Puducherry is generally known to other parts of India and to the world nations as a land of 'Learning and Wisdom'. It was here that the great Saint Agasthiya and the world renowned philosopher Shri Aurobindo lived and propagated the ideals of "Humanism" and "World Unity". The Union Territory of Puducherry comprising of Puducherry, Karaikal, Mahe and Yanam regions was created by the seventh amendment of the Indian Constitution. The merger of Puducherry with the Indian Union took place in the year 1954 as a result of an agreement reached between the Government of India and France on 21st October 1954. Puducherry Christened as "Window of French culture" by Pandit Jawaharlal Nehru is a small beautiful Union Territory with a total area of 492 Sq. Kms. on the east coast of India. The serene and pleasant land, as it exists today, has experienced various stages of evolution and growth. In the year 1963, the Parliament enacted the Government of Union Territories Act which provides for Legislative Assemblies and Council of Ministers in the Union Territories. In exercise of the powers conferred by Article 239 of the Constitution of India and Section 46 of the Government of Union Territories Act 1963, the President of India has framed the Business of the Government of Puducherry (Allocation) Rules, 1963 etc.. As per Rule 3 of the Business of Government of Puducherry (Allocation) Rules, 1963, the entire Business of the Government shall be transacted by twelve Departments which are detailed as follows:-

1. Confidential and Cabinet Department
2. Home Department
3. Appointments Department
4. General Administration Department
5. Education Department
6. Local Administration Department
7. Labour Department
8. Medical and Public Health Department
9. Legislative and Judicial Department
10. Planning and Development Department
11. Finance Department
12. Revenue Department.

LABOUR DEPARTMENT AND ITS BRANCHES AS PER BUSINESS (ALLOCATION) RULES:-

1. Employment Exchange
2. Industrial Disputes
3. All matters relating to Labour and Labour Laws
4. Resettlement of Labour
5. Employees State Insurance
6. Recruitment to the posts and Training, probation, posting, transfer etc., of officers and staff of the department other than those within the purview of the Appointment Department.

At the time of the merger with the Indian Union, this Union Territory was not industrially developed and even Cottage and Village Industries were languishing for want of encouragement. During the French regime, there were only three Textile Mills in Puducherry and no other industry was in existence on the eve of merger. There was no Private or Government Agency to extend assistance for the promotion of industries in this Union Territory.
After merger, the Department of Industries was setup in November, 1955 which gave an impetus in the growth of new industries in various fields. Thereafter, industrial development became a part of the planned development of this Union Territory. To create favourable climate for industrial growth, a Government Company, namely the Puducherry Industrial Promotion Development and Investment Corporation was incorporated under the Companies Act, 1956 on 17th April 1974. This gave birth to several industrial estates at Puducherry which have put Puducherry on the map of industrially developing regions. At present, 6147 Small Scale Industries and 165 Large Scale Industries are in existence in this Union territory wherein 74,000 workers are employed. The Labour department of this Union territory is ensuring a peaceful industrial climate, at the same time taking care of the welfare of working class. The enforcement machinery at the Labour department is exercising a strict control over the registered factories and industrial establishments and ensures a smooth functioning of the industries by enforcing various Labour Laws. Thus the Labour department was the creation of the Business of the Government of Puducherry (allocation) Rules, 1963 and has undergone several structural changes in the subsequent years. The Labour Department was originally functioning as "Inspector de Travail" and consequent on the introduction of various labour enactments, the post of "Inspector de Travail" was redesigned as Commissioner. Since, then, the functions of the Labour Department have become manifold and its activities are broadly classified into four wings namely,

1. Labour Enforcement
2. Factory Inspectorate
3. Employment and
4. Training.

THE FOLLOWING OFFICES ARE FUNCTIONING UNDER THE CONTROL OF THE LABOUR DEPARTMENT

Puducherry Region

1. Office of the Commissioner of Labour, Puducherry.
2. Office of the Labour Officer (Conciliation), Puducherry.
3. Office of the Labour Officer (Enforcement), Puducherry.
10. Office of the Technical Officer (ATS), Puducherry.

Karaikal Region

1. Office of the Labour Officer, Karaikal.

Mahe Region

1. Rajiv Gandhi Government I.T.I. Mahe
2. Town Employment Exchange, Mahe
3. Office of the Assistant Inspector of Labour, Mahe
4. The Rural Labour Welfare Centre, Mahe

Yanam Region

2. Town Employment Exchange, Yanam
3. Office of the Assistant Inspector of Labour, Yanam.
4. The Rural Labour Welfare Centre, Yanam.

Secretary (Labour) is the Administrative Secretary and the Commissioner of Labour who is also the Joint Secretary (Labour) is the Head of Department. He also functions as Chief Inspector of Factories and Boilers, Chief Conciliation Officer, Registrar of Trade Unions, Director of Employment and Training, State Apprenticeship Advisor, Certifying Officer under the Industrial Employment (Standing Orders) Act, 1946 and Commissioner for Workmen’s Compensation. He is assisted by the Deputy Labour Commissioner who is also ex-officio Under Secretary to Government. Deputy Labour Commissioner is also declared as Head of Office in respect of the Office of the Commissioner of Labour, Puducherry. Apart from this, he also functions as authority under the Payment of Wages Act, 1936, Appellate Authority under the Payment of Gratuity Act, 1972, Registering Officer for Principal Employers under the Contract Labour (Regulation and Abolition) Act, 1970 and Additional Commissioner under the Workmen’s Compensation Act, 1923.