contained in it;
- - the water level indicators of the pressure vessel must have been fitted in an appropriate manner;
- - there must be appropriate stop valves so as to separate the pressure vessel system from other vessels or pressure-generating sources at any time;
- - safety valves and pressure gauges must be fitted in all seizing cylinders, digesters, steam exhaust fans, and other vessels used under pressure;
- - in addition to the above-mentioned arrangements, other appropriate equipment must have been fitted in the pressure plant according to its type.

Section 41. *License to be obtained for a pressure plant.* The factory inspector shall test a pressure plant in the manner mentioned in section 40, prescribe the maximum operating pressure on the basis of the capacity and condition of the equipment fitted in it, and issue a license for operating it for a period not exceeding one fiscal year. Such license shall be renewed each year only after retesting the plant.

Section 42. *Particulars to be mentioned in the license.* (1) The license of a pressure plant shall mention the following particulars:

- (a) name and address of the establishment;
- (b) trademark, model number and date of manufacture of the pressure vessel;
- (c) type of the pressure vessel, and fuel to be used for its operation;
- (d) condition of equipment fitted in the pressure vessel;
- (e) date of issue of the license, and its term;
- (f) hydraulic tested pressure;
- (g) condition of fusible plugs;
- (h) other necessary matters.

(2) A copy of the license issued by the factory inspector under subsection (1) above must be forwarded to the concerned labour office and the labour department.

(3) The pressure plant must be operated under the supervision of a trained or experienced person.

(4) The establishment must not operate any boiler, pressure vessel or other equipment which is to be operated at a pressure higher than the atmospheric pressure without obtaining a license from the factory inspector.

(5) In the event that it is suspected that the equipment for whose operation a license has been obtained is not operating properly during the period covered by the license, the factory inspector concerned must be notified about the same immediately.

Section 43. *Use of machinery, apparatus or equipment.* (1) Action shall be taken as follows while using machinery, apparatus or equipment under subsection 36(2) of the Act:

- (a) hydraulic and other machine-operated presses, milling machines used in metal industries, guillotine machines, circular saws, printing machines, etc. must be operated by trained and experienced persons;
- (b) an appropriate fence must be constructed around power generator motors which operate wheels, lathes, lathe driving accessories, gears, drums, clutches, driving belts, or other dangerous power-generating equipment;
- (c) gas or arc welding or similar work shall be undertaken at a safe place in such a manner that the public is not adversely affected;
- (d) only apparatus and equipment which are not damaged or broken shall be used for undertaking repair and maintenance work;
- (e) the electrical wires installed for operating equipment must be in good condition and must not have suffered any damage;
- (f) workshops shall be operated in such a way that separate parking or a safe place for storing goods is arranged to avoid any adverse impact on the public.

(2) Minors who have not attained 16 years of age shall not be employed in machines mentioned in paragraph (a) of subsection (1) above or in dangerous machines or in operations which are hazardous to health.

Section 44. *Investigations into occupation-related diseases or accidents.* (1) On receipt of a notice regarding an occupation-related disease or accident under section 35 of the Act, the labour office may designate an investigating officer if it becomes necessary to conduct relevant investigations.

(2) The functions and duties of the investigating officer designated under subsection (1) above shall be as follows:

- (a) to obtain necessary details from the site of the incident, or the persons concerned, collect necessary evidence, have necessary documents submitted, record statements, etc.
- (b) to conduct investigations as mentioned in paragraph (a) above, and submit a report to the labour office within the time-limit prescribed by it.

(3) In case it is found that the use of any material required in the manufacturing process of the establishment is likely to harm the health of workers or employees, the official designated by the labour department or the labour office may collect a sample of such material, bottle or pack it properly, and have it tested by an expert. If it is proved that the material is likely to harm the health of workers or employees, His Majesty's Government may issue necessary directives to the general manager of the establishment.

CHAPTER V. ARRANGEMENTS RELATING TO COMMITTEES AND OFFICERS

Section 45. *Composition of the Central Labour Advisory Board.* (1) The Central Labour Advisory Board to be formed under section 62 of the Act shall comprise the following Chairman and members:

- (a) the Minister or the Minister of State for Labour - Chairman;
- (b) Secretary, Ministry of Labour - Member;
- (c) Secretary, Ministry of Tourism - Member;
- (d) Secretary, Ministry of Works and Transport - Member;
- (e) Secretary, Ministry of Agriculture - Member;
- (f) Secretary, Ministry of Industry - Member;
- (g) two experts in the field of labour, nominated by His Majesty's Government - members;
- (h) three representatives of the Federation of Nepalese Chambers of Commerce and Industry - members;
- (i) three representatives of the Trade Union Federation - members;
- (j) Director-General, Department of Labour - Member-Secretary.

(2) The members appointed under paragraph (g) of subsection (1) above shall have a term of two years.

(3) His Majesty's Government may, if it so deems necessary, make necessary changes in the size or composition of the Central Labour Advisory Board.

(4) The Central Labour Advisory Board may invite any local or foreign expert to participate in its meeting in the capacity of an observer.

Section 46. *Functions, duties and powers of the Central Labour Advisory Board.* The functions, duties and powers of the Central Labour Advisory Board shall be as follows:

- (a) to offer advice to His Majesty's Government on issues concerning labour policy;
- (b) to offer necessary advice to His Majesty's Government concerning timely reforms of labour law;
- (c) to offer necessary advice to His Majesty's Government relating to the construction of quarters for workers or employees;
- (d) to offer advice to His Majesty's Government concerning the formulation of policies relating to apprenticeship training;
- (e) to offer necessary advice to His Majesty's Government concerning the operation of basic vocational training;
- (f) to offer necessary advice to His Majesty's Government in connection with increasing opportunities for employment;
- (g) to offer necessary advice to His Majesty's Government for the purpose of achieving industrial development by promoting relations among His Majesty's Government, general managers, and workers and employees;
- (h) to offer necessary advice to His Majesty's Government for the purpose of achieving industrial development by maintaining industrial peace.

Section 47. *Composition of the labour relations committee.* (1) A labour relations committee shall be formed in each establishment by ensuring an equal representation of the general manager and the workers.

(2) The labour relations committee to be formed under subsection (1) above may have at least four but not more than 20 members depending on the total number of workers of the establishment.

(3) The procedure for nominating representatives of the general manager and the workers on the labour relations committee shall be as referred to under sections 48 and 49.

(4) The general manager must immediately inform the labour office concerned after the formation of the labour relations committee under this section.

Section 48. Nomination of representatives of the general manager. When nominating the representatives of the general manager to the labour relations committee, if possible only the employees who are directly involved in the management of the establishment shall be nominated.

Section 49. Nomination of workers' representatives. (1) The establishment-level trade union, if any, or the workers themselves, if there is no establishment-level trade union, shall nominate workers' representatives to the labour relations committee.

(2) Nominations of workers' representatives to the labour relations committee shall be made in such a way that all categories of workers are represented.

Section 50. Members and executive of the labour relations committee. (1) Only a Nepali worker or employee who has completed at least 18 years of age and at least one year's uninterrupted service in the establishment may be nominated as a member of the labour relations committee.

(2) The executive of the labour relations committee shall be comprised of a chairman, a vice-chairman, a secretary, a joint-secretary, and a treasurer.

(3) The general manager shall nominate the chairman of the labour relations committee from among its members.

(4) The labour relations committee shall itself choose its vice-chairman and secretary from among the workers' representatives, and its joint-secretary and treasurer from among the representatives of the general manager.

(5) The members and executive of the labour relations committee shall have a term of two years.

Section 51. *Meetings of the labour relations*

committee. (1) Meetings of the labour relations committee shall be convened by the Secretary as prescribed by the Chairman, provided that such meetings must be held at least once every three months.

(2) The general manager must make arrangements for meetings to be held under subsection (1) above.

(3) The secretary shall record the decisions of the meetings in the minute book and have them authenticated by the Chairman.

(4) The entire working procedure of the meetings of the labour relations committee shall be as determined by the Committee itself.

Section 52. *Functions and duties of the labour relations*

committee. The functions and duties of the labour relations committee shall be as follows:

- (a) to make efforts to maintain quality by promoting and improving the products and services of the establishment;
- (b) to perform functions relating to the operation of the welfare fund;
- (c) to perform functions relating to the operation of the provident fund of the establishment;
- (d) to perform functions relating to the operation of quarters and funds of workers and employees.

Section 53. *Functions, duties and powers of labour officer.*

The labour officer shall have the following functions, duties and powers in addition to those mentioned in section 65 of the Act:

- (a) to play the role of a mediator for resolving any dispute between the workers or employees and the general manager;
- (b) to resolve disputes by arranging for a dialogue in connection with personal claims or complaints of the workers or employees, and, if any dispute is not resolved in that manner, to take a necessary decision;
- (c) to summon any worker or employee of any establishment to appear before the labour office and record his verbal or written statements in the course of action taken by the labour office;
- (d) to encourage the workers to always concentrate on their work, and create necessary atmosphere for the purpose;
- (e) to offer advice and suggestions to the general manager concerning the framing of necessary policies if it is necessary to

- develop and expand the establishment and make some changes in the functions and duties of the workers, and thus play an active role in maintaining healthy and balanced labour relations;
- (f) to acquaint the workers in simple language with the problems they may face in the establishment and matters which protect their rights and interests;
 - (g) to play the main role in the process of taking decisions through mutual discussions and consultation among representatives of the general manager and the workers in connection with improvement of manufacturing or other processes of the establishment.
 - (h) to make arrangements for maintaining a harmonious relationship through mutual discussions and consultations between the general manager and the workers to curb the emergence of an atmosphere of discord between them;
 - (i) to remain active to prevent the workers from going on strike in an illegal manner, avoid any obstruction in the functions and activities of the establishment or prevent the general manager and the workers from dealing with each other in an unauthorized manner;
 - (j) to adopt a healthy and impartial policy even in the event of a dispute between the general manager and the workers, and try to normalize the situation in a peaceful and cordial manner;
 - (k) to obtain advice and suggestions from the local labour office and from qualified physicians and have the health of the workers examined for their welfare and safety; to keep records thereof, to make arrangements for protecting them from dangerous operations, for testing and examining machines, and for cleaning the factory, and to make other timely arrangements relating to health and safety;
 - (l) to offer necessary advice and suggestions to the general manager in connection with payment of wages and grant of leave and other benefits to the workers;
 - (m) to arrange for the implementation of welfare arrangements mentioned in the Act;
 - (n) to also make arrangements for entertainment and sports to ensure the proper mental and physical health of the workers;
 - (o) to encourage the general manager and the workers and make necessary arrangements for forming the labour relations committee, the production committee, the welfare committee, the security committee, and other committees which can prove helpful in the operation of the establishment;

- (p) to obtain technical or administrative reports concerning the implementation of the Act in establishments, and to take necessary action.

Section 54. *Other functions, duties and powers of factory inspector.* The factory inspector shall have the following functions, duties and powers in addition to those referred to under section 67 of the Act:

- (a) to enter any factory or establishment within the jurisdiction of the concerned labour office, inspect and examine houses, lands, plants, machines, raw materials, finished and semi-finished products, and health and security arrangements, and order the general manager to make improvements if deemed necessary;
- (b) to issue orders to make necessary arrangements immediately at any place in the factory or establishments which is found to be hazardous from the standpoint of health and safety;
- (c) to inspect once every year potentially hazardous boilers, pressure vessels and other dangerous machines of the factory or establishment, and issue licenses for their operation for a term not exceeding one year if they are found to be fit for operation;
- (d) to offer necessary advice to the general manager in connection with possible ways to increase the productivity of the factory or establishment;
- (e) to inspect attendance registers of the workers and employees working in the establishment, the particulars of salaries, allowances and overtime payments made to them, and other documents;
- (f) to make necessary enquiries or obtain verbal or written statements from any worker or employee of the factory or establishment in connection with its health and safety arrangements;
- (g) to conduct investigations in the event of an accident in the factory or establishment;
- (h) to initiate action for providing compensation in case any worker or employee sustains injuries and becomes physically disabled while engaged in the work of the factory or establishment.

Section 55. *Functions, duties and powers of welfare officer.* The functions, duties and powers of the welfare officer shall be as follows:

- (a) to establish cordial relations between the general manager and the workers, and maintain good contacts and relations with both sides;
 - (b) to inform the general manager in time in case the workers face any problem or difficulty on an individual or collective basis, and resolve the problem;
 - (c) to encourage the promotion of trade union activities in respect to matters which serve the occupational rights and interests of the workers, and offer advice and suggestions.
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CHAPTER VI. MISCELLANEOUS

Section 56. *Information to be supplied while forming establishments or expanding the existing ones.* (1) In the event that it is necessary to create an establishment or expand an existing one, the concerned general manager must inform the labour office concerned and provide particulars relating to the following matters at least 15 days before doing so:

- (a) area and type of land, and particulars of boundaries;
- (b) length, breadth and height of the establishment and other related buildings to be constructed;
- (c) particulars of the type and quantity of materials kept at different places in the building, and the type of machinery and tools to be installed for production and construction;
- (d) appropriate arrangements for light as well as ventilation in all the rooms of the building;
- (e) arrangements for the discharge of gas from the establishment if gas is likely to be emitted from the manufacturing process;
- (f) appropriate arrangements for lavatories;
- (g) arrangements for pure drinking water;
- (h) arrangements for an adequate volume of water if a large volume of water is required in the manufacturing process;
- (i) distance of the establishment from residential areas, and particulars of measures to be adopted to protect the neighbourhood from possible environmental impact;
- (j) type and volume of energy required for manufacturing work;
- (k) names and quantities of raw materials and auxiliary raw materials required for manufacturing work;
- (l) names and quantities of goods to be produced;

- (m) arrangements to be made for the protection of the physical area of the establishment as well as its products from fire

(2) The factory inspector shall conduct necessary enquiries into the particulars received by the labour office under subsection (1). If he sees any possibility of an adverse impact from the standpoint of health, safety and the environment, he may direct the general manager of the establishment concerned to change or amend the particulars according to need. It shall be the duty of the general manager concerned to comply with such directives.

Section 57. *General manager to furnish notice.* (1) The general manager must inform the local labour office in writing while providing the following particulars at least 15 days before using any new building or land for the purpose of his establishment:

- (a) name and address of the establishment;
- (b) name and address of the general manager of the establishment;
- (c) address of the establishment for purposes of correspondence;
- (d) name and address of the manager of the establishment;
- (e) particulars of workers involved in the establishment.

(2) The general manager must send to the local labour office a written notice along with the particulars referred to under subsection (1) within 30 days from the date of commencement of these Rules.

(3) In the event that no manager has been appointed in any establishment, or in the event that the person who has been appointed as manager has not yet taken up the responsibility of the management of the establishment, the person discharging the functions of the manager, or, if there is no such person, the general manager himself, shall be treated as the manager of the establishment concerned for the purpose of this section.

Section 58. *Working procedure of labour court.* While initiating action on and disposing of suits, the Labour Court shall adopt the working procedure mentioned in the 1972 Summary Trial Procedure Act.

Section 59. *Repeal and saving.* (1) The 1963 Nepal Factories and Factory Workers Rules are repealed.

(2) In respect to matters provided for in labour rules framed exclusively for application to any particular establishment, action shall be taken accordingly, and in respect to other matters, action shall be taken under these Rules.

(3) All action taken and functions performed under the 1963 Factories and Factory Workers Rules shall be considered to have been taken or performed under these Rules.