

Madras High Court affirms that provisions of the Maternity Benefits Act, 1961 would prevail over contractual conditions

The Madras High Court (“**Madras HC**”) in its recent judgement *MRB Nurses Empowerment Association vs. The Principal Secretary, Department of Health and Family Welfare and Ors.*¹ held that, nurses employed on a contractual basis will also be entitled to maternity benefits and that the provisions of the Maternity Benefit Act, 1961 (“**Maternity Act**”) would prevail over contractual conditions if the latter either denies or offers less favourable benefits.

Brief facts

The National Rural Health Mission (“**NRHM**”), a government initiative to enhance healthcare services in rural areas, employs numerous healthcare professionals in Tamil Nadu. The nurses in this initiative were hired on a contractual basis. Despite some nurses having served for over 2 (two) years, they were not provided maternity benefits by the government. The government of Tamil Nadu (“**Respondent**”) argued that such benefits were not applicable to contractual employees, as opposed to regular government employees.

The MRB Nurses Empowerment Association (“**Petitioner**”) contended that the NRHM nurses, having worked beyond the 2 (two) year mark, should qualify for paid maternity leave under the Maternity which grants eligible women, 270 (two hundred and seventy) days of maternity leave with pay. However, the Respondent claimed that NRHM nurses, as contractual employees, were only entitled to limited casual leave and were excluded from any broader benefits provided to regular employees. The Respondent cited specific terms in the appointment orders of the NRHM nurses limiting leave benefits for contractual employees, allowing only 1 (one) day of leave per month.

Findings and analysis

The Madras HC relied on a recent Supreme Court of India (“**Supreme Court**”) ruling in the case of *Dr. Kavita Yadav vs. Secretary, Ministry of Health and Family Welfare*² wherein the Supreme Court addressed the issue of contractual employees’ entitlement to maternity benefits. The petitioner doctor in this case was initially denied maternity benefits by her employer, citing the temporary nature of her contract. However, the Supreme Court ruled that the Maternity Act applies to contractual employees once they meet the eligibility criteria in Section 5(2) of the Maternity Act i.e. if the employee was employed in the organisation for a period of not less than 80 (eighty) days in the 12 (twelve) months

¹ 2024 SCC OnLine Mad 5801

² (2024) 1 SCC 421

immediately preceding the date of her expected delivery, even if maternity benefits extend beyond the contract's duration.

The Supreme Court emphasised that the Maternity Act's purpose is to safeguard women's rights to maternity leave and economic security, and Section 27 provides the Maternity Act with overriding power over conflicting terms in any employment contract, agreement, or law. Consequently, the Supreme Court held that maternity benefits are not restricted by the tenure of employment and that eligible women are entitled to the full range of maternity benefits under the Maternity Act, irrespective of their contract's duration.

Further, in *Deepika Singh vs. PGIMER³, Chandigarh* although the Maternity Act was not directly applicable, the Supreme Court analysed similar provisions to assert the right to maternity benefits as fundamental to a woman's autonomy and security as a worker and mother. The Supreme Court emphasised that the term 'maternity benefits' should not be restricted by employment tenure and that the law creates a legal fiction, allowing the employee to be considered in employment solely for maternity leave purposes. The Supreme Court highlighted the following:

1. **Entitlement under section 5(2) of the Maternity Act:** If an employee meets the conditions stipulated in Section 5(2) of the Maternity Act (e.g., working at least 80 (eighty) days in the 12 (twelve) months preceding delivery), she qualifies for full maternity benefits, which cannot be diminished or limited by her contract's end date.
2. **Section 12(2)(a) of the Maternity Act:** This section prohibits an employer from discharging an employee solely due to her absence for maternity, even if her contract period concludes during this time.
3. **Section 27 of the Maternity Act:** This critical provision gives the Maternity Act overriding power, ensuring that any conflicting terms in contracts, agreements, or employment conditions cannot invalidate an employee's right to maternity benefits.

The Supreme Court reasoned that these sections, read together, create a legal presumption, allowing contractual employees to be considered 'employed' for the sole purpose of receiving maternity benefits under the Maternity Act.

Conclusion

The argument of the Respondent with respect to non-eligibility of contract nurses for maternity leave owing to the terms of their contract was rejected by the Madras HC. The Madras HC went on to affirm that Section 27 of the Maternity Act ensures contract employees' eligibility for maternity benefits notwithstanding less favourable contractual conditions. By securing women's right to maternity benefit in this decision, the Madras HC makes a progressive step in line with the rulings of the Supreme Court, paving the way for meaningful implementation of the Maternity Act through effective enforcement.

³ (2023) 13 SCC 681

Employment Practice

JSA has a team of experienced employment law specialists who work with clients from a wide range of sectors, to tackle local and cross-border, contentious and non-contentious employment law issues. Our key areas of advice include (a) advising on boardroom disputes including issues with directors, both executive and non-executive; (b) providing support for business restructuring and turnaround transactions, addressing employment and labour aspects of a deal, to minimize associated risks and ensure legal compliance; (c) providing transaction support with reference to employment law aspects of all corporate finance transactions, including the transfer of undertakings, transfer of accumulated employee benefits of outgoing employees to a new employer, redundancies, and dismissals; (d) advising on compliance and investigations, including creating compliance programs and policy, compliance evaluation assessment, procedure development and providing support for conducting internal investigations into alleged wrongful conduct; (e) designing, documenting, reviewing, and operating all types of employee benefit plans and arrangements, including incentive, bonus and severance programs; and (f) advising on international employment issues, including immigration, residency, social security benefits, taxation issues, Indian laws applicable to spouses and children of expatriates, and other legal requirements that arise when sending employees to India and recruiting from India, including body shopping situations.

JSA also has significant experience in assisting employers to ensure that they provide focused and proactive counselling to comply with the obligations placed on employees under the prevention of sexual harassment regime in India. We advise and assist clients in cases involving sexual harassment at the workplace, intra-office consensual relationships, including drafting of prevention of sexual harassment (POSH) policies, participating in POSH proceedings, conducting training for employees as well as Internal Complaints Committee members, and acting as external members of POSH Committees.

This Prism has been prepared by:



Bhavya Sriram
Partner



Mahemaa Senthilkumar
Associate



Pratiksha Easwar
Associate



18 Practices and
25 Ranked Lawyers

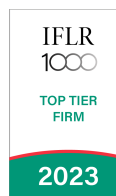


7 Ranked Practices,
16 Ranked Lawyers

Elite – Band 1 -
Corporate/ M&A Practice

3 Band 1 Practices

4 Band 1 Lawyers, 1 Eminent
Practitioner



12 Practices and
42 Ranked Partners
**IFLR1000 APAC
Rankings 2023**

Banking & Finance Team
of the Year

Fintech Team of the Year

Restructuring & Insolvency
Team of the Year



14 Practices and
38 Ranked Lawyers



20 Practices and
22 Ranked Lawyers



Ranked Among Top 5 Law Firms in
India for ESG Practice



Recognised in World's 100 best
competition practices of 2024



Among Top 7 Best Overall
Law Firms in India and
11 Ranked Practices

11 winning Deals in
IBLJ Deals of the Year

12 A List Lawyers in
IBLJ Top 100 Lawyer List

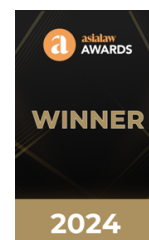


Asia M&A Ranking 2024 – Tier 1

Employer of Choice 2024

Energy and Resources Law Firm of
the Year 2024

Litigation Law Firm of the Year
2024



Energy - Law Firm of
the Year (APAC)



7 Practices and
3 Ranked Lawyers

For more details, please contact km@jsalaw.com

www.jsalaw.com



Ahmedabad | Bengaluru | Chennai | Gurugram | Hyderabad | Mumbai | New Delhi



This prism is not an advertisement or any form of solicitation and should not be construed as such. This prism has been prepared for general information purposes only. Nothing in this prism constitutes professional advice or a legal opinion.

You should obtain appropriate professional advice before making any business, legal or other decisions. JSA and the authors of this prism disclaim all and any liability to any person who takes any decision based on this publication.