

**Amendments in Labour Laws and Other
Labour Reform Initiatives Undertaken by State
Governments of Rajasthan, Andhra Pradesh,
Haryana and U.P.
An Analytical Impact Assessment**

**NLI Research Studies Series
No. 122/2017**

**Dr. Sanjay Upadhyaya
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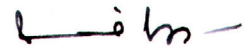
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Preface

Several changes have taken place in India in the working and employment conditions of the employees engaged in formal as well as informal sector over the last two and half decades or so, following globalisation and liberalisation of economic activities in early 1990s. Over these years, the government at the Central and State levels have been frequently approached by chambers of commerce and industry and trade unions with proposals for amendments in the labour laws as per the requirements in the present context. The Governments have been engaged over these years with serious efforts to study the merits of these proposals. Some of these proposals have even materialised in amendments of labour laws where found feasible and where necessary consensus could be evolved. However, in case of certain other matters, for want of necessary consensus, proposals are still at the consideration stage. Faced with this situation, various State Governments have taken several innovative measures by way of amendments under the central labour laws in the first place and secondly, other labour reform initiatives by and through Notifications/ Government orders under the law where enabling provisions in the statute authorise the State Governments for the same.

Undertaken in this context, the present study identifies and methodically documents various innovative initiatives in the area of labour reforms by the States covered under the study and seeks to assess and analyse the actual impact resultant therefrom. The Labour Acts covered under the study include: Industrial Disputes Act, 1947; Factories Act, 1948; Contract Labour (Regulation and Abolition) Act, 1970 and few other State Acts reformed, modified or amended by the states in the recent past. The impact analysis under the study covers the impact of various reform initiatives on crucial aspects like, simplification of procedures, ease of doing business, job creation, quality of working and employment conditions and social security etc. I hope, the study would be useful for the rest of the states and for others as well for purposes of suitable follow up action. Finally, I compliment Dr. Sanjay Upadhyaya and his team for undertaking and successfully completing this study.



(Manish Kumar Gupta)
Director General

Acknowledgement

While finalizing this report, we would like to express our sincere thanks and gratitude to all those who extended their support and co-operation at various stages of the study. Our special thanks are due to Shri Rajat Kumar Mishra, IAS, Labour Commissioner and Labour Secretary, Government of Rajasthan who very kindly spared his valuable time in throwing insight into various aspects related to the study. We also wish to acknowledge our sincere thanks to Shri C.B.S Rathore, Additional Labour Commissioner, Shri Mukesh Jain, Chief Inspector of Factories and Boilers, Shri G.P. Kukreti and Shri Pradeep Jha, Joint Labour Commissioners, Government of Rajasthan and to their full team of officers who spent considerable time with us during our study visit to Jaipur and made available all relevant information and facilitated meetings with officials of chambers of commerce and industry and office bearers of the State level Trade Union Federations of Rajasthan. We express our gratitude to all the officials and office bearers of Chambers of Commerce and Industry and Trade Union Federations of Rajasthan for their enthusiastic, whole hearted participation in the full dissemination of all relevant information.

We take this opportunity to express our gratitude to Shri D. Vara Prasad, IAS Commissioner of Labour, Shri Ravi Bhushan, Joint Commissioner of Labour, Government of Andhra Pradesh and to Shri K.V. Ravindra Nath, Deputy Chief Labour Commissioner (Central), Hyderabad for their valuable time and support in collection of information and for arranging meetings with other stake holders. Our sincere thanks are due to Shri Chalasani Venkata Rama Rao, President, AITUC (A.P.), Shri G. Obuleshu, State General Secretary, AITUC (A.P.), Shri K. Rama Rao, IFTU (A.P.), Shri Ajay Kumar, State Vice President, CITU (A.P.) for sharing their views and perspectives which facilitated us in appreciating their viewpoints concerning impact of reform measures.

We also express our sincere thanks to Shri A.K. Gupta, Additional Labour Commissioner, Government of U.P. and to Shri Anupam Malik, Additional Labour Commissioner, Government of Haryana for sharing relevant information and also for timely response to questionnaires sent.

We express our sincere thanks to the staff members of V.V. Giri National Labour Institute, Noida for their support and particularly to Shri Umesh Joshi, Computer Operator under the project for his sincere help in timely completion of the study.

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**Dr. Sanjay Upadhyaya
Pankaj Kumar**

Chapter-I

Introduction

Context: Various changes have occurred in the working and employment conditions in India over the last two decades or so, following globalisation and liberalisation of economic activities in early 1990s. Some of these changes are the outcome of new challenges faced by the industry. Over these years, the government at the Central and State levels have been frequently approached by chambers of commerce and industry with proposals for amendments in the labour laws as per the requirements in the present context. The Governments have been engaged over these years with serious efforts to study the merits of the proposals as submitted and some of these proposals have even materialised in amendments where found feasible and where necessary consensus could be evolved. However, in case of certain other matters, for want of necessary consensus, proposals are still at the consideration stage. Faced with this situation and in the interest of facilitating the industry and in the interest of enhanced employment opportunities to the workers, various State Governments have taken several innovative measures by way of amendments under the central labour laws in the first place and secondly, other labour reform initiatives by and through notifications/Government orders under the law where enabling provisions in the statute authorise the State Governments for the same.

Aims and Objectives of the Study: The study aimed at identifying various innovative initiatives in the area of labour reforms by the State Governments together with the actual impact resultant therefrom. It was envisaged under the study that compilation of such measures together with study of the actual impact would be useful for the rest of the States and for others as well for purposes of suitable follow up action.

The key objectives of the study were:

- i) To collect various innovative measures, notifications and state specific amendments aimed at reforming labour laws in the recent years from the states selected under the study.
- ii) To obtain the perception of various stakeholders with regard to various labour law reform measures initiated by the State Governments.
- iii) To assess and evaluate the impact of various labour reform initiatives on industrial relations scenario in general.

- iv) To evaluate the impact of various labour reform measures on aspects like simplification of procedures, ease of doing business, job creation quality of working and employment conditions and social security in particular.

Area and Scope of the Study: This study (undertaken as per the directives from the Governing Council of VVG NLI) is primarily based on the information collected from the concerned State Governments pertaining such innovative measures, notifications and State specific amendments in the direction of labour reforms and aims at making an assessment of the actual impact following initiation of these measures. The impact analysis covers the impact on ease of doing business, on simplification of procedures, on employment generation and also on the quality of the working and employment conditions including wages, hours of work and social security etc. The study covers in its ambit those states where such local initiatives have fructified in worth emulating practices and procedures. The states covered under the study include: Rajasthan, Uttar Pradesh, Haryana and Andhra Pradesh.

The Labour Acts covered under the present study include: Industrial Disputes Act, 1947; Factories Act, 1948; Contract Labour (Regulation and Abolition) Act, 1970 and few of the Acts (including state enactments) reformed, modified or amended by the states in the recent past.

Methodology: The methodology used for conducting the study includes both primary and secondary sources. The secondary data and information was collected from various sources such as the information available on departmental websites of the concerned state Governments covered under study, articles and write-ups etc. on the related issues published in recent journals, newspapers etc. As regards the primary data, communications were sent to the Labour Commissioners of concerned states as well as to the State Governments, requesting for making available the relevant information concerning amendments undertaken at the state level under labour laws and further, other measures undertaken in the interests of labour reforms under the enabling provisions through notifications issued by the State Governments. Responses received from state Governments and the material downloaded from the websites of the concerned state Governments have been compiled and was subsequently used through specially designed questionnaires for the purposes of eliciting views, responses and perspectives of various stakeholders like concerned state Governments, officials of state level chambers of commerce and industry and office bearers of state level trade union federations. Effort were made to reach to all such available stake holders at the state level to have a wider perspective from the cross sections of society. The information so gathered was compiled and thereafter in order

to substantiate and supplement the same, detailed focused group discussions were held with various stake holders by making visits to the concerned states.

Limitations of the Study: Responses were sought to be elicited from all stake holders from all the four states included under the present study. For this purpose, specifically designed questionnaires were devised and sent via. Email as well as through speed post to all the Trade Union Federations, Chamber of Commerce and Industry and to the State Labour Departments. It is worth mentioning in this regard that we got whole hearted support and co-operation in the State of Rajasthan and there was full participation from all stake holders in our personal interactions during our visit to Jaipur for this purpose. In the state of Andhra Pradesh, despite our best efforts, timely information and repeated contacts and persuasion, neither any written submissions were received from Chambers of Commerce and Industry in response to questionnaires sent from our side nor did any of the office bearers of these chambers attend the meetings arranged at Vijayawada (A.P.) and also at Hyderabad (Telangana State). Similarly there was no response from the Chambers of Commerce and Industry of Haryana and Uttar Pradesh and no response from any of the Trade Union Federations of Haryana State and only one response was received from state level BMS of Uttar Pradesh. As such, views and perspectives of these stake holders could neither be obtained nor ascertained.

However, these limitations have not hampered in any significant manner in the compilation of Amendments effected in labour laws and other labour reform initiatives by the States under the present study since the concerned State Governments obliged by furnishing the relevant information and where possible, the information was downloaded as well from the official websites of the concerned Labour Departments. It is further noteworthy that major labour law amendments have been initiated in Rajasthan state. Andhra Pradesh and Haryana States have virtually moved largely in the same direction. In Rajasthan, there was whole hearted support, co-operation from all the stake holders. So far as Haryana state is concerned the amendments have already been moved but are pending finalisation and hence, question of ascertaining the impact of these amendments does not arise at present. In Andhra Pradesh amendments have already been finalized during the last 2-3 years and since we got considerable response from State Government of Andhra Pradesh and state level Trade Union Federations. This helped us greatly in overcoming the limitations and to reach to reasonable assessments and conclusions.

Chapter - II

Overview of State Labour Law Amendments vis-a-vis the Corresponding Provisions Under Central Laws

The study shows that the major areas of labour amendments in the states covered under the study relate mainly to the following provisions:

Industrial Disputes Act, 1947 Section 25K (Chapter V-B)	
EXISTING PROVISION	STATE ACTS/ MAJOR AMENDMENTS/REFORMS
<p>Section 25K</p> <p>Chapter V-B of the Act, provides for special provisions relating to Lay-off, Retrenchment and closure in certain Establishments.</p> <p>Section 25-K is reproduced below:</p> <p>“Application of chapter V-B (1) The Provision of this Chapter shall apply to an industrial establishment (not being an establishment of a seasonal character or in which work is performed only intermittently in which not less than one hundred workmen were employed on an average per working day for the preceding twelve months.</p>	<p style="text-align: center;">UTTAR PRADESH</p> <p style="text-align: center;">(Uttar Pradesh Industrial Disputes Act, 1947)</p> <p>So far as the state of U.P is concerned – the state has a separate U.P Industrial Disputes Act, of 1947. For purposes of prior permission from the State Government in respect of closure under section 6-W of this Act, there is an existing provision under section 6-V which provides that the number of workmen employed on an average per working day during the preceding twelve months should be three hundred or more, meaning thereby that the special provisions as envisaged under section 6-W are not applicable to such Industrial Establishments pertaining to an Industry wherein less than three hundred workmen were employed on an average per working day during the preceding twelve months.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p style="text-align: center;">To allow greater flexibility in the matters of labour adjustments; exempts units employing upto 299 workmen from the requirements of prior permission from appropriate Government in case of closure.</p> </div> <p>It would be seen that there is no requirement of prior permission from the State Government in respect of lay-offs and retrenchments as envisaged under section 6-K (lay-off) and section 6-N (retrenchment) under the U.P Industrial Disputes Act, 1947.</p> <p>It is noteworthy that section 6-J of the Act, exempts such industrial establishments from lay-off provisions altogether in which less than fifty workmen on average per working day have been employed in the preceding calendar month and also such establishments which are of seasonal character or where work is performed only intermittently. Thus, in these categories of industrial establishments there is no provision of lay-off or of lay-off compensation.</p>

	<p>Thus, under this Act, section 6-K relating to lay-offs and compensation applies to such establishments having fifty or more than fifty workmen and there is no provision for seeking prior permission from the state Government even if the number of workmen exceeds three hundred.</p> <p>Section 6-A provides for conditions preceding retrenchment warranting one month's notice or wages in lieu of notice and further compensation equivalent to fifteen days average pay for every completed year of service or any part thereof, in excess of six months. There is no requirement of prior permission in case of retrenchment from the state Government even if the number of workmen exceeds three hundred.</p>
	<p style="text-align: center;">RAJASTHAN</p> <p style="text-align: center;">Industrial Disputes (Rajasthan Amendment) Act, 2014 (Act No 21 of 2014)</p> <p>The Amendment Act, substitutes the existing provisions of Section 25-K with the following;</p> <p>(1) "The provision of this chapter shall apply to an industrial establishment (not being an establishment of a seasonal character or in which work is performed intermittently) in which not less than three hundred workmen were employed on average per working day for the preceding twelve months.</p> <p>Without prejudice to provisions of sub-section (1) the State Government may, if satisfied that maintenance of industrial peace or prevention of victimisation of a workman so requires, by notification in the official gazette, apply the provisions of this chapter to an industrial establishment (not being an establishment of a seasonal character or in which work is performed only intermittently) in which such number of workmen which may be less than three hundred but not less than one hundred as may be specified in the notification, were employed on an average per working day for the preceding twelve months.</p>

Amendment of Sec 25-N of Industrial Disputes Act, 1947	
EXISTING PROVISION	RAJASTHAN Industrial Disputes (Rajasthan Amendment) Act, 2014
25-N (1) (a) The workman has been given three months' notice in writing indicating the reasons for retrenchment and the period of notice has expired or the workmen has been paid in lieu of such notice, wages for the period of the notice.	25-N (1) (a) The workman has been given three months' notice in writing indicating the reasons for retrenchment and the period of notice has expired <div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 5px;"> The words occurring after the word 'expired' have been deleted </div>
Sub-Section 9 of Sec 25-N	
Sub-Section 9 of Sec 25-N	Rajasthan
Where permission for retrenchment has been granted under sub-section (3) or where permission for retrenchment is deemed to be granted under sub-section (4), every workmen who is employed in that establishment immediately before the date of application for permission under the section shall be entitled to receive at the time of retrenchment compensation which shall be equivalent to fifteen days average pay for every completed year of continuous service or any part thereof in excess of six months.	After the existing expression "six months" appearing at the end, the following shall be added. "Andan amount equivalent to his three months average pay." <div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 5px;"> To allow 3 months wages which is mandatory along with notice for the same period </div>
Sec-25 (O) (8)	
Sec-25 (O) (8)	RAJASTHAN
Where an undertaking is permitted to be closed down under sub-section (2) or where permission for closure is deemed to be granted under sub-section (3), every workmen who is employed in that undertaking immediately before the date of application for permission under this section, shall be entitled to receive compensation which shall be equivalent to fifteen day average pay for every completed year of continuous service or any part thereof in excess of six month.	After the word "six month" appearing at the end –the following shall be inserted "and an amount equivalent to his three months average pay" <div style="border: 1px solid black; padding: 5px; display: inline-block; margin: 5px;"> Three months wage in addition to admissible retrenchment compensation. At least 3 months wage payment is mandated in every such case </div>

	<p style="text-align: center;">ANDHRA PRADESH</p> <p style="text-align: center;"><i>Application of chapter V-B in Andhra Pradesh</i></p>
	<p>Industrial Disputes (Andhra Pradesh Amendment) Act, 2015 (Act No. 12 of 2015)</p> <p>(1) The provisions of this chapter shall apply to an establishment (not being an establishment of seasonal character or in which work is performed intermittently) in which not less than three hundred workmen were employed on average per working day for the preceding twelve months.</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px 0;"> <p>Same as in Rajasthan: the object is to allow greater flexibility in matters of labour adjustments.</p> </div> <p>(2) Without prejudice to the provisions of sub-section (1), the State Government may, if satisfied that maintenance of peace or prevention of victimisation of workmen so requires, by notification in the official gazette apply the provisions of this chapter to an Industrial establishment (not being an establishment of a seasonal character or in which work is performed only intermittently) in which such number of workmen which may be less than three hundred but not less than one hundred, as may be specified in the notification, were employed on an average per working day for the preceding twelve months.</p>

HARYANA	
	<p>The Industrial Disputes (Haryana Amendment) Bill 2016</p> <p>The Bill is still at the stage of consideration and seeks to allow enterprises with up to three hundred employees to close down or to Lay-off workers without the requirement of Governments' prior permission. However, where the State Government is satisfied in the interest of Industrial Peace or prevention of victimisation of workers, it might apply the provision to such establishments employing less than three hundred workers but not less hundred workers.</p> <div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p>The bill having been passed by state legislature is reportedly awaiting assent from the Hon'ble President of India. Object is same as in Rajasthan and Andhra Pradesh</p> </div>
<p>Amendment of clause (iii) of sub section (g) of section 2 of the I.D. Act, 1947 in its application in the state of Rajasthan.</p> <p>(iii) Where the owner of any industry in the course of or for the purpose of conducting in the industry contracts with the person for the execution by or under the contract of the whole or any part or any work which is ordinarily a part of the industry, the owner of the industry."- (Vide Rajasthan Act, 34 of 1958 w.e.f. 01.07.1960)</p>	<p>Industrial Disputes (Rajasthan Amendment) Act 2014.</p> <div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p>Clause iii of sub-section (g) of section 2 added by Rajasthan Act, 34 of 1958 (w.e.f. from 01.07.1960) stands deleted. Provision is now at par with the provisions of the central Act.</p> </div> <p>The existing sub clause (iii) of clause (g) deleted</p>
<p>Amendment in clause (s) of section 2 of the I.D. Act, 1947.</p> <p>In clause (s), after the words "employed in any industry", the words "by an employer or by a contractor in relation to the execution of his contract with such employer" shall be inserted in its application to the state of Rajasthan(Rajasthan Act, 34 of 1958 w.e.f 01.07.1960).</p>	<p>Industrial Disputes (Rajasthan Amendment) Act, 2014</p> <div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p>In the definition of 'workman', the words "by" to "employer" were inserted by Rajasthan Act, 34 of 1958 (w.e.f 01.07.1960) in their application in the state of Rajasthan. Stands now deleted bringing the provision at par with the provisions of central Act.</p> </div> <p>The existing clause (s) for the expression "by an employer or by a contractor in relation to the execution of his contract with such employer" shall be deleted.</p>

Amendment of Section 2-A of Industrial Disputes Act, 1947	
Section 2-A of Industrial Disputes Act, 1947	RAJASTHAN
<p>(1) Where any employer discharges, dismisses, retrenches or otherwise terminates the services of an individual workman, any dispute or difference between that workman and his employer connected with, or arising out of, such discharge, dismissal, retrenchment or termination shall be deemed to be an industrial dispute notwithstanding that no other workman nor any union of workmen is party to the dispute.</p> <p>(Sub-section-2 as amended by Act number 24 of 2010 w.e.f. 15.09.2010)</p> <p>(2) Notwithstanding anything contained in Section 10, any such workmen as is specified in sub-section (1) may, make an application direct to the Labour Court or Tribunal for adjudication of the dispute referred to therein after the expiry of forty-five days from the date he has made the application to the Conciliation Officer of the appropriate Government for conciliation of the dispute, and on receipt of such application, the Labour Court or Tribunal shall have powers and jurisdiction to adjudicate upon the dispute, as if it were a dispute referred to it by the appropriate Government in accordance with the provisions of this Act and all the provisions of this Act shall apply in relation to such adjudication as they apply in relation to an industrial dispute referred to it by the appropriate Government.</p>	<p>Industrial Dispute (Rajasthan Amendment) Act, 2014 (Amendment of Section 2-A I.D. Act, 1947) Following new sub-section shall be added: (4) Notwithstanding anything in sub-section (1), (2) and (3), no such dispute or difference between the workman and his employer connected with or arising out of such discharge, dismissal, retrenchment or termination shall be deemed to be an industrial dispute if such dispute is not raised in conciliation proceedings within a period of three years from the date of such discharge, dismissal, retrenchment or termination.</p> <p>Provided, that an authority may be specified by the State Government which may consider to extend the said period when the applicant workman satisfies the authority that he had sufficient cause for not raising the dispute within the period of three years.</p> <p style="text-align: center;">ANDHRA PRADESH</p> <p>Industrial Dispute (Andhra Pradesh Amendment) Act, 2015: (Act no. 12 of 2015) After sub-section (2) of section 2-A of I.D. Act, 1947 following new sub-section is added; (3) Notwithstanding anything in sub-section (1), (2), no such dispute or difference between that workmen and his employer connected with or arising out of such discharge, dismissal, retrenchment or termination shall be deemed an Industrial dispute if such dispute is not raised in conciliation proceedings within a period of three years from the date of such discharge, dismissal, retrenchment or termination;</p>

<p>(3) The application referred to in sub-section (2) shall be made to the Labour Court or Tribunal before the expiry of three years from the date of discharge, dismissal, retrenchment or otherwise termination of services as specified in sub-section(1)</p>	<p>Provided, that the labour court or the conciliation officer as the case may be, may consider to extend the said period of three years when the applicant workman satisfies the court or conciliation officer that he had sufficient cause for not raising the dispute within the period of three years.</p>
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<p align="center">Amendment of item no. 5 of part-2 of fifth schedule to the I.D. Act, 1947:</p>	
<p>Item no. 5 of part-2 of fifth schedule to the I.D. Act, 1947:To stage, encourage or instigate such forms of coercive actions as wilful "go slow" squatting on the work premises after working hours or "gherao" of any of the members of the managerial or other staff.</p>	<p align="center">RAJASTHAN</p> <p>Industrial Dispute (Rajasthan Amendment) Act, 2014: After the existing paragraph 5 of part II to the fifth schedule of the Principal Act, the following shall be added:</p> <p>"Explanation; for the purpose of this paragraph "go slow" means any such activity by any number of persons employed in any industry, acting in combination or with common understanding to slow down or to delay the process of production or work purposely whether called by work to rule or by any other name, so as the fixed or average or normal level of production or work or output of workman or workmen of the establishment is not achieved.</p> <p align="center">ANDHRA PRADESH</p> <p>Industrial Dispute (Andhra Pradesh Amendment) Act, 2015: Following explanation shall be added to item no. 5 in the fifth schedule under heading part II</p> <p>"Explanation; for the purpose of this paragraph "go slow" means any such activity by any number of persons employed in any industry, acting in combination or with common understanding to slow down or to delay the process of production or work purposely whether called by work to rule or by any other name, so as the fixed or average or normal level of production or work or output of workman or workmen of the establishment is not achieved.</p>

Amendment of Section 9-D of the Industrial Disputes Act, 1947	
<p>Section 9-D: Application for registration-Any union which has for the whole of the period of [at least three months during the period of six months immediately preceding the calendar month in which it so applies] under this section a membership of not less than fifteen per cent of the total number of workmen employed in a unit of an industry may apply in the prescribed form to the Registrar for registration as Representative Union.</p> <p>Inserted vide Rajasthan Act, 34 of 1958 (W.E.F. 01.07.1960) and as further amended by Rajasthan Act, 14 of 1970 (w.e.f. 26.02.1970).</p>	<p style="text-align: center;">RAJASTHAN</p> <p>Industrial Disputes (Rajasthan Amendment) Act, 2014</p> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 10px;"> <p>For the purposes of recognition as recognised union the requirement made more stringent</p> </div> <p>Fifteen percent shall be substituted by the expression “thirty percent”</p>
Contract Labour (Regulation and Abolition) Act, 1970 Amendment of Sub-section (4) of Section 1	
<p>Sub-section 4 of Section 1 of C.L (R & A) Act, 1970: It applies-</p> <p>(a) to every establishment in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour;</p> <p>(b) to every contractor who employs or who employed on any day of the preceding twelve months twenty or more workmen:</p> <p>Provided that the appropriate Government may, after giving not less than, two months’ notice of its intention so to do, by notification in the Official Gazette, apply the provision of this Act to any establishment or contractor employing such number of workmen less than twenty as may be specified in the notification.</p>	<p style="text-align: center;">Rajasthan</p> <p>The Contract Labour (Regulation and Abolition) (Rajasthan Amendment) Act, 2014</p> <p>Act No. 19 of 2014</p> <p>For the existing Sub-section -4 of Section 1 of the contract labour (Regulation and Abolition) Act, 1970 in its application to the State of Rajasthan, the following shall be substituted;</p> <p>(4) It applies:-</p> <p>(a) to every establishment in which fifty or more workmen are employed or were employed on any day of preceding twelve months as contract labour;</p> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 10px;"> <p>Threshold limits of applicability of the Act raised both in respect of establishment as well as contractor</p> </div> <p>(b) to every contractor who employs or who employed on any day of the preceding twelve months fifty or more workmen.</p>

	<p>Provided that the State Government may, after giving not less than, two months' notice of its intention so to do, by notification in the Official Gazette, apply the provision of this Act, to any establishment or contractor employing such number of workmen less than fifty as may be specified in the notification.</p> <p style="text-align: center;">ANDHRA PRADESH</p> <p><i>Contract Labour (Regulation and Abolition) (Andhra Pradesh Amendment) Act, 2015</i></p> <p>Amendment of sub-section 4 of section 1 In the Contract Labour (Regulation and Abolition) Act, 1970, in section 1 in sub-section (4), in clauses (a), (b) and the proviso there under, for the word "twenty" the word "fifty" shall be substituted.</p> <p style="text-align: center;">HARYANA</p> <p>Contract Labour (Regulation and Abolition) (Haryana Amendment) Bill 2016 also proposes to raise the threshold limit of existing twenty or more workers to fifty or more workers for the purposes of applicability of this Act in the State of Haryana. The aim and objects of the proposed Amendment as indicated includes facilitation of flexible deployment of contract labour for medium and small scale industries in Haryana. The bill passed by state legislature is awaiting assent from Hon'ble President of India.</p> <p style="text-align: center;">ANDHRA PRADESH</p> <p><i>Contract Labour (Regulation and Abolition) (Andhra Pradesh Amendment) Act, 2003</i></p> <p>Andhra Pradesh Act, 10 of 2003 (w.e.f.from 22.08.2003)</p> <p>Substitution of Section 31</p>
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	<p>Amendment of Section 2</p> <p>After sub-clause (d) of sub-section 1 of section 2 of the Principal Act, a new clause as below shall be inserted in its application in the state of Andhra Pradesh;</p> <p>“(dd) “Core Activity of an establishment” means any activity for which the establishment is set up and includes any activity which is essential or necessary to the core activity, but does not include.-</p> <table border="1" data-bbox="599 651 848 784"> <tr> <td> <p>Core activity defined, Non-core activities elaborated. Engagement of contract labour in core activities prohibited.</p> </td> <td> <p>(1) Sanitation works, including Sweeping, Cleaning, Dusting, and Collection and disposal of all kinds of waste.</p> </td> </tr> </table> <p>(2) Watch and ward services including security service.</p> <p>(3) Canteen and Catering services.</p> <p>(4) Loading and Un-loading operations.</p> <p>(5) Running of Hospitals, Educational & Training institutions Guest Houses, Clubs and the like where they are in the nature of support services of an Establishment.</p> <p>(6) Courier Services which are in nature of support services of an Establishment.</p> <p>(7) Civil and other constructional works, including maintenance.</p> <p>(8) Gardening and maintenance of Lawns etc.,</p> <p>(9) Housekeeping and laundry services etc. where they are in nature of support services of an Establishment.</p> <p>(10) Transport services including Ambulance Services;</p> <p>(11) Any activity of intermittent nature even if that Constitutes core-activity of an Establishment and.</p>	<p>Core activity defined, Non-core activities elaborated. Engagement of contract labour in core activities prohibited.</p>	<p>(1) Sanitation works, including Sweeping, Cleaning, Dusting, and Collection and disposal of all kinds of waste.</p>
<p>Core activity defined, Non-core activities elaborated. Engagement of contract labour in core activities prohibited.</p>	<p>(1) Sanitation works, including Sweeping, Cleaning, Dusting, and Collection and disposal of all kinds of waste.</p>		

<p>Section 3 to 5 of C.L (R&A) Act, 1970</p> <p>Chapter 2: The Central and State Advisory Boards and power to committees.</p> <p>Section 10 of the Act, Prohibition of employment of Contract Labour:- (1) Notwithstanding anything contained in this Act, the appropriate Government may, after consultation with the Central Board or, as the case may be, a State Board, prohibit, by notification in the Official Gazette, employment of contract labour in any process, operation of other work in any establishment.</p> <p>(2) Before issuing any notification under sub-section (1) in relation to an establishment, the appropriate Government shall have regard to the conditions of work and benefits provided for the contract labour in that establishment and other relevant factors, such as-</p> <p>a) whether the process, operation or other work is incidental to, or necessary for the industry, trade, business, manufacture or occupation that is carried on in the establishment;</p> <p>b) Whether it is perennial nature, that is to say, it is off sufficient duration having regard to the nature of industry, trade, business, manufacture or occupation carried on in that establishment;</p>	<p>(12) Any other activity which is incidental to the core activity ;</p> <p>Provided that the above activities by themselves are not the “core activities” of such establishment.</p> <p>Omission of Section 3 to 5 of the principal Act</p> <p>In the Principal Act, chapter II relating to the Advisory Boards under section 3 to 5 shall be omitted.</p> <p>Substitution of Section 10 of the Principal Act</p> <p>In the principal Act, for section 10 the following section shall be substituted, namely:-</p> <p>PROHIBITION OF EMPLOYMENT OF CONTRACT LABOUR.</p> <p>10.(1) Notwithstanding anything contained in this Act, employment of contact Labour in core Activities of any establishment is prohibited:</p> <p>Provided, that the principal employer may engage Contract Labour or a contractor to any core activity, if</p> <p>(a) the normal functioning of the establishments is such that the activity is ordinarily done through Contractors, or</p> <p>(b) the activities are such that they do not require full time workers for the major portion of the working hours in a day or for longer periods as the case may be</p> <p>(c) any sudden increase of volume of work in the core-activity which needs to be accomplished in a specified time;</p> <div style="border: 1px solid black; padding: 5px; width: fit-content;"> <p>Section 10 substituted. Engagement of contract labour in core activities prohibited.</p> </div>
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<p>c) Whether it is done ordinarily through regular workmen in that establishment or an establishment similar thereto;</p> <p>d) Whether it is sufficient to employ considerable number of whole-time workmen.</p> <p>Explanation: If a question arises whether any process or operation or other work is of perennial nature, the decision of the appropriate Government thereon shall be final.</p> <p><u>Section 31 of the Principal Act</u></p> <p>Power to exempt in special cases: -The appropriate Government may, in the case of an emergency, direct, by notification in the Official Gazette, that subject to such conditions and restrictions, if any, and for such periods, as may be specified in the notification, all or any or the provisions of this Act or the rules made thereunder shall not apply to any establishment or class of establishments or any class of contractors.</p>	<p>Designated Authority</p> <p>(2) (a) The Appropriate Government may by notification in the official gazette appoint a designated authority to advise them on the question whether any activity of a given establishment is a core activity or otherwise;</p> <p>b) if a question arises as to whether any activity of an establishment is core-activity or otherwise the aggrieved party may make an application in such a form and manner as may be prescribed, to the appropriate Government for decision;</p> <p>(c) The appropriate Government may refer any question by itself or such application made to them by any aggrieved party as prescribed in clause (b), as the case may be, to the designated authority, which on the basis of relevant material in its possession, or after making such an enquiry as deemed fit shall forward the report to the appropriate Government, within a prescribed period and thereafter the appropriate Government shall decide the question within the prescribed period.</p> <p>Substitution of Section 31</p> <p>In the principal Act, for section 31, the following section shall be substituted, namely:-31 (1) The appropriate Government may, in public interest direct, by notification in the official Gazette, that subject to such conditions and restrictions, if any, and for such periods, as may be specified in the notification, all or any of the provisions of this Act or the rules made thereunder shall not apply to any establishment or class of establishment or any class of contractors, as the case may be.</p>
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<p>Clauses (a) and (b) of Sub-section (2) of section 35</p> <p>Clause (a) the number of persons to be appointed members representing various interests on the Central Board and the State Board, the term of their office and other conditions of service, the procedure to be followed in the discharge of their functions and the manner of filling vacancies;</p> <p>(b) the times and places of the meetings of any committee constituted under this Act, the procedure to be followed at such meetings including the quorum necessary for the transaction of business, and the fees and allowances that may be paid to the members of a committee;</p>	<p>(2) Where the operation of any of the provisions of this Act, under section 31 (1) has been excluded, such exclusion may at any time be revoked by the appropriate government by subsequent notification in the official Gazette.</p> <p><u>Amendment of Section 35</u></p> <p>Provision relating composition of advisory board dispensed with. In the principal Act, in section 35 in Sub-Section (2) clauses (a) and (b) shall be omitted.</p>
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(5) Factories Act, 1948
Amendment of Section 2 (m) of the Act

<p>Section 2 (m) of the Act,</p> <p>“factory” means any premises including the precincts thereof-</p> <p>(i) whereon ten or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or</p> <p>(ii) whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on without the aid of power, or is ordinarily so carried on.</p>	<p align="center">RAJASTHAN</p> <p align="center"><i>The Factories (Rajasthan Amendment) Act, 2014 Act No. 20 of 2014</i></p> <p>Threshold limits of applicability of this Act has been raised. In section 2(m) of Factories Act, 1948 in its application to state of Rajasthan</p> <p>(i) In sub-section 1 of clause (m), for the existing word “ten” , the word “twenty” shall be substituted</p> <p>(ii) In sub-section (ii) of clause (m) for the existing word “twenty”, the word “forty” shall be substituted.</p> <p align="center">ANDHRA PRADESH</p> <p>The Government of Andhra Pradesh have also amended the Factories Act, 1948 on similar lines and have raised the threshold limits of applicability of the Act to 20 in place of 10 for units using power and to 40 in place of 20 for units not using power within the state of Andhra Pradesh.</p>
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	<p style="text-align: center;">HARYANA</p> <p>Factories (Haryana Amendment) Bill, of 2016</p> <p>The Bill seeks to raise the existing threshold limits of applicability of the Act, in the state of Haryana from the existing ten workers in the factories using power to twenty and from existing twenty or more to forty or more in factories not using power.</p> <p>The bill having been passed by state legislature is reportedly awaiting assent of Hon'ble President of India.</p>
<p><i>Amendment of clause (i) of sub-section 1 of Section 85 Factories Act, 1948</i></p>	
<p><i>Clause (i) of sub-section 1 of Section 85 factories Act, 1948</i></p> <p>(i) The number of persons employed therein is less than ten, if working with the aid of power and less than twenty if working without the aid of power;</p>	<p style="text-align: center;">RAJASTHAN</p> <p>In clause (i) of sub-section 1 of Section 85, for the existing words "ten" & "twenty", the words "twenty" and "forty" shall be substituted.</p>
<p>Amendment of Sub-Section 1 of Section 105</p>	
<p><u>Sub-Section 1 of section 105</u></p> <p>No Court shall take cognizance of any offence under this Act except on complaint by, or with the previous sanction in writing of, an Inspector.</p>	<p style="text-align: center;">RAJASTHAN</p> <p>No Court shall take cognizance of any offence under this Act except on complaint by an inspector with the previous sanction in writing by the State Government.</p> <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 10px auto;"> <p>Prosecution against any employer for an offence, under this Act, requires, in addition, prior sanction from the state Government.</p> </div> <p><u>Insertion of a New Section 106-B</u></p> <p>Insertion of new section 106-B after the existing section 106-A, and before the existing section 107.</p>

	<p>Section 106-B: compounding of offences</p> <p>The inspector may, subject to any general or special orders of State Government in this behalf, compound any offence punishable under this Act, with fine only and committed for the first time, either before or after the institution of prosecution, on realization of such amount of composition fees as he thinks fit not exceeding the maximum amount of fine fixed for the offence and where the offence is so compounded;</p> <p>(i) Before the institution of prosecution the offender shall not be liable to prosecution for offence and shall, if in custody, be set at liberty</p> <p>(ii) After the institution of prosecution the composition shall amount to the acquittal of the offender.</p> <p>HARYANA</p> <p>Factories (Haryana Amendment) Bill 2016</p> <p>The bill proposes to give relief to first time offenders by giving them the opportunity to get the offense(s) compounded instead of going to the court.</p>
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Andhra Pradesh

Andhra Pradesh (Issuance of Integrated Registration and Furnishing of Combined Returns under various Labour Laws by certain Establishment) Act, 2015 (Act No. 10 of 2015)

Online receipt of applications for registration under various labour laws; online time bound registration; online submission of singular return.

AN ACT TO PROVIDE FOR ISSUANCE OF INTEGRATED REGISTRATION AND FRUNISHING OF COMBINED RETURNS UNDER CERTAIN LABOUR LAWS BY CERTAIN ESTABLISHMENTS IN THE STATE OF ANDHRA PRADESH

Section 34. (1) On and from the commencement of this Act, the Act at SI. No. 1 of the First Schedule and the Andhra Pradesh Rules made under the Central Acts specified in the First Schedule shall have effect subject to the provisions of this Act.

4. (1) On and from the commencement of this Act, an employer, In relation to an establishment to which the Scheduled Acts apply, shall apply for integrated registration online under the First Schedule Acts in Form A of the Second Schedule.

2. The Registration Certificate in Form-C shall be issued instantaneously subject to verification after issuance.

3. Manual issuance of Registration Certificate shall be prohibited from the date to be notified by the Commissioner of Labour.

4. The validity of the Registration shall be up to 31st March of the third Year from the date of issue. The Registration, wherever requires renewal under the Scheduled Acts, shall be renewed for a further period of three years within 31 days before the expiry of the Registration.

5. The fee payable for issuance of the integrated Registration shall be as notified by the Commissioner of Labour.

6. An employer in relation to an establishment to which the Scheduled Acts apply, shall submit Combined Return on Form-B of the Second Schedule.

7. The relevant provisions of the State Act and the Andhra Pradesh Rules made under the respective Central Acts in the First Schedule shall be deemed to have been amended to that extent.

First Schedule

(See sec. 2 (c) and (i))

1. The Andhra Pradesh Shops and Establishments Act, 1988 (Act No. 20 of 1988) and the Andhra Pradesh Shops and Establishments Rules, 1990 framed thereunder;
2. The Motor Transport Workers Act, 1961 (Central Act, 27 of 1961) and the Andhra Pradesh Motor Transport Workers Rules, 1963 framed thereunder;
3. The Contract Labour (Regulation and Abolition) Act, 1970 (Central Act No. 37 of 1970) and the Andhra Pradesh Contract Labour (Regulation and Abolition) Rules, 1971 framed thereunder;
4. The Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 (Central Act No. 30 of 1979) and the Andhra Pradesh Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Rules, 1982 framed thereunder;
5. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (Central Act No. 27 of 1996) and the Andhra Pradesh Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 1999 framed thereunder;
6. Payment of Gratuity Act, 1972 (Central Act No. 39 of 1972) and the Andhra Pradesh Compulsory Gratuity Insurance Rules, 2011 framed thereunder.
Vide notification dated 30.04.2016 issued under powers conferred by section 6 and Sub-section 1 of section 9 of the above Act, following 8 Acts rules made thereunder have been added in the above schedule;
7. The Beedi and Cigar Workers (COE) Act, 1966 and A.P. Beedi & Cigar Workers (COE) Rules, 1960
8. The Minimum Wages act, 1948 and A.P. Minimum Wages Rules, 1960
9. The Plantation Labour Act, 1951,
10. The Maternity Benefit Act, 1961
11. The A.P. Labour Welfare Fund Act, 1987 and Labour Welfare Fund Rules, 1988.
12. The Payment of Bonus Act, 1965,
13. The Child Labour (P&R) Act, 1986 and A.P. Child Labour (P& R) Rules, 1995.
14. The Trade Unions Act, 1926 and A.P. trade Union Regulations, 1927.

Second Schedule

Form A, Form B & Form C of this Schedule

APPLICATION FOR INTEGRATED REGISTRATION OF ESTABLISHMENT UNDER LABOUR LAWS			
REGISTRATION/LICENSE REQUIRED UNDER (Specify the Act with tick mark)			
1	A.P. Shops & Establishment Act, 1988		2 Motor Transport Workers Act, 1966
3	Contract Labour (R&A) Act, 1970 (Principal employer Establishment & Contractor Establishment)		4 Inter State Migrant Workmen (RE&CS) Act, 1979 (Principal employer Establishment & contractor Establishment)
5	Building and Other Construction Workers (RE&CS) Act, 1966		6 Payment of Gratuity Act, 1972
7	Beedi & Cigar Workers (COE) Act, 1966		
Establishment Details			
1	Name of Establishment		
2	Classification of Establishment (Proprietor firm, Partnership firm, Pvt. Ltd. Public Ltd, Cooperative, Society Etc.		
3	Category of Establishment [Shop, Establishment Commercial Establishment Motor Transport undertaking, Building or other construction Establishment, Contract Labour (Pr. Employer/ Contractor,) Establishment]		
4	Address of establishment		
5	Nature of Business/work/ construction activity		
6	Date of commencement of business/work/ construction/ activity		
7	Date of completion of work/ construction/ activity (if applicable)		
8	Date of agreement		
9	No. of transport vehicles		
10	Whether Form-V/ Form-VI issued by Principal Employer		
11	Agreement No/ Plan approval No.		
12	Date of agreement /Plan approval		

13	Estimated cost of construction & other Details (in case of building or other construction work)								
14	Details of contractors (Contract Labour Act/ Inter State Migrant Workmen Act)								
15	Details of Contract works (Contract Labour Act/ Inter State Migrant Workmen Act)								
16	Total No. of Workers								
17	Details of workers	Regular	Casual/ Badilli		In case of beedi or cigar est.				
		Male	Female	Male	Female	Industrial Premises workers		Home workers	
						Male	Female	Male	Female
18	Workers employed in shops & Esstts.								
	Motor Transport Workers								
20	Building & other construction workers								
21	Contract workers								
22	Inter State Migrant Workers								
23	Beedi & Cigar workers								
24	Factory workers								
25	Any other Category workers (specify the category)								
EMPLOYER DETAILS (Enclose Passport size photo)									
26	Employer Name								
27	Designation								
28	Father/Husband Name								
29	Contact Details								
	Applications Details								
30	Applicant Name								
31	Designation								
32	Father/husband name								
33	Contact date								
DECLARATION									
34	I/we hereby declare that i/we have compiled with all relevant provisions of the Labour Acts applicable to the establishment. In case the information furnished above is found to be false, misrepresented or suppressed amaterial information or evaded to furnish the information, I/we are liable for prosecution as per law besides cancellation of the registration / license granted.								
	Date	Signature of the Employer							
	Place	Name & Designation of the Employer							

Form-B
COMBINED RETURN UNDER LABOUR LAWS
AS ON 31ST MARCH, 20 ...

ANNUAL RETURN FOR THE YEAR ENDING 31ST MARCH		
1.	Establishment Registration / License No. (LIN)	
2.	Establishment Name	
3.	Address	
4.	Establishment details	
5.	Classification of Establishment	
6.	Employer details	
7.	Establishment category	
8.	Nature of work/activity/business/industry of the Establishment	
9.	Total. No. of Workers allowed to work overtime in the year	
10.	Details of payment of wages (furnish details in Annexure-2)	
11.	No. of the workers allowed to work overtime in the year	
12.	Amount of overtime wages paid in the year	
13.	No. of workers covered under EDF	
14.	No. of workers covered under ESI	
15.	Details of Gratuity	
16.	Details of Bonus paid	
17.	Details of Employees Compensation paid	
18.	Leave eligibility	
19.	Details of payment of maternity benefit	
20.	Details of weekly off & other holidays allowed	
21.	Details of Welfare fund contribution	
22.	Details of settlements/Strikes/Lock-outs/Lay-offs/Retrenchments closures etc.	
23.	Whether Works Committee constituted	
24.	Details of Trade Union existing in the establishment/industry	
25.	Details of contractors under Contract Labour Act	
26.	Details of contractors under Inter State Migrant Workmen Act	
27.	Whether muster roll, wages register etc., maintained	
28.	Whether appointment letter/Identity cards issued	
29.	Details of building or other construction work	
30.	Note:- Combined Annual Return for the ending 31 st March shall be furnished online before 30 th June of the following year	
DECLARATION		
	I/we hereby declare that/we have complied with all relevant provisions of the Labour Act applicable to the establishment. In case the information furnished above is found to be false, misrepresented or suppressed any material information or evaded to furnish the information, I/we are liable for prosecution as per law besides cancellation of the registration/license granted.	Signature of the Employer
	Date	
	Place	Name & Designation Employer

Form-C

Certificate of Registration /License of establishment – Sec, 2(d) and 4(2)

The Andhra Pradesh (Issuance of Integrated Registration and Furnishing of Combined Returns under various Labour Laws by certain Establishments) Act, 2015

1. Registration /Licence Number (LIN):
2. Name of the Establishment:
3. Address of the Establishment:
4. Employer Name:
5. Employer Address:
6. Category of Establishment: No. of workers Nature of work/business
Date of commencement Date of completion
7. Date of issue:
8. Registration valid up to:

It is hereby certified that the establishment has been Registered/
Licensed under The Andhra Pradesh Issuance of Integrated
Registration and Furnishing of Combined Returns under various
Labour Laws by certain Establishments) Act, 2015

The License is granted for doing the work of _____ in
the Establishment _____

(Principal Employer).

REGISTERING / LICENSING OFFIER

Note:

1. The Registration / License is valid from the date of Registration/
License, to 31st March of the third year. Registration / License
shall be renewed for the next three years before 31st March of the
third year.
2. If the information furnished by the employer is subsequently
found that any of the particulars furnished are wrong, or essential
information is suppressed or misrepresented, the Registration
/License is liable for cancellation without any notice and the
employer will be liable for penal action as per law.
3. The Certificate of Registration /License is generated
instantaneously, based on the information furnished by the
employer in the application, which can be verified online in the
mee-seva website at www.ap.meeseva.gov.in

Chapter-III

Major Labour Reforms Through Government Orders / Notifications

RAJASTHAN (Labour Department Management System)

The Government of Rajasthan launched LDMS publicly on 13.03.2015. This is an online portal of Labour Department of Govt. of Rajasthan. The unique feature of this portal is that in addition to registration and renewal under seven major labour laws, the portal includes (1) Self-Certification (2) Third party certification (3) Online inspections and uploading of inspection notes within forty eight hours (4) Third party verifications/ access of registration/ renewals (5) Complaints (6) Integrated Return under labour laws and (7) Online monitoring and review of progress under various heads.

The portal provides online registration / renewal under the following labour laws:

Rajasthan Shops and Commercial Establishments Act, 1958; includes amendment in registration certificate and also issue of registration certificate.

Contract Labour (R&A) Act, 1970 (Principal Employer).

Contract Labour (R&A) Act, 1970 (Contractor).

Motor Transport Workers Act, 1961

Beedi & Cigar Workers (CoE) Act, 1966.

Inter-State Migrant Workmen (RE&CS) Act, 1979(Employer).

Inter-State Migrant Workmen (RE&CS) Act, 1979 (Contractor).

BOCW (RE&CS) Act, 1996 (Establishment Registration).

BOCW (RE&CS) Act, 1996 (Beneficiary Registration).

Trade Unions Act, 1926

Benefits under LDMS

- Periodic updates in the form of SMS & Email alerts about the status of online registration / application and renewal.
- Online payment of Fees.
- Freedom from periodic visits to the department.
- Ease in maintenance & compliance of records.
- Based on “First-in, First-Out principle.

- Facility to download Licence and Registration Certificate.
- Facility to login through “Single Sign-on” (SSO) Utility.
- Facility to online constant/regular monitoring of progress- pendency and disposal at every stage.

As per information up to August 30th 2016, 179178 applications had been disposed of through online submission of applications.

RAJASTHAN *Raj FAB web portal*

- Through this portal, applications for registration, renewal and map approval of factories and boilers are mandatorily accepted only online since 01.04.2016.
- The Factories and Boilers Inspection Department of Govt. of Rajasthan has provided complete and categorised information such as procedure, list of documents to be attached with the applications, defined time lines, Inspection procedures, Checklists, Acts, Rules, Notifications, orders etc. in the redesigned websites with a view to facilitate the users.
- The factories licence can be applied for 10 years at a time.
- Under Section 66 (1) (b), Rajasthan Government has allowed/permitted female workers to work in factories between the hours of 10 pm to 5 am.

Benefits of Raj FAB

1. Investors need not come to office for registration, renewal and map approval of factories and boilers.
2. Investor can view audit trail of his/her application with remarks of each staff and officer in real time. This has succeeded in achieving transparency in the Department.

Achievements / Progress of Raj FAB (as on 30.08.2016)

1. Number of online application transactions since inception for registration, renewal and map approval was 2700 out of which 80.5% applications had been approved (No. application had been rejected till date).
2. Number of factories for which factory licence issued for 10 years was 60.
3. Number of online submission of inspection reports was 2350.
4. Number of self-certification of boilers opted was 11.

**Single Online Integrated Return under Labour Laws
(Prescribed Pro-forma).**

**Government of Rajasthan
Department of Labour
Form I
[See Section 4(1)]
Annual Return**

(To be furnished to the Inspector or the authority specified for this purpose under the respective scheduled Act before the 30th April of the following year)

Ending Date

Establishment Basic Details

- | | | | |
|-----------------------------|----------------------|--------------------------------|--|
| 1. Name of Establishment* | <input type="text"/> | 2. Plot No./
House No./Name | <input type="text"/> |
| 3. Street/Locality/Mohalla* | <input type="text"/> | 4. Village/Town/City* | <input type="text"/> |
| 5. Mobile Number* | <input type="text"/> | 6. District* | <input type="text" value="Select District"/> |
| 7. Fax No.* | <input type="text"/> | 8. Email* | <input type="text"/> |

Employer Basic Details

- | | | | |
|------------------------------|--|---------------------------------|----------------------|
| 9. Name of Employer* | <input type="text"/> | 10. Plot No./House
No./Name* | <input type="text"/> |
| 11. Street/Locality/Mohalla* | <input type="text"/> | 12. Village/Town/City* | <input type="text"/> |
| 13. District* | <input type="text" value="Select District"/> | 14. ESI Number * | <input type="text"/> |
| 15. EPF No. * | <input type="text"/> | 16. Welfare Fund* | <input type="text"/> |
| 17. PAN No. * | <input type="text"/> | | |

Principle Employer Basic Details

- | | | | |
|---------------------------------|--|-----------------------------------|----------------------|
| 18. Name of Principle Employer* | <input type="text"/> | 19. Plot No. /
House No./Name* | <input type="text"/> |
| 20. Street/Locality/Mohalla | <input type="text"/> | 21. Village/Town/City | <input type="text"/> |
| 22. District | <input type="text" value="Select District"/> | | <input type="text"/> |

Business and Manager Basic Details

- | | | | |
|-----------------------|----------------------|-------------------------------------|----------------------|
| 23. Name of Manager* | <input type="text"/> | 24. Name of Business* | <input type="text"/> |
| 25. Type of Industry* | <input type="text"/> | 26. Employer Trade or
Occupation | <input type="text"/> |

27. Date of Business Commencement

28. Maximum number of workers employed on any day during the year to which this return relates to:

Category	Highly Skilled	Skilled	Semi-skilled	Un-skilled
Male				
Female				
Children (those who have not completed 18 years of age)				

29. Average number of workers during the year 30. Total number of mandays worked during the year
31. Number of workers during the year
 (a) Retrenched (b) Resigned
 (c) Terminated
32. Retrenchment compensation and terminal benefits paid (provide information completely in respect of each worker)*
33. Mandays lost during the year on account of*
 (a) Strike (b) Lockout
 (c) Fatal Accident (d) Non-fatal accidents
34. Reasons for strike or lockout. 35. Total amount of deductions from wages made
36. Total wages paid (wages and overtime to be shown separately) *
37. Number of accidents during the years*

Reported to Inspector of factories /Dock safety	Reported to Employees State Insurance Corporation	Reported to Work mens Compensation Commissioner	Others
Fatal			
Non-Fatal			

38. Compensation paid under the Workmen’s Compensation Act, 1923 (8 of 1923) during the year
 (a) Fatal accidents Non-Fatal accidents
- Bonus**
39. Number of employees eligible for bonus* 40. Percentage of bonus declared and number of employees paid bonus
41. Amount payable as bonus 42. Total amount of bonus actually paid and date of payment*

Submit

SYSTEM OF INSPECTIONS UNDER LABOUR LAWS IN RAJASTHAN

- A well-defined inspection procedure and checklist published on department’s website.
- Identifying establishments that need to be inspected based on computerized risk assessment.

High Risk-Joint Inspection once in a year

Medium Risk- Third party Certification /Once in 2 years.

Low Risk- Self Certification for 5 years.

- Inspection report is mandated to be submitted online within 48 hours on the website of the Department.
- Allows users to login to the portal and view and download submitted inspection reports on their businesses.

- Computerized allocation of inspectors.
- The same inspector will not inspect the same establishment twice consecutively.
- Joint inspections have been mandatory under all Labour Laws.
- Provisions for third party certifications have been added for:
 - i. Factories of medium risk category and
 - ii. For all boilers
- Self-Certification Scheme is also available for
 - i. Factories
 - ii. Boilers

UTTAR PRADESH

(Under clause (k) of sub- section -2 of section 64 of Factories Act, 1948)

Vide Notification Number 1525/36-3-2004 dated May, 31st 2004 and in exercise of powers under clause-K of sub- section-2 of section -64 of the Factories Act, 1948, and with a view to ensure the economic development of the state, the work of male adult workers, engaged in factories based on agricultural products, Information Technology, Bio-technology and factories exporting their produces, declared to be of "National Importance."

This has the effect of exempting the male adult workers engaged in such factories from the provisions of Section 51, Section 52, Section 54, Section 55 and Section 56 of Factories Act, 1948.

UTTAR PRADESH

(Under sub-section (3) of section 3 of the U.P. Dookan Aur Vanijyk Adhistan Adhiniyam, 1962)

Vide Notification number 2398/36-3-2005-1 (DU.VA)-99 dated October, 28th 2005, exemption has been granted to shops and commercial establishments which are not related to manufacturing processes but which are exclusively or mainly dealing in electronic transaction processing, internet and voice customer care service, call centres, software designing and development, cyber café or kiosk, PCO, fax and e-mail services from the restrictions set out in section 22 of the Act, in respect of employment of women workers subject to the following conditions.

A woman worker may be allowed to work between 7 pm and 10 am with her express consent in writing.

No woman worker shall not be required to work for more than 8 hours in any day or for more than 48 hours in any week.

If a woman worker shall be required to work for any time between 7 pm and 10 am, the employer shall make necessary arrangements on this account.

No woman worker who declines to work between 7 pm and 10 am shall be removed from employment only on this account.

The employer will provide necessary facility for lunch / supper and breakfast as the case may be to all such employees.

UTTAR PRADESH

(Under clause (b) of sub-section 1 of section 66 of Factories Act, 1948)

Vide Notification No. 18/2015/598/36-3-15-01 (Du Va)/99) dated **August, 10th 2015**, all the factories employing women workers are in public interest exempt from the operation of clause (b) of sub-section -1 of section 66 of Factories Act, 1948 for a period of three years from the date of notification. As a result women workers employed in factories can be required or allowed to work during the hours of 7 pm to 10 pm or during 5 am to 6 am subject to the provision of transport and canteen facilities and subject further to the condition that the working hours shall not exceed in a day nine hours and in a week forty eight hours and further, no such woman worker, who refuses to work as such, shall be removed from work only on this ground.

UTTAR PRADESH

(Under U.P. Shops and Commercial Establishments Act, 1962)

(Exemption under Sections 5, 8, 22 of U.P. Shops and Commercial Establishments, Act, 1962 read with rule 2 (c) and rule 3 of Uttar Pradesh Shops and Establishments Rules, 1963)

Vide Notification No. 173/36-3-2006 dated **January 28th 2006**, shops and commercial establishments, not related to manufacturing processes and situated in areas of Nagar Nigam or Nagar Parishads, are allowed to open up to 11 pm and on all 7 days in a week subject to the condition that such shops / establishments pay additional 50 per cent fee prescribed for registration / renewal and subject further, to the condition that overtime wages will be paid at double the ordinary rates, substituted holiday in rotation in case of establishments opening all seven days in a week. In case of woman worker, her express consent in writing shall be necessary for the purposes and further transport and refreshment facilities shall be provided where women workers are called to work during 7 pm and 10 pm. No woman worker shall be removed from job merely on the ground that she refuses to work during the extended hours of work.

UTTAR PRADESH

Disposal of complaints relating to violations of Labour Laws in Factories and Shops & Commercial Establishments

Vide G.O. No. 2198/36-3-06-24/enf./06 dated **September, 27th 2006**, procedural guidelines have been clearly laid down for disposal of complaints received from workers, trade unionists and public representatives etc. in respect of factories, shops and commercial establishments. To begin with only such complaints shall be entertained which are in writing, duly signed, supported by credible facts and duly verified by the complainant under his signature and full address. The employer shall be allowed fifteen days' time to reply on the contents of the complaints without disclosing the identity of the complainant.

The reply submitted by the employer or where no reply is submitted shall be examined by committee of Regional Officers of the Department which shall decide whether physical verification is required and whether the employer needs to be given prior intimation of inspection.

However, vide G.O. No. 1810/36-3-12 dated **October, 19th 2012**, in cases of complaints, physical inspection of the unit where found necessary by the committee can be undertaken only with the prior permission of the District Magistrate / Divisional Commissioner. If following the physical inspection, violations are found, the employer shall be issued an inspection note with the approval of the committee allowing minimum seven days' time to submit compliance report failing which a showcase notice shall be sent to the employer with the approval of the Regional Officer. If despite this, no satisfactory response / compliance report is received from the employer, legal action may be initiated as a last resort.

ANDHRA PRADESH

(Exemptions from Opening and Closing time Granted to shops / Commercial Establishments)

In accordance with "Andhra Pradesh Retail Trade Policy 2015-20" issued vide G.O. Ms No. 11 Dated **11.01.2016**, the Govt. of Andhra Pradesh Vide Notification G.O. Ms. No. 26 dated **24.05.2016**, in exercise of the powers conferred under sub-section (4) of section 73 of the A.P Shops and Establishments Act 1988, has granted exemption to all retail enterprises from sections 7, 9, 12, 23, 31, and 37 with the effect that all the retail enterprises are allowed to keep open every day of the year for a period of 5 years and are allowed to operate between 6 am and 11 pm, subject to following conditions:

- Employees are given compensatory, compulsory weekly holiday without any deduction of benefits monetary or otherwise;
- Working hours of the employees shall be a maximum of 8 hours per day and not more than 48 hour in a week; record of overtime shall be maintained in wages register separately and wages for overtime shall be paid at twice the ordinary rates of wages; Compensatory holiday with wages at twice the ordinary rate of wages for work on national, festival or other holidays;
- Employment of women shall be permitted in all the shifts subject to the enterprises ensuring safe and secure working environment and conveyance from workplace to place of residence;
- Part-time employment is allowed subject to the condition that such employment shall not exceed 25% of the total employment and subject further to the condition that such part-time employees shall be paid for the hours of work at the prescribed minimum wages worked out on hourly basis.

ANDHRA PRADESH

(Online Inspection System of Labour Department: Online Inspection Portal)

Vide G.O. Ms. No 27 **dated 31.05.2016**, The Government of Andhra Pradesh issued revised online inspection procedure for online inspection system in labour department with a view to ensure ease of doing business, introducing simplification, transparency, accountability of inspections and ease of compliance of law by the industry. The Acts covered under online inspection system are;

- Minimum Wages Act, 1948
- A.P. Shops & Establishments Act, 1988
- Building and Other Construction Workers (RE&CS) Act, 1996
- Contract Labour (R&A) Act 1970
- Inter State Migrant Workmen (COE) Act, 1979
- Child Labour (P&R) Act, 1986
- Maternity Benefit Act, 1961
- Motor Transport Workers Act, 1966
- A.P. Labour Welfare Fund Act, 1987
- Payment of Bonus Act, 1965
- Payment of Gratuity Act, 1972
- Equal Remuneration Act, 1976

- A.P. Factories (National, Festival & other Holiday) Act, 1974
- Payment of Wages Act, 1936
- Industrial Employment (Standing orders) Act, 1946
- Working Journalists Act, 1955
- Sales Promotion Employees (COS) Act, 1976
- Beedi & Cigar Workers Act, 1966
- Plantation Labour Act, 1951
- Cine Workers and Cinema Theatre Workers Act, 1981

INSPECTING AND SUPERVISORY OFFICERS

Inspecting Officers	Supervisory Officers
Asst. Labour Officers	Asst. Commissioner of Labour
Asst. Commissioner of Labour	Dy. Commissioner of Labour
Dy. Commissioner of Labour	Jt. Commissioner of Labour
Jt. Commissioner of Labour & Additional Labour Commissioner	Commissioner of Labour

SOURCES OF DATA BASE OF ESTABLISHMENTS FOR ONLINE INSPECTION

- Data of establishments registered/renewed online/ through mee-seva under A.P. (Issuance of Integrated Registration and Furnishing of Combined Returns under Various Labour Laws by Certain Establishments) Act, 2015.
- Data of Shops & Establishments, Motor Transport Undertakings, Factories, Societies and Trusts covered under Andhra Pradesh Labour Welfare Fund Act, 1987 furnished by NIC.
- Data of Factories furnished by Factories Department.
- Establishments submitting online combined annual returns and found not complying with the provisions of the Labour Acts applicable.
- Complaints received through online complaint portal.

CRITERIA FOR RISK BASED SELECTION OF ESTABLISHMENTS FOR ONLINE INSPECTION

- Number of workers
- Nature of activity of the establishment
- Number of contract workers
- Status of compliance on the basis of combined annual return /online inspection rating.

- Complaints
- Compulsory Inspections (ex. Orders of Courts etc.)
- An establishment inspected in a year will not be inspected in the next two years.

RISK BASED ASSESSMENT AND CATEGORIZATION OF ESTABLISHMENTS:

- (a) On the basis of number of workers
 - Small establishments employing up to 300 workers including contract workers are categorized as high risk establishments
 - Establishments having more than 300 workers including contract workers are categorized as medium risk establishment
 - Establishments having no employees are categorized as low risk establishments and totally exempt from inspection system.
- (b) On the basis of number of contract workers engaged
 - All such establishments employing contract workers exceeding 25% of total strength of workers are categorized as high risk establishments
- (c) On the basis of nature of activity of the establishments
 - High risk establishments: In all 38 specified activities which are termed as high risk activities.
 - Medium risk establishments: In all 10 specified activities which are termed medium risk.
 - All medium risk establishments are allowed third party certification and shall not be subjected to inspection by the labour department subject to the condition that all such employers shall furnish every year combined online annual return-cum-self-certification in accordance with the Integrated Registration Act along with third party certification.

RANDOM ALLOCATION OF ESTABLISHMENTS AND INSPECTORS FOR ONLINE INSPECTION

System randomly allocates establishments to the inspecting officers and inspecting officers to the establishments- the main criterion being number of workers for purposes of allocation amongst Assistant Labour Officers, Assistant, Deputy, Joint Commissioner of Labour.

ESTABLISHMENTS EXEMPTED FROM ONLINE INSPECTION

- Start Up establishments for a period of 3 years from the date of commencement of work/ business.
- All low risk establishments (establishments having no employees).
- Establishments under SEZs / EPZs.
- Establishments submitting combined annual returns and having no violations consecutively for 3 years.
- Any other establishments specifically exempted by the Govt.
- Establishments inspected in the first year will be exempted for the next 2 years for inspection by any inspecting officers.

GENERAL INSTRUCTIONS

- The inspecting officers shall take up online inspection of establishments as allocated by the system on daily basis. Offline and manual inspection is not permitted.
- Online inspection has to be conducted physically by visiting the establishments and the data shall be entered in to inspection portal on the spot. The system shall transmit inspection report to the employer. MIS report will be received by supervisory officer who shall record remarks within two days.
- Inspection order cum notice shall be generated with or without supervisory officer's comments and the same shall be transmitted to the employer to submit compliance report within one month through email. If compliance report is not received within the specified time, the inspecting officers shall proceed to take up further action as per the law.
- The action initiated by the inspecting officers and the outcome shall be updated in the portal regularly.

ANDHRA PRADESH

(Under Section 27 of M.W. Act 1948, Addition of New Schedule)

Vide Notification No. G.O. Ms. No 27 dated **July, 17th 2013**, under Minimum Wages Act, 1948, exercising power under section 27, the Government has made amendment to part-1 of the schedule to the said Act.

AMENDMENT

In the said Act, in the schedule, in Part-1 after the existing entry No. 70, the following entry has been added, namely:-

“71. Contract Labour who are not covered under any of the scheduled employments in the schedule of the Minimum Wages Act, 1948”.

The entry has been made in the list of scheduled employments but it was informed that minimum wages have not been fixed in this scheduled employment as yet because the advisory board reconstitution is due.

ANDHRA PRADESH

(Contracting and Outsourcing of Certain Services in Government Departments) Enhancement of Remuneration

Vide G.O Ms No. 151 **dated 08.08.2016**, Government of Andhra Pradesh has issued comprehensive guidelines for requisitioning outsource services and has also revised the remuneration payable to outsource services which are applicable with effect from August 1st 2016.

GUIDELINES ON OUTSOURCING OF FUNCTIONS AND FUNCTIONARIES

OUTSOURCING OF SERVICES: A Department may outsource the function e.g. Catering, Housekeeping etc. to a services provider agency for a fixed period for mutually negotiated amount. The functionaries continue to be employees of the services provider agency which will be responsible for remuneration of the functionaries engaged by the agency. The core function are not to be outsourced.

OUTSOURCING OF FUNCTIONARIES: The Department may requisition the services of a certain number of functionaries to support its employees to carry out their mandate. The functionaries could be Office Subordinates, Office Assistants at Junior Clerical level, Computer Operators, Driver etc. for a specific period, selected and employed by service provider as per the requirements of the Department and places their services at the disposal of concerned Department for a fixed amount. Such functionaries continue to be the employees of services agency during and after their assignment. The outsourcing of such functionaries should be only against the sanctioned post and should be only at the initial recruitment levels and not at the level of promotional post.

SALIENT FEATURES OF THE GUIDELINES

- *The service providers shall be paid a commission not more than 5% of the remuneration paid to the functionaries. The service providers shall not charge any fee / commission from the functionaries or deduct any amount other than employee's share of Provident Fund / ESI.*

Rajasthan

(Maintenance of Registers/ Records in Electronic Forms)

Vide Notification number F.13(10) Shram/Vidhi/2015 dated **May, 27th 2015**, provision has been made for employers under following labour laws to keep registers and records as required under such Acts in electronic form:

1. The Beedi and Cigar workers (Conditions of Employment) Act, 1966
2. The Contract Labour (R&A) Act, 1970
3. The Inter-state Migrant Workmen (RE&CS) Act, 1979
4. The Maternity Benefit Act, 1961
5. The Minimum Wages Act, 1948
6. The Motor Transport Workers Act, 1961
7. The payment of Wages Act, 1936
8. The Child Labour (P&R) Act, 1986
9. The Rajasthan Shops & Commercial Establishment Act, 1958
10. The Building and Other Constructions Workers (RE&CS) Act, 1996

SELF-CERTIFICATION SCHEMES

(Rajasthan, Haryana and Uttar Pradesh)

Self-certification schemes have been made effective in the States of Rajasthan, Haryana and Uttar Pradesh with the objective of inculcating and promoting self-compliance of the provisions of labour laws amongst employers and entrepreneurs and to exempt such employers from routine physical inspection mechanism and to implement a more responsible, document oriented system of labour inspections where such inspection visits are found necessary.

The schemes as implemented envisage five year inspection holiday to all such certifying units on the whole with the exception that only about twenty percent of the such certifying establishments shall be selected on a random basis for the purposes of verification that too by a team of officers from the Department of Labour. The schemes in all these cases are optional.

The Rajasthan and Haryana schemes specifically provide for the option where the employer has to make application on the prescribed format

along with required particulars and also an amount of security deposit. The employer has to submit certified statement of compliance once in a year in the month of April. The Rajasthan and Haryana Schemes provide for forfeiture of security deposit where the employer fails to submit the return at the appointed time or where the employer is found violating the provision of law on verification.

The self-certification scheme in Uttar Pradesh was launched by State Government vide G.O No. 1820/36-3-12 **dated 30.10.2012**. This scheme replaced the earlier scheme launched vide G.O. **dated 10.03.2006**. The revised scheme as in operation is optional as it specifically mentions that those units not complying with this scheme shall be subjected to inspection under labour laws as contemplated under G.O. No. CS.1439/77-6-98 **dated 25.10.1998** i.e. through prior permission from District Magistrates / Divisional Commissioners. The scheme contemplate an additional 15 days' time to non-complying units for compliance. The scheme is applicable to shops / commercial establishments and factories which are required to submit on prescribed format details by 31st January each year. Only 20 per cent of the complying units shall be selected on a random basis for verification of the status of the compliances by a team of Inspectors. The units found complying satisfactorily shall be issued Green Cards exempting them from physical inspections for a period of 5 years. The units found violating the provision of laws shall be given one month's time for ensuring compliance. Those units failing to comply during this period shall be subjected to legal follow up action but only in cases of violations of a serious nature. For violations of mere technical or minor nature and which are compoundable, compounding shall be allowed. The scheme also provides that the units submitting certificate from approved 3rd parties (ISO/OHSAS-1800/SA8000 etc.) shall after examination be exempted from inspections for the period of such certification.

HARYANA

(Transparent Inspection Scheme, 2016)

The scheme, as amended recently, came into force w.e.f. from June 24th, 2016. It has following objectives:

1. To achieve the objective of simplifying business regulations.
2. To regulate the implementation of statutory provisions under various labour laws through transparent and accountable manner and through wide scale adoption of technology and innovation.

3. To protect the rights of workers in relation to their Safety, Health and Welfare as also other conditions of employment in the spirit and manner as envisaged in the law.
4. To eliminate the arbitrariness and adhocism in the action of inspecting authorities as also to curb the malpractices and harassment of the industrial and other establishments with a view to improve the ease of doing business.

The scheme as in force exempts following five categories of factories from physical inspections under labour laws:

1. All the non-hazardous factories having valid licence/registration employing less than 50 workers who opted for Self-Certification Scheme and have submitted the single return under various labour laws.
2. Start-up Establishments for a period of two years from the date of commencement of work/business.
3. Establishments having no employee i.e. employing family members only.
4. Any other establishments specifically exempted by Government from time to time.
5. Establishments under SEZ.

Manufacturing units are classified into three broad groups based upon the levels of hazards involved:

1. Major Accident Hazardous,
2. Hazardous,
3. Non Hazardous.

Units will be selected for purposes of inspection taken into the consideration the nature of Hazard in the industry, the time since last inspection and number of workers employed. The periodicity of inspections of these units shall be subject to the following criteria;

- a. *Every major accident hazard unit shall be inspected once in a year.*
- b. *All the hazardous units involving risk of fire, explosion and toxic releases are to be inspected once in every two-years.*
- c. *The non-hazardous units are to be inspected once in every five years except the units in this category employing less than fifty workers and complying with the self- certifications scheme as in force.*

OTHER MAJOR FEATURES OF THE SCHEME

- List of factories to be inspected during the next quarter shall be prepared one month in advance on pre-determined criterion for selection through computerised draw. The list so prepared shall be made public on the departmental website.
- Unit so selected shall be inspected by individual officers or team of officers in the following manner:

Sr. No.	No. of workers employed	Inspecting officers
1.	Non Hazardous Units employing up to 50 workers	Exempted
2.	Up to 250 (except Non Hazardous Units employing up to 50 workers)	Assistant Director (IS&H) or Assistant Director (IS&H), Chemical
3.	251 to 1000	Deputy Director (IS&H)
4.	Above 1000	Joint Director (IS&H)

- 15 days prior notice by inspecting officers to the management along with a checklist.
- The inspection report shall be uploaded on departmental website within 48 hours from the time of completion of the inspection.
- Inspection report along with show cause notice giving one month's time for insuring compliance.
- Action to be taken on inspection report only as a last resort where all efforts to secure compliance have failed to yield satisfactory results.

Chapter-IV
Assessment of Impact of Amendments in
Labour Laws and Other Major Initiatives
Towards Labour Reforms
Responses from Stake Holders

RAJASTHAN

To assess the impact of amendments in labour laws and other major reform initiatives, questionnaires were separately drafted for labour commissioner office Rajasthan, for Chambers of Commerce and Industry and also for state level Trade Union Federations and were sent for eliciting detailed responses from all the stake holders on aspects like boost to investments, industrialization, job creation, service and working conditions of labour and not in the least, ease of doing business. Information was elicited from all stake holders and also by way of personal interaction at Jaipur with officials of Labour Department of Rajasthan on August 30th 2016 followed by interaction with State level Trade Union Federations and Chambers of Commerce and Industry of Rajasthan on August 31st 2016.

RESPONSES FROM AND INTERACTION WITH THE OFFICIALS OF LABOUR DEPARTMENT, GOVERNMENT OF RAJASTHAN

Interaction with the officials of the Department of Labour, Govt. of Rajasthan on 30th August 2016 included:

1. Shri C.B.S. Rathore, Additional Labour Commissioner, Govt. of Rajasthan
2. Shri Mukesh Jain, Chief Inspector of Factories, Govt. of Rajasthan
3. Shri G.P. Kukreti, Joint Labour Commissioner, Govt. of Rajasthan
4. Shri Pradeep Jha, Joint Labour Commissioner, Govt. of Rajasthan
5. Ms. Sharda Agarwal, Assistant Labour Commissioner, I.R, Govt. of Rajasthan
6. Shri Jeetendra Pal, Information Section, LDMS

Interaction with the officials of state level Trade Union Federations on 31st August 2016 included the following:

1. Shri Ravindra Shukla, CITU
2. Shri Mukesh Mathur, HMS
3. Shri D.K. Changani, AITUC
4. Shri Ram Pal Saini, CITU Rajasthan

5. Shri Ram Bilas, BMS
 6. Shri Dina Nath Ruthla, BMS
 7. Shri Ashim Khan, INTUC
- Interaction with the officials of Chambers of Commerce and Industry on 31st August 2016 included the following:
 1. Shri A.K. Godika, Rajasthan Chamber of Commerce and Industry
 2. Shri Prakash Bhandari, PHD Chamber of Commerce and Industry, Rajasthan
 3. Shri N.K. Jain, President Employers Association (Pr. FICCI)
 4. Shri Umesh Chand Jain, Former Joint Labour Commissioner, Govt. of Rajasthan
 5. Shri Devendra Saxena, CII, Rajasthan

During interactions with the officials of Department of Labour of Govt. of Rajasthan, it was largely highlighted that various amendments in labour laws particularly amendment in the Industrial Disputes Act, 1947, Factories Act, 1948, Contract Labour (R&A) Act, 1970 and other reform initiatives have been highly appreciated by industry representatives as being long overdue and with the passage of these, various stumbling factors inhibiting industrialization, investment, job creation have been overcome and removed. It was also specifically mentioned that these reform measures were highlights of RR Summit of 2015 where the same have been taken with great applause. It was further mentioned that amendments in labour laws as outlined here-in-before have succeeded in granting reliefs to small and medium entrepreneurs and further, have succeeded in building industry friendly conducive environment. Further, initiatives like Labour Department Management System (LDMS) have, in real sense, resulted in ease of doing business to all small and big enterprise. It was mentioned that 179178 online applications, as on August 30th 2016, had been received and already approved which also included beneficiary registrations under the BOCW (RE&CS) Act 1996.

Likewise, Raj FAB of the Factories and Boilers Inspection Department of Govt. of Rajasthan, which was launched only on 01.04.2016, which is an online portal, has also been received by the industry with applause and as on August 30th 2016 a total number of 2700 online application transactions for registration, renewal and map approval had been received and out of them, 80.5% had already been approved with no application being rejected till that date.

It was also mentioned that Government of Rajasthan have taken various progressive steps in the interests of workers as well so that they could avail

the emerging new opportunities. For example, in Factories Act, 1948, under Section 66 (1) B, female workers have been permitted to work in factories between 10 pm to 5 am in accordance with the judgements delivered by various Hon'ble High Courts. Likewise, system of inspections under labour laws have also been rationalized so much so that a transparent, accountable, document oriented system has been put in place, curtailing the discretionary and arbitrary powers of the inspectorate. Amongst the salient features of the new system of inspections, notable is that the inspectors are assigned the units for inspections which are selected on random computerized basis and inspection reports are uploaded on the site for information of all concerned within 48 hours. As per the information made available by Factories and Boilers Inspection Department, till August 30th 2016 total number of 2350 inspection reports had been uploaded. Further, the same inspector is not authorized to inspect the same establishment twice consecutively.

Further, establishments have been identified on computerized risk assessment basis with High Risk Establishments subjected to Joint Inspection only once in a year; Medium Risk Establishments providing for Third Party Certifications, to be inspected once in two years; Low Risk Establishments providing for Self-Certification and relaxation from inspections for five years. Under the Factories Act, licence can be requested and obtained for 10 years which is a major step in EODB. As per information made available, till August 30th 2016, in case of 60 factories licences had been issued for 10 years, thereby relieving the factory owners from the hassle of frequent approach for the same. This coupled with single integrated return under all labour laws to be submitted only once in a year before the 30th April of the following year. All these measures have resulted in ease of doing business in the real sense.

RESPONSES FROM AND INTERACTIONS WITH STATE TRADE UNION FEDERATIONS OF RAJASTHAN

The State level Trade Union Federations in Rajasthan were much less enthusiastic about amendments and other reforms initiatives. As a matter of fact they were highly critical and termed these amendments as absolutely anti-labour, denying to labour the rights they had earned over the years. It was pointed out that bilateralism and tri-partism and consensual approach have been the hallmark of accepted labour policy till now but in the present case, the Government of Rajasthan has not even cared to consult the trade union federations before embarking upon the so called labour reforms in the state much less the requirement of consensus in the process which has been a major casualty. Rajasthan State Labour Advisory Board has not been reconstituted though the reconstitution is long overdue. The new system

of labour inspections is a complete negation of ILO Convention which warrants periodic inspections under labour laws to ensure compliances and decent working conditions. In the name of new system of labour inspections the entire labour, factory and boiler inspectorate have been rendered hardly with any work so much so that as at present there are only 26 labour inspectors against a total sanctioned strength of more than 188. This has adversely affected the interests of workers. In fact concern for workers wellbeing, social security and social justice occupy low priority in as much as in the National Security Fund more than rupees one thousand crore is lying unutilised or largely underutilised.

In the process, job security and security of tenure is worst affected so much so that large number of workers have been forced in the unorganized sector. Contractualisation is increasing day by day with no security of tenure and denial of comparable wages with regular workers doing the same and similar jobs. Dissatisfaction amongst the working class is widely rampant in the circumstances.

Shri Ravindra Shukla of CITU referred certain examples in this connection like that of steel industry where against sanctioned strength of about 5 lakh regular workers 75 % are casuals getting only Rupees 8500 p.m. as against rupees forty thousand to regular workers. Likewise in the road transport sector, water transport, electricity, construction, coal, plantation and petroleum/gas the situation is much the same where the percentage of contract labour is respectively 90% in road transport, 82% in water transport, 55% in electricity, 95% in construction, 50% in coal with wide spread wage differentials with regular workers doing same and similar jobs.

Shri Mukesh Mathur of HMS further added that amendment in section 25 K of Industrial Disputes Act 1947 and Factories Act, 1948 have virtually resulted in 90% establishments / units being let-off from coverage of the law. There is wide spread violation of provisions of Contract Labour (R&A) Act 1970.

Shri D.K. Changani of AITUC, in addition, further said that the total purpose behind the so called reforms which commenced with liberalisation process on the initiatives of employers, is to finish trade unionism so much so that in famous industrial area of Neemrana, formation of trade unions is discouraged nay virtually impossible. He further added that the Amendments so far undertaken are only the initial steps with further damaging possibilities in times to come. Further the Amendments in the Apprentices Act of 1961 are inimical to the interests of workers as there is now no prescribed limits of duration of training with the result that such

apprentices are virtual camouflages for regular workers. These so-called reforms have resulted in unprecedented increase in the exploitation of labour so much so that 12 hours duty and single rate of over time have become the order of the day.

Shri Ram Pal Saini of CITU Rajasthan reiterated the views earlier expressed and viewed that growing contractualisation and exploitation of contract labour by denying parity in wages and other working conditions along with regular workers pose single biggest threat to industrial peace.

Shri Ram Vilas and Shri Dina Nath Ruthla of BMS also expressed grave reservations about the propriety and desirability of these amendments and other reform initiatives which as stated by them, are inimical to the interests of working class. According to them there was no such demand from industrialists as well for such measures which have been prompted only to attract foreign investors. The representatives of BMS were particularly critical of the amendments in clause (iii) of sub-section (g) of section-2 and also amendment in clause (s) of section-2 of Industrial Disputes Act 1947 through Industrial Disputes (Rajasthan Amendment) Act 2014 vide which these sub-sections have been deleted. They felt that as a result the principal employers have been let-off from their responsibilities towards labour employed by contractors. This has gravely affected the contract labour. They cited the example of "Hingonia Gaushala" which is principally run by municipal body through contractor where contractor vanished without paying three months earned wages to workers. Following this amendment, the principal employer also shirked their responsibility to ensure payment of wages on default of contractor. As a result, workers were left with no remedy and were constrained to resort to "Dharna" at the site resulting into law and order problem as well.

The trade union federations were equally critical of amendment of item no. 5 of part -2 of fifth schedule to the I.D. Act, 1947 vide which "go slow" has been defined to include in its purview "work to rule" as well which, according to them, is not justified and fair.

In Addition to the above, responses on the pro-forma were received from the following Trade Union Federations of Rajasthan: Additional Submissions

1. BMS Rajasthan State through Shri Dina Nath Ruthla, State General Secretary
2. AITUC Rajasthan State

In their written representations also the Trade Union Federations virtually reiterated their submissions as mentioned hereinabove. They are particularly

critical of amendments in Industrial Disputes Act 1947, Contract Labour (R&A) Act 1970, Factories Act 1948 and Apprentices Act, 1961. Their views are that amendments in these Acts in the state are highly unwarranted, undesirable, negation of workers' rights and protections granted under the Central Acts. These so called reform measures have resulted neither in any worth the name boost in investments, industrialization nor additional job creation. They expressed the view that in the modern age of technology the number of workers is getting reduced because of increasing mechanisation and, as such, amendment in Section-25 k through Industrial Disputes (Rajasthan Amendment) Act 2014, about 95% industrial establishments have virtually gone out of the preview of restrictions envisaged under the central legislation and the workers have been deprived of protection and right to protest against wilful, vindictive actions of the employers in matters relating to closure, retrenchment and lay-offs.

Likewise raising the threshold limits of applicability of Factories Act 1948 and Contract Labour (R&A) Act 1970 through the Factories (Rajasthan Amendment) Act 2014 and The Contract Labour (R&A) (Rajasthan Amendment) Act 2014 respectively have the cumulative effect of depriving large number of workers of statutory protection so far available to them. This has the adverse impact of forcing large number of workers from the organised to the unorganised sector resulting only into denial of their legal rights, dues and uncertainty of tenure.

BMS in their written representation was also critical of the new labour inspection policy as coupled with self-certification scheme, this has resulted virtually in a stage of no inspection at all. This has adversely affected the service and working conditions of workers. The cumulative effect of all these measures is that the bargaining power of workers is weakened and they are now largely unprotected against the wilful and arbitrary conduct of the employers.

RESPONSES FROM AND INTERACTION WITH STATE LEVEL CHAMBERS OF COMMERCE AND INDUSTRY OF RAJASTHAN

The representatives/officials of state level Chambers of Commerce and Industry during interaction, sounded euphoric and satisfied with the pace of labour reforms in the state. Shri N.K. Jain President Employers Association (Principal FICCI) expressed that major initiatives have been taken by Government of Rajasthan which is number one so far as labour reforms in the country are concerned. This has helped in setting an industry and labour friendly environment in the state, allowing ease in doing business with the result there is hardly any industrial unrest. During Resurgent Rajasthan Summit, the labour reform initiatives were major highlights which along

with other factors, resulted in about 3.46 lakh crores worth of MOU's for extension of industry and services sector. In addition, 40,000 crores worth of additional proposals were received. There has been substantial progress subsequently as 15 to 20% land has already been earmarked for the purpose. Their representatives felt that amendments in I.D Act, Contract Labour Act and Factories Act have helped small and medium units and have succeeded in releasing an encouraging environment for growth and expansion. Industrial relations situation has also improved following the amendments in labour laws particularly in the I.D Act 1947. Example of a manufacturing unit was cited having less than 300 workers on roll which closed down settling all legal dues of the workers amicably and as per the law. It was expressed that the amendment in the I.D Act, 1947 particularly under Section-25 k has virtually helped in removing the resultant time consuming litigative processes which hardly served any worthwhile purpose for anybody including the workers as well.

However, this was also expressed that labour reforms are only one of the steps though significant-other major factors being infra-structure, power, transport, connectivity and also stable law and order situation and hoped that improvements in all these sectors / spheres shall succeed in reflecting greater concrete results on the ground. It was also mentioned that labour is very costly basically because of "MNREGA Scheme" and counselling of labour is also much needed to attract them to industry. Change in mind set is required to wean away from rush to Government sector for employment. Along with all this, there is acute shortage of trained manpower. Training and skill up-gradation have to be taken on a much larger and wider scale. Shri D.K. Sharma of NEI (NBC Bearings) felt that there is hardly any advantage to large scale industry following these reforms. Shri Devendra Saxena General Manager Personnel and Industrial Relations National Engineering Industries Limited Jaipur was critical of amendment in section 9-D of I.D Act 1947 through Industrial Disputes (Rajasthan Amendment) Act 2014 vide which the requirement for registration as representative union has been raised from 15 to 30%. He opined that this provision in Rajasthan has led to a situation of uncertainty bordering on perpetual industrial unrest because decision at the level of registrar of recognition remains pending and undecided. The insistence for direct election for purposes of finding out relative strengths of rival unions is hardly an all-out accepted and viable alternative as direct election often leads to surcharged atmosphere inside the premises disturbing the production. He suggested that rule providing certificate of representative union by the registrar needs be eliminated from the Rajasthan Industrial Disputes rules 1958 and the power for recognising the union to be given to the employers as is the position in other states.

As regards amendments in the Apprentices Act of 1961, Shri Devendra Saxena suggested that apprentices should be allowed at the Shop-floor for working on the machines so that effective on job trainings may be imparted to them. In his opinion such situation shall be beneficial both for the industry and also for the apprentices. He suggested that apprentices may be covered under the ESI Act / Employees Compensation Act to cover any risk of accident.

WRITTEN SUBMISSIONS RECEIVED FROM CHAMBERS OF COMMERCE AND INDUSTRY OF RAJASTHAN: ADDITIONAL SUBMISSIONS

The Rajasthan Chambers of Commerce and Industry Jaipur expressed concurrence with the observations as mentioned above and further elaborated that labour reforms have succeeded in attracting investments in sectors like cement, textile, mineral processing, gem and jewellery, handicrafts and handloom, IT, pharmaceuticals, tourism, hospitality, real estate. The spread has been in seven districts viz. Chittorgarh, Udaipur, Alwar (Bhiwadi) Neemrana, Sahajahanpur, Kukarkheda (Alwar) Ghilot. Not only this, even foreign investments from Japan, Germany South Korea have been agreed. It is further mentioned that in the 2015 Resurgent Rajasthan Meet 111 MOUs were signed in above Sectors. The role of Government has changed from regulator to facilitator. One window clearance system is properly functioning. All clearances are made within 45 days with provision for fixing responsibility for delays. Interests of the working classes have also been given due consideration as amendments under Industrial Disputes (Rajasthan Amendment) Act 2014 provide for three months' notice along with three months wages in case of closure and retrenchments.

ANDHRA PRADESH

RESPONSES FROM AND INTERACTION WITH THE OFFICIALS OF LABOUR DEPARTMENT, GOVERNMENT OF ANDHRA PRADESH

During our visits to Vijayawada A.P. on September 14th& 15th 2016 and Hyderabad on September 16th intense discussions were held with the following officials of Department of Labour:

1. Shri D. Vara Prasad, Labour Commissioner, Govt. of A.P.
2. Y. Surya Prasad, Additional Commissioner of Labour, Govt. of A.P.
3. Shri Ravi Bhushan, Joint Commissioner of Labour, Govt. of A.P.
4. Dy. Commissioner of Labour, Vijayawada Range
5. Shri K.V. Ravindra Nath, Deputy Chief Labour Commissioner, (Central), Hyderabad

During discussions it was mentioned that the State Government is moved by the twin objectives of rapid industrialization of the state coupled with protection and enhancement of worker's overall interests and wellbeing. Provision of jobs for the unemployed and overall prosperity are the basic propelling factors behind Government's resolve to promote labour reforms in the recent years. Amendments in certain major labour laws like Industrial Disputes Act, 1947, Contract Labour (R&A) Act 1970, Factories Act, 1948 are mostly moved by the overall consideration that small and medium manufacturing units and other enterprise need different set of laws and rules in comparison with large units as they stand on different pedestals. The overall purpose is to provide relief to small and medium units and to unleash their full growth potential. This apart, ensuring ease of doing business at all levels, hassle-free online registration and renewals under all major labour laws, removing compulsive interface with the Department and functionaries for purposes of securing registration / renewals / licences etc. and systematic online labour inspection system which is transparent, well-documented, responsible and result oriented are other worth mentioning features of variety of measures undertaken by the State Government. These are well received by all stake holders. The State Government have launched various social security schemes in the interests of workers in the unorganized sector. Special mention was made of "Andhra Pradesh Transport Drivers Social Security Scheme" which was launched by G.O. Ms. No. 24 dated 26.11.2014 and of 'Chandranna Bima Yojna' which has been launched recently on the occasion of May Day in Vijayawada which is an insurance scheme for the working class people with an objective of covering about 1.5 crore workers of the state. Mention was also made of Andhra Pradesh Retail Trade Policy 2015-20 which has been introduced by G.O. Ms. No. 11 dated 11.01.2016 with the objective of making the state one of the most preferred destinations for retail trade in the country and to accelerate investment flow to underdeveloped regions of the state, encourage skill development, create more employment opportunities for all sections of society involved in retail trade with the expected targets of attracting new investments worth Rs. 5000 crore by 2020 and to create 20000 additional employment opportunities in the sector in the relevant period.

The Retail Trade Policy 2015-20 provides for simplification of labour laws as well. Retail enterprises are allowed to stay open every day of the year and shall be allowed to operate between 6 am and 11 pm. The policy simultaneously provides for health and safety of workers in as much as employees are entitled to compensatory, compulsory weekly offs on a rotational basis without any deduction of benefits (monetary and otherwise); working hours of the employees shall be a maximum of

8 hours per day and not more than 48 hours in a week; over time shall be paid to all eligible employees at the prescribed rates; employees working on a national holiday shall be given compensatory holiday in addition to overtime wages; employment of women shall be permitted in all the shifts subject to the enterprises ensuring safe and secure working environment and conveyance from work place to the place of their residence. The employer shall be solely responsible for ensuring safety of women employees up to the place of their residence. It was thus mentioned that where on the one hand, the state Government have been liberal towards retail sector, the interests of workers in the shape of service and working conditions have been fully taken care of and stand protected so much so that there are hardly any reservations / objections from any of the stake holders.

The Amendments in the labour laws by the State Government of Andhra Pradesh have already been mentioned earlier and with a view to have a balanced picture, other major initiatives by the State Government particularly in the interests of the workers were also mentioned and the salient features of some of such schemes are mentioned here in below.

The State Government have been enthusiastically undertaking social security schemes in the larger interests of workers particularly in the unorganised sector. Mention was made of “**Andhra Pradesh Transport Drivers Social Security Scheme**” under the unorganised Workers Social Security Act, 2008 which has been introduced vide G.O. Ms. No. 24 dated 26.11.2014 with the object of providing relief to the poor families of transport drivers who die in accidents leaving the families in distress.

SALIENT FEATURES OF THE SCHEME

1. All unorganized workers who are having valid transport driving licences from the State of Andhra Pradesh and employed as transport drivers of Auto, Taxi, Jeep, Lorry, Truck, Bus etc., are eligible to become beneficiaries of the Scheme;
2. The beneficiary are registered as member under Aam Admi Bima Yojana (AABY) Scheme and also Group Accident Insurance Scheme so that they are eligible for the following benefits;
 - (a) Rs. 5,00,000/- accident death insurance - 4.25 Lakhs from the insurance scheme and Rs. 75,000/- from AABY Scheme;
 - (b) Other benefits under AABY Scheme.
 - Rs. 75,000 for Total permanent Disability.
 - Rs. 37,500 for Partial permanent Disability.
 - Rs. 30,000 for Natural Death.

- Scholarship of Rs. 1,200 p.a., per head for 2 Children of the Beneficiary studying in 9th,10th, Intermediate, ITI;
3. For the first year, the Government pays the expenditure of the premium as an incentive and from the second year onwards expenditure shall be met by levying 10% Cess on Annual Vehicle Tax subject to the maximum of Rs. 1,500/- as employer contribution. The beneficiary has to renew his membership every year by paying the beneficiary contribution.

“CHANDRANNA BIMA YOJNA” OF ANDHRA PRADESH

The main objective of this scheme is to provide relief to the families of unorganised workers in the case of death or disability of workers resulting into great distress to their families. The scheme covers natural death as well as accidental death.

SALIENT FEATURES OF THE SCHEME

- All unorganised workers in the State in the age group of 18 to 70 years are eligible to be registered as unorganised workers and enrolled as beneficiaries of the Chandranna Bima Scheme.
- All unorganised workers are to be registered under the Unorganised Workers Social Security Act, 2008 and enrolled as beneficiaries under Chandranna Bima Scheme.
- Assistant Labour Officers of the Labour Department are the Registering Authority.
- The registered unorganized workers are being enrolled as members under the Pradhan Mantri Suraksha Bima Yojana (PMSBY). The benefits under the Chandranna Bima Scheme are as follows.

“CHANDRANNA BIMA SCHEME” BENEFITS

- Rs. 5 lakh for Accident Death and Total Disability: (Rs. 2,25,000/- from State Accident Death and Disability Scheme , Rs. 75000/- AABY and Rs. 200000/- from Pradhan Mantri Suraksha Bima Yojana).
- Up to Rs. 3,62,500/- for Partial Disability: (Up to Rs. 225000/- from State Accident Death and Disability Scheme, Rs. 100000 for PMSBY and Rs. 37500/- from AABY.
- Rs. 30000/- for Natural Death under AABY.
- Rs. 1200/- p.a. towards scholarship per child up to two children of the beneficiary studying 9th, 10th intermediate or ITI.

Thus, during in-depth discussions with state labour department authorities emphasis was laid on the fact that whereas amendments in labour laws have a long term perspective and will take time before actual and concrete results materialize and would be equally dependent on other variety of factors such as infrastructure, skill development of workers as per the requirements of the industry and law and order and the like. The initiatives by the State Government in the interests of working class, on the other hand, have immediate effects as the benefits flow from the date of launch of the social security schemes which are well received by all the stake holders in the state.

RESPONSES FROM AND INTERACTION WITH STATE TRADE UNION FEDERATIONS OF ANDHRA PRADESH

Discussions were also held with the following representatives of State level Trade Union Federations:

1. Shri Chalasani Venkata Rama Rao, President, AITUC (A.P.)
2. Shri G. Obuleshu, State General Secretary, AITUC (A.P.)
3. Shri K. Rama Rao, IFTU (A.P.)
4. Shri Ajay Kumar, State Vice President, CITU (A.P.)

The representatives of State level Trade Union Federations in Andhra Pradesh were highly critical of Amendments in Labour laws. Shri Ajay Kumar, Vice President, CITU categorically mentioned that the amendments carried out by the State Government of Andhra Pradesh are highly biased and anti-tradeunion and are merely reiteration of employers' allegation that trade unionism is hurdle to industrialisation and job creation whereas neither the labour laws nor the trade unions were ever hurdle to industrial growth and job creation. As a matter of fact, no factory has ever closed for reasons of industrial unrest alone: the main causes of industrial sickness lie somewhere else and mainly relateto mismanagement, diversification of funds and shortage of raw material or stock piling etc. He mentioned that labour problems account for hardly 2%. During the period 2001-2011, the state witnessed 11% growth and development despite all labour laws being intact. There is hardly any justification for the amendments carried out by the State Government. These amendments in labour laws in the state have succeeded only in deterioration of working and service conditions of workers- a large section of workers have been thrown out of the coverage of major Acts like I.D Act, 1947, Factories Act, 1948 and Contract Labour (R&A) Act, 1970 with no statutory protection available to them. In these Circumstances, hardly any improvement in the service and the working conditions of workers could be expected particularly when coverage levels

of Contract Labour (R&A) Act, 1970 has been enhanced to 50 instead of 20 as in the Central Act; of the Factories Act, 1948 the threshold limit of applicability has been raised to 20 and 40 instead of 10 and 20 workers as in the Central Act. The Amendment in the Industrial Disputes Act, 1947 vide which coverage for applicability of chapter V-B has been raised to 300 from 100 which has the effect of virtually allowing liberty of hire and fire to the industry as there is no requirement of taking prior permission from the appropriate Government in case of establishments having less than 300 workers.

The amendments vide Contract Labour (R&A) (Andhra Pradesh Amendment) Act, 2003 has virtually universalized contract labour. Provision relating contract labour board has been dispensed with. The Trade Unions expressed the view that there is complete apathy towards causes of labour as formation of trade unions is discouraged and there is no revision of minimum wages which is long overdue; the minimum wage advisory board has not been reconstituted after 2007. The definition of go slow through the amendment has been widened to include even work to rule which is unwarranted.

It was further alleged that the talk of growing industrialization is not true; against 4.67 lakh crores MOU signed, investments worth only 5461 crores could materialize. In the year 2015-16, additional employment of only 42,880 could be generated whereas 67,134 workers have lost their jobs in the same year owing to closure of factories particularly units in jute and ferro-alloy industries. There are hampering restrictions on inspections under labour laws with the result that violations have increased manifold; self-certification scheme is damaging as it allows unhampered freedom to the entrepreneurs. For deciding the bargaining agent, elections are not encouraged with the result that industrial disputes keep lingering for want of certainty.

FORMAL RESPONSES FROM STATE LEVEL TRADE UNION FEDERATIONS OF ANDHRA PRADESH: ADDITIONAL SUBMISSIONS

1. AITUC A.P. through Shri G. Obuleshu, State General Secretary, AITUC (A.P.)
2. Shri P. Ajay Kumar, Vice President, CITU (A.P.)
3. Shri K. Rama Rao, State General Secretary IFTU (A.P.)

AITUC in their written representation has objected about the manner of bringing about the amendments in labour laws as the unions have not been consulted at all. There is no consensus on the subject. In Andhra

Pradesh most of the manufacturing units are employing less than 300 workers and thus the amendments in the Industrial Disputes Act have the effect of taking all these manufacturing units out of the purview of the protections of chapter V-B of I.D Act, 1947. There is growing casualization and contractualization in the state. Only daily wage labourers are engaged in new ventures and infra-structure projects and even prescribed minimum wages are denied to casuals and contract labour. The indifferent approach of Government and of departmental functionaries towards labour issues has only resulted in deterioration of industrial relations scenario. It is suggested in the representation that a meeting of state level trade union federations be convened at the national level for an in-depth discussion on necessary and feasible labour reform initiatives in the presence of senior officials of the Government so that a consensus based reform strategy could be worked out.

In their written response, CITU through their Vice President Shri P. Ajay Kumar reiterated the oral submissions which have been recounted earlier. In addition it is mentioned that all the amendments in the labour laws are initiated with a view to suppress the trade union movement and to weaken the bargaining power of the working class. By raising the threshold limits of applicability of major labour laws, large section of working population have been deprived of the statutory protection which was available to them till now. As a result, the working conditions of labour have understandably deteriorated only. Industrial relations are in bad shape. Formation of trade union and their registration is discouraged virtually by subjecting the workers to victimization. In Anantapur district 183 workers were terminated from their jobs when they tried to form a trade union and they are still out of jobs. In Krishnapatnam port, contract workers are terrorised with transfer and implication in criminal cases for their trade union activities. Elections as per Code of Discipline are discouraged. There is uncertainty and simmering discontent amongst workers.

IFTU through Shri K. Rama Rao, State General Secretary also reiterated mainly the same points as brought out candidly by other federations. Their view is that amendments in the labour laws are virtually anti-labour and designed only to help the employers. Workers are deprived of stability of jobs, minimum wages and other statutory benefits and employers escape the statutory liabilities with impunity as there are serious restrictions on labour inspections as well.

RESPONSES FROM CHAMBER OF COMMERCE AND INDUSTRY OF ANDHRA PRADESH

For the purposes of this study, following chambers were approached with questionnaires and also for purposes of across the table discussions.

1. The Federation of Andhra Pradesh Chambers of Commerce & Industry (FAPCCI)
2. Federation of Andhra Pradesh Small Industries Association
3. FICCI-Andhra Pradesh State Council
4. Confederation of Indian Industry, Begum Pet, Hyderabad

None of the Chambers of Commerce and Industry replied to the questionnaires that were sent to them despite the persistent efforts. They even refrained from attending across the table discussions which were organised at the Office of Deputy Commissioner Labour at Vijayawada on September 15th and at the Office of Deputy Chief Labour Commissioner, (Central) Hyderabad on September 16th 2016. It was given to understand in discussions with state labour department authorities that chambers of commerce and industry of Andhra Pradesh have virtually no reasons of being not satisfied with state level amendments and other reforms initiatives which have been largely driven by overall thrust to help the small and medium manufacturing units with a view to unleash their full growth potential basically on the premise that these small and medium units need different statutory provisions as compared to large units.

UTTAR PRADESH

RESPONSE RECEIVED FROM LABOUR DEPARTMENT, GOVERNMENT OF UTTAR PRADESH

As mentioned earlier the Govt. of Uttar Pradesh have initiated various reforms measures during the last 10 to 15 years, which have been elaborated in detail in the earlier part of this study. As such, no amendment in any major labour law has been effected by the State Government as of now. The Additional Labour Commissioner, Govt. of U.P. vide communication no. 865/enf.-2016 dated May 20th 2016 has informed that amendment proposals in U.P. Industrial Disputes Act, 1947, Trade Union Act, 1926, Contract Labour (R&A) Act, 1970 and Payment of Wages Act, 1936 are under consideration stage. Under U.P. Industrial Disputes Act, 1947, as of now, prior permission of State Government is required only in cases of closure of such industrial undertakings employing 300 or more workmen; there is no requirement of prior permission of the State Government in cases of lay-offs and retrenchments; lay-offs and retrenchments are dealt in the state in accordance with the provisions of Section 6 (M) and Section 6 (N) of U.P. Industrial Disputes Act, 1947. As informed, the proposal is under consideration to make prior permission of the State Government mandatory even in cases of lay-offs and retrenchments in respect of such industrial undertakings employing 300 or more workmen in the interest

of uniformity. It is further under consideration to allow closure and retrenchment compensation at the rate of 45 days per completed year of service in cases of such industrial undertakings employing less than 300 workers in the interest of flexibility in matters of labour adjustments particularly small and medium units. Amendment is also proposed to place limitation of 3 years for purposes of raising Individual disputes and, further, disposal of such disputes by Labour Courts within 1 year and of collective disputes through trade unions within 2 years.

It is further informed that proposals have also been moved to amend the Contract Labour (R&A) Act, 1970 to the extent of raising the threshold limits of applicability of the Act to 50 contract labour in place of 20 as at present both in case of principal employer and also in case of contractors.

Amendment is also purposed in Trade Union Act, 1926. It is proposed that for the purposes of formation of trade unions in units employing up to 500 workers, 40% workers employed must be members; likewise in units employing more than 500 workers, 30% workers employed must be members.

Amendment is also proposed in Payment Wages Act 1936 wherein under Section 6 of the Act, provision is proposed for payment of wages through cheques or bank transfer through NEFT with the condition that in special circumstance and with the written permission from the Assistant Labour Commissioner of the area in question, up to Rs. 5000/- could be paid in cash over a period of 3 months.

These are reportedly at the proposal stage only and probably under consideration of the State Government. So far as other labour reform measures already initiated and undertaken by the State Government are concerned, they particularly include: online registration and renewal under major labour laws; self-certification scheme; complaint redressal mechanism; transparent, responsible, well documented labour inspection system and the like. These definitely promote ease of doing business.

In the written response vide letter no. 1225/enf (du-va)/2016 dated 07.09.2016, it is reported that these measures have really succeeded in improving quality and transparency of services which are well received by all stake holders. Process of self-certification by establishments have commenced on Departmental website. Vide G.O. No. 1820/36-3-12 dated 31.10.2012, separate pro-formae have been prescribed for shops and commercial establishments and for factories which can be conveniently submitted by the entrepreneurs by providing relevant particulars. This is not only in the interests of ease of doing business but also helps in

providing relief from physical inspection subject to certain condition. It is reported that through new online registration and compliance system, entrepreneurs are relieved and physical touch point / interface with the department functionaries have been minimised.

RESPONSES RECEIVED FROM TRADE UNION FEDERATIONS OF UTTAR PRADESH

Written response has been received only from 'Bhartiya Mazdoor Sangh' (BMS) signed by Sri Sarvesh Chandra Dwivedi, State Secretary. The BMS in their written response expressed doubts about the efficacy of complaint redressal mechanism initiated in the state in the year 2006 particularly provisions relating to inviting comments from the concerned employers on the contents of the complaint and also provision relating to giving prior information to the employer concerned of impending inspection of the unit in cases, where the decision was taken for physical inspection by a team of inspectors. This virtually amounts to giving forewarning to the employer and defeats the very purpose of the complaint. In their opinion complaints received from workers / trade unions need be enquired in all such cases and veracity of the complaints can be ascertained only on the basis of sudden inspections on the spot and not in the way as prescribed in the complaints redressal system as in vogue in the state. This has resulted only in enhancing the exploitation of labour and weakening of trade unions.

The federation is also critical of self-certification scheme of the year 2012 particularly of the provision relating to prior approval from District Magistrate / Divisional Commissioner even in cases where the decision of physical inspection has been taken by senior officers of the labour department. This has resulted virtually in no labour inspections. The prescribed procedure is so cumbersome that compliance of provisions of labour laws is seriously effected in the state. In their opinion self-certification scheme could be meaningful only if along with the employer, the voice of labour is also given equal weight age in reporting and ascertaining the status of compliances and not left only to the employers alone. The federation expressed concern about increasing contractualization and resultant exploitation of workers, lopsided industrialization in the state and of deteriorating industrial relations situation following the closure of units in industries such as cement, textile, fertilizer, chemical, sugar, jute, etc.

Chapter-V

Summing up and Critical Appraisal

SUMMARY OF REFORMS

- The present study aimed at ascertaining the impact of amendments in labour laws and other labour reform initiatives undertaken by State Governments;
- This study covers four states viz. Andhra Pradesh, Rajasthan, Haryana and Uttar Pradesh;
- Major Acts covered include: Industrial Disputes Act, 1947, Contract Labour (Regulation & Abolition) Act, 1970 and Factories Act, 1948.

INDUSTRIAL DISPUTES ACT, 1947

- Under the Industrial Disputes Act, 1947, the State Governments of Rajasthan and Andhra Pradesh have amended Section 25K (Chapter V-B) thereby enhancing the numerical limits of applicability of this chapter: Instead of 100 or more, by amendments in these states, the applicability limit has been raised to 300 or more. As a result, in respect of closure of the undertaking, retrenchment and lay-offs, the provision for prior permission applies only in respect of industrial establishments employing 300 or more workers in these states.
- In the interest of maintenance of industrial peace or prevention of victimization of workmen, the amendments include an exception clause to the effect that the State Government where so warranted, by notification in official gazette, may apply the provisions of chapter V-B to an industrial establishments (not being an establishment of a seasonal character or in which work is performed only intermittently) in which such number of workmen which may be less than 300 but not less than 100 workers.
- In the State of Rajasthan, in addition, Section 25-N (1) (a) and Sub-section 9 of Section 25-N and Section 25 (O) (8) have also been amended to the effect that in cases of retrenchment and closure, the affected workmen shall be entitled to 3 months' of wages along with three months' notice. This is in place of 3 months' notice or 3 months wages in lieu of notice as in the Central Act.
- Both in the States of Rajasthan and Andhra Pradesh, Section 2-A of Industrial Disputes Act, 1947 has been amended to the effect that industrial disputes or difference between the workman and his employer relating to or arising out of discharge, dismissal, retrenchment or termination shall be deemed industrial dispute only

where such dispute is raised in conciliation proceedings within a period of 3 years from the date of cause of action. No such time limit is prescribed in the Central Act.

There is a provision to extend the time limit where the applicant workman satisfies the authority that s/he had sufficient cause for not raising the dispute within the prescribed time.

- Both in the States of Rajasthan and Andhra Pradesh item no. 5 of part-2 of fifth schedule to the Industrial Disputes Act, 1947 has been amended and a new para has been added defining “go slow” which is as under:

“Explanation: For the purpose of this paragraph “go slow” means any such activity by any number of persons employed in any industry, acting in combination or with common understanding, to slow down or to delay the process of production or work purposely whether called by work to rule or by any other name, so as the fixed or average or normal level or production or work or output of workman or workmen of the establishment is not achieved”.

- In Rajasthan, clause (iii) of sub-section (g) of section 2 and clause (s) of Section 2 of Industrial Disputes Act, 1947 have also been amended. It may be mentioned here that vide Rajasthan Act, 34 of 1958, provision was made that in respect of labour employed by a contractor to whom contract was awarded of the whole or any part or any work of establishment, the owner / principal employer shall be employer. By Amendment Act, 2014, this provision has been deleted. As a result this special provision in Rajasthan has been deleted and the existing provision is now at par with the provision under the Central Act.
- In Rajasthan section 9-D of Industrial Disputes Act, 1947 has also been amended to the effect that for purposes of registration as Representative Union in the state of Rajasthan, membership of not less than 30% of the total number of workmen employed in the unit of an industry shall be required. Before the present amendment the requirement was only 15% which has now been raised to 30% (Section 9-D added in Rajasthan vide Rajasthan Act, 34 of 1958 w.e.f 01.07.1960 as further amended by Rajasthan Act, 14 of 1970 w.e.f 26.02.1970).

CONTRACT LABOUR (REGULATION AND ABOLITION) ACT, 1970

- Both in the States of Rajasthan and Andhra Pradesh, sub-section (4) of Section 1 of Contract Labour (R&A) Act, 1970 has been amended to the effect that the threshold limit of applicability of the Act, both in respect of contractor as well as establishment, has been raised to 50 in place of 20 as at present in the Central Act.

- In Rajasthan, vide the Contract Labour (R&A) (Rajasthan Amendment) Act of 2014, provision has also been made that the State Government may, after giving not less than 2 months' notice, by notification in the official gazette, apply the provision of this Act to any establishment or contractor employing such number of workmen less than fifty.

FACTORIES ACT, 1948

- In Rajasthan, sub-section '(i) and sub-section (ii) of clause (m) of Section 2 of Factories Act, 1948 have been amended to the effect that threshold limits of applicability of the Act have been raised from 10 to 20 and 20 to 40 in respect of factories working with the aid of power and those working without the aid of power respectively.
- Sub-section -1 of section 85 has also been amended to the same effect.
- Sub-section-1 of section 105 has also been amended to the effect that cognizance of any offence under the Act shall be taken by court on complaint by an inspector with the previous sanction in writing by the State Government. The provision of previous sanction from the State Government is added by this amendment.
- A new section 106-B has been added providing for compounding of such offences punishable under the Act with fine only where such offences are committed for the first time either before or after the institution of prosecution.

OTHER MAJOR LABOUR REFORMS INITIATIVES

ONLINE REGISTRATION, RENEWAL UNDER VARIOUS LABOUR LAWS AND ONLINE SUBMISSION OF CONSOLIDATED ANNUAL RETURNS BY EMPLOYERS

- **ANDHRA PRADESH (ISSUANCE OF INTEGRATED REGISTRATION AND FURNISHING OF COMBINED RETURN IN THE VARIOUS LABOUR LAWS BY CERTAIN ESTABLISHMENT) ACT, 2015**
 - This Act provides for online submission of integrated registration under 14 labour laws.
 - Registration certificate shall be issued instantaneously subject to subsequent verification.
 - The validity of the registration shall be upto 31st March of the third year; wherever, renewals are required, the registration shall be renewed for a further period of 3 years.
 - The employer shall submit combined return under labour laws online.

- **RAJASTHAN LABOUR DEPARTMENT MANAGEMENT SYSTEM (LAUNCHED ON 13.03.2015)**
 - Online portal provides for registration / renewal under 7 major labour laws.
 - Also in addition includes self-certification, third party certification, online inspections and uploading of inspection notes within 48 hours, third party verification, complaints, integrated return under labour laws, online monitoring and review of progress under various Acts. The main features include:
 - Online payment of fees.
 - Freedom from periodic visits to be labour department.
 - Ease in maintenance and compliance of records.
 - Facility to online regular monitoring of progress.
- **Raj FAB WEB PORTAL**
 - This portal of Factories and Boiler Department of Govt. of Rajasthan mandatorily accepts applications for registration, renewal and map approvals of factories and boilers only online with effect from 01.04.2016.
 - The factory's licence can be applied for 10 years at a time.
 - Under section 66 (1) (b), women workers have now been allowed to work in factories even between hours of 10 pm to 5 am.
 - Similar exemption has been granted to women workers in Uttar Pradesh but with a difference that women are allowed to work only between the hours of 7 to 10 pm and 5 to 6 am.
- **ONLINE REGISTRATION OF ESTABLISHMENTS UNDER LABOUR LAWS IN U.P.**
 - Online registration of establishments under 7 labour laws have also commenced in the state of Uttar Pradesh.

TRANSPARENT AND RESPONSIBLE SYSTEM OF LABOUR INSPECTIONS UNDER LABOUR LAWS

- **TRANSPARENT INSPECTION SCHEME, 2016 OF GOVERNMENT OF HARYANA W.E.F. FROM 24.06.2016.**
 - The object of the scheme is to regulate the implementation of statutory provisions under various labour laws in transparent and accountable manner;
 - to protect the rights of workers in relation to their safety, health and welfare;

- to eliminate arbitrariness in the action of inspecting authorities.
 - The scheme exempts from physical inspections all non-hazardous factories employing less than 50 workers who have opted for self-certification scheme and have submitted single return under labour laws; start up establishment; establishments having no employees; establishments under SEZ.
 - Manufacturing units are classified into three broad groups viz. major accident hazardous, hazardous, non-hazardous with the provision that major accident hazard units shall be inspected once in year; all hazardous units once in every 2 years; non-hazardous units once in every 5 years except units in this category employing less than 50 workers.
 - Units for inspection shall be selected through computerized draw on the basis of pre-determined criterion.
 - 15 days prior notice to the management for inspection.
 - Inspection report to be uploaded on the departmental website within 48 hours.
 - Action to be taken on inspection report as a last resort where all efforts to secure compliances have failed.
- **SYSTEM OF INSPECTIONS UNDER LABOUR LAWS IN RAJASTHAN:-**
 - Well defined inspection procedure and check list published on Departmental website.
 - Establishments selected for purposes of inspection on the basis of computerized risk assessment viz. high risk establishments to be inspected only once in a year; medium risk establishments allowed third party certifications once in 2 years; low risk establishments to submit under self-certification scheme certified statement and granted exemption from inspections for 5 years.
 - Inspection report online within 48 hours.
 - Computerized allocation of inspectors for purposes of inspections of selected units.
 - Same inspector not to inspect same establishment twice consecutively.
 - Provision for third party certification for factories of medium risk category and for all boilers.
 - **ANDHRA PRADESH ONLINE INSPECTION SYSTEM OF LABOUR DEPARTMENT:-**
 - Revised online inspection procedure under labour laws initiated in May 2016 with a view to ensure ease of doing business,

simplification, transparency and ease of compliance of law; covers 19 labour laws.

- Risk based assessment and categorisation of establishments on the basis of number of workers, number of contract workers and nature of activity.
 - Small establishments employing up to 300 workers are categorised as high risk; those having more than 300 workers including contract workers categorised medium risk; those having no employees categorised as low risk and totally exempt from inspection.
 - Establishments employing contract labour exceeding 25% of total labour force categorised as high risk establishments.
 - Medium risk establishments are allowed third party certification and shall not be subjected to labour inspection provided such employer furnishes every year combined annual return along with third party certification.
 - Start-up establishments, low risk establishments, those under SEZ / EPZ, establishments submitting combined annual returns and having no violations during the last 3 years are exempted from inspections.
 - Units for inspection are identified on the basis of above criterion through computer generated process and allocated to inspectors for purposes of inspection.
 - Inspection order cum notice shall be transmitted to employer to submit compliance report within 1 month.
- In Uttar Pradesh inspections under labour laws can be conducted with the prior permission from District Magistrate/Divisional Commissioner vide G.O. dated 25.10.1998. For this purpose lists of establishments/factories is prepared and submitted for permission with the recommendation from District/Regional officer of Labour Department.

SELF-CERTIFICATION SCHEMES

- Self-Certification schemes have been made effective in the states of Rajasthan, Haryana and Uttar Pradesh with the objective of promoting self-compliance and to exempt employers submitting self-certified statements from routine physical labour inspections.
 - The Schemes are basically voluntary in nature. In Rajasthan and Haryana employers have to make application on prescribed pro-forma along with deposit of security which may be forfeited where the employer fails to submit the return or where he is found violating the provisions of law.

- In Uttar Pradesh those employers not opting for self-certification shall be subjected to routine physical inspections but only with prior approval of District Magistrate / Divisional Commissioner.
- Those submitting self-certified statements within the prescribed time limit are exempt from physical inspections for a period of 5 years subject to verification of 20% such units, selected on a random basis, through a team of inspectors.
- The purpose is to secure compliance of the provisions of the labour laws and penal action is resorted to only as a last resort where all efforts to seek compliances have failed.

EXEMPTIONS TO SHOPS AND COMMERCIAL ESTABLISHMENTS FROM THE RESTRICTIONS OF OPENING / CLOSING TIME

- Andhra Pradesh Retail Trade Policy 2015-2020
 - The Government of Andhra Pradesh has granted exemption to all retail enterprises to the effect that they are allowed to keep open every day of the year between the hours of 6 am and 11 pm subject to certain conditions like working hours limited to 8 hours per day, 48 hours in a week, compensatory weekly holiday with full wages, safety and conveyance facility to women workers.
 - The Government of U.P. vide notification dated 28.01.2006, have allowed shops and commercial establishments, not related to manufacturing processes, to open upto 11 pm on all days in the week subject to the conditions of payment of additional 50% of the fee prescribed for registration / renewal; overtime wages at double the rates; substituted holiday on rotation basis and in case of women workers transport and refreshment facilities.

ANDHRA PRADESH CONTRACTING AND OUTSOURCING OF CERTAIN SERVICES IN GOVERNMENT DEPARTMENTS- ENHANCED REMUNERATION

The Government of Andhra Pradesh vide order dated 08.08.2016 has issued comprehensive guidelines for requisitioning outsource services in the Government Departments and has revised the rates of remuneration payable to outsourced functionaries.

- The Departments may outsource certain peripheral functions like catering, housekeeping to a service provider: the functionaries to be selected are employees of the service provider and placed at the disposal of the concerned Department.
- Outsourcing of such functionaries only against sanctioned posts, at the initial recruitment levels and not promotional levels.
- Functionaries shall be covered under EPF and ESI Act and remuneration to be paid through bank.

- Vide G.O. dated 08.08.2016 category wise remuneration have been fixed by the Government according to which payments are made to outsource functionaries.

CRITICAL APPRECIATION

From an in-depth perusal of totality of labour reforms measures undertaken by the State Governments, it is clear that major Acts which have been amended are Industrial Disputes Act, 1947, Contract Labour (R&A) Act, 1970 and Factories Act, 1948. The state of Rajasthan initiated the process and subsequently the state of Andhra Pradesh followed almost on the same lines. Similar process has already commenced in the state of Haryana and as informed Amendment Bills have been passed by Haryana state legislature and now awaiting Presidential assent. Similar proposals are reportedly under consideration in the state of Uttar Pradesh.

THE PERSPECTIVES OF INDUSTRY ON LABOUR REFORMS

- Chambers of Commerce And Industry in the country have been clamouring for long for review of labour laws in the context of present day requirements of industry as well as of labour; the demand basically stems from overall requirements of level playing field particularly in the post globalized and liberalized era where the domestic industry is subjected to enhanced global competition.
- According to the demand of the industry, Chapter V-B of Industrial Disputes Act, 1947 and Contract Labour (R&A) Act, 1970 particularly Section 10 are basically inhibitive and restrictive curbing freedom in matters of labour deployment as per the needs of the industry.
- These, according to the industry, inhibit not only the growth of industry but also seriously hampers the growth of employment as well.
- Similarly, small and medium industry should be freed from the shackles of cumbersome provisions and procedures of not only Contract Labour (R&A) Act 1970 but also of Factories Act, 1948 as SMEs stand completely at different pedestal in comparison to large scale industry.
- Supporters of labour reforms feel that lessening of legal wrangles will result in promoting industrial investments, job creation and ensuring health & stability of industry.

THE PERSPECTIVES OF TRADE UNIONS / FEDERATIONS ON LABOUR REFORMS

- The Trade Unions and their Federations are vociferously critical of these amendments and their contention basically rests on the fact that these amendments have virtually deprived a large section of working population of the statutory protections and have forced them at the mercy of employers;

- This amounts to virtual and clandestine acceptance of hire and fire policy; have resulted in forcing workers from the organized to the unorganized sector.

In nutshell, the objections raised by the trade unionists in respect of labour reforms agenda may be summarized as below:

- Termination of services of workers shall be easier. Retrenchment of workers shall increase.
- Formation of trade unions shall be difficult. 10% of workers or 100 workers as the case may be, will be required whereas till now 7 workers could form trade unions. Restriction on number of outsiders as members/office bearers of union results in weakening of trade unions.
- Conditions for bargaining agent i.e. recognised union, have been made unduly stiffer in the state of Rajasthan as instead of 15%, the limit has been raised to 30% of the total number of workers for the purposes of recognition as majority union.
- Unduly advantageous to factory / establishment owners.
- No consultation with trade unions before amendment in labour laws in states like Rajasthan and others. Haryana, Maharashtra and few other states are also moving in the same direction.
- Amendment in Factories Act, 1948 as in Rajasthan and Andhra Pradesh by virtue of which the threshold limits of applicability of the Act has been enhanced, is virtually detrimental to the interests of workers. In Rajasthan, following this amendment, only 257 factories are amenable under the Act whereas there used to be about 1400 factories under coverage prior to this amendment.
- Denying the Trade Union Federations/Trade Unions opportunity of fair consultation in the decision making processes in such vital matters like labour reforms amount to virtual negation of Convention Number 144 of International Labour Organization pertaining to Tri-partitism.
- Enhancing the limits of overtime per month from 50 to 100 hours not correct and unwarranted and anti-labour. There is no practical guarantee of double rate payment of overtime work.
- The Trade Unions, in general, do not agree with this argument that labour laws have been biggest obstacle in industrial development, foreign investment and job creation. Rather governmental policies and difficulties in obtaining environmental clearances are the major stumbling blocks so far as investments are concerned.
- They allege that as per recent report from International Labour Organization during the last 20 year or so, labour reforms were undertaken in about 63 countries but that had no favourable impact

on job creation. Labour reforms agenda is only in the interests of capitalists and foreign investors.

- They do not agree with the view that about 44 central labour laws in the country result in situations of uncertainty and enforcement of these laws is costly.
- Labour laws, in general, have neither been inimical to industrialization nor to job creation in the country; all talks to the contrary are not factually correct.
- The labour laws are created to protect and safeguard the basic interests of working population and no labour reform agenda could be acceptable which compromises with the basic safeguards and protections available to working people.

AN ANALYTICAL OVERVIEW

- A close appreciation of the total situation in terms of actual impact of these amendments would suggest that such amendments are virtually symbolic in nature and emanate from a desire to project industry-friendly approach and with a view to project an image that those in power are alive to the problems of industry as well.
- On their own strength, these amendments in labour laws have neither succeeded in attracting big investments, boost to industrialization or to job creation nor have these amendments singularly resulted in enhancing exploitation of labour and deterioration of service and working conditions of the working population.
- Rapid industrialization, growth in investments and job creation would ultimately depend on so many other factors as well like development of infrastructure, stable law and order, availability of skilled manpower as per the requirements of the industry, boost in skill up-gradation and multitasking efforts and the like.
- This conclusion was duly affirmed in our interaction with the officials of Government of Rajasthan as well as of Andhra Pradesh where it was categorically stated that these state amendments have succeeded only in creating a positive industry-friendly environment and should be viewed only as such.
- Vigorous and multifarious efforts are required on so many other levels and fronts before actual gains could materialize and be visible.
- So far as the adverse impact on labour as alleged by trade unions is concerned, the recent amendments in labour laws and other reforms initiatives cannot be directly imputed for any deterioration of working and service conditions. As a matter of fact, one can safely mention that any adverse impact on working and service conditions of workers is corollary to post-liberalisation and globalisation era and precede in

time to these amendments which have been affected only during the last two years or so.

- So far as amendment in Chapter V-B of Industrial Disputes Act, 1947 is concerned, the amendments effected in Rajasthan and Andhra Pradesh virtually raise the threshold limits of applicability of provisions of this Chapter in as much as prior permission of appropriate Government shall be required in respect of closure, retrenchments and lay-offs only in units employing 300 or more workers instead of 100 or more.
- This provision needs to be critically examined in-terms of actual impact. As a matter of fact this has only an immediate psychological effect in as much as simply raising the threshold limits of applicability of Chapter V-B of I.D. Act, 1947 does not have any material damaging significance. Uttar Pradesh Industrial Disputes Act, 1947 has similar provision in respect of closure of undertakings since the very inception.
- Further when the “prior permission clause” was first introduced in the Central Act, the specified number was pegged at 300 workers only. By an amendment in the year 1984, the specified number was reduced to 100 workers, thereby making the provision more restrictive.
- The State Amendments both in Rajasthan and Andhra Pradesh retain specific clauses to the effect that in the interests of law and order, workers welfare and to control exploitation of workers, the appropriate Government can relax this provision and consider such industrial undertakings as well for prior permission employing less than 300 workers subject to the condition that limits of 100 workers shall not be crossed.
- Moreover in the interests of workers, in the state of Rajasthan, provisions have been made for payment of 3 months wages also along with notice for the same period in cases of closure and retrenchment. This is an improvement in as much as payment of 3 months wages is now mandatory and not in lieu of notice.
- Industrial undertakings function on pure commercial lines and generally move for closure provisions only in cases of recurring and persistent financial losses. In such cases, mechanical denial of permission seldom results in any concrete benefits to the affected workers in whose interests the provision is basically meant. The experience in such cases suggests that denial of permission results only in long drawn un-prolific litigation with only resultant uncertainty both for the undertaking and also for the affected workers.
- Any attempt towards reasonable settlement through negotiations is also thwarted in the circumstances.
- Where on the other hand, the units move for closure on grounds other than recurring financial losses and negative worth, the experience suggests that in many cases settlements were affected between the parties on better severance packages than prescribed statutorily.

- Raising the threshold limits of applicability of Chapter V-B in the Industrial Disputes Act, 1947 as in the state of Rajasthan and Andhra Pradesh in itself does not pose any imminent adverse impact particularly in view of the fact that exemption clause protects against any mischief by unscrupulous employers.
- Likewise, Amendment in clause (iii) of sub-section (g) of section 2 and further, Amendment in clause (s) of section 2 of the Industrial Disputes Act 1947 vide Industrial Disputes (Rajasthan Amendment) Act, 2014 have the effect of bringing the legal provisions in Rajasthan at par with the provisions of the Central Act.
- It may be mentioned here that vide Rajasthan Act, 34 of 1958 w.e.f. 01.07.1960, a new clause (iii) was added in sub-section (g) of section 2 of I.D Act, 1947 whereby the principal employer/owner was made responsible as employer in respect of contract labour engaged by a contractor “where the owner of any industry in the course of or for the purpose of conducting in the industry contracts with the person for the execution by or under the contract of the whole or any part or any work which is ordinarily a part of the industry...”. This clause (iii) of sub-section (g) of section 2 has now been deleted vide Amendment Act of 2014.
- Similarly clause (s) of section 2 of the I.D Act, 1947 was amended and after the words “employed in any industry”, the words “by an employer or by a contractor in relation to the execution of his contract with such employer” was inserted in its application to the state of Rajasthan. Now this addition in the section has been deleted vide I.D (Rajasthan Amendment) Act 2014.
- In nutshell, a special provision was made in Rajasthan vide which the owner / principal employer was declared the employer in respect of contract labour engaged through a contractor and it is with this view the definition of employer in sub-section (g) of section 2 and of workman in sub-section (s) of section 2 of the I.D Act 1947 in its application in the state of Rajasthan was amended vide Rajasthan Act 34 of 1958 (w.e.f. 01.07.1960). Now with Industrial Disputes (Rajasthan Amendment) Act, 2014 these additions have been deleted bringing the provisions at par with the provision of the Central Act.
- The Chambers of Commerce and Industry of Rajasthan, in their written response, applauded the amendment as a progressive measure. Rajasthan Chambers of Commerce and Industry mentioned that “these provisions in the definition of ‘employer’ and ‘workmen’ were source of irritant for the employers in Rajasthan” and deletion of these provisions have provided big relief to the employers in general.
- The Trade Union Federations of Rajasthan particularly “Bhartiya Mazdoor Sangh” were critical of this amendments. In their opinion, as a result, the principal employers have been let-off from their

responsibilities towards labour employed by contractors. This has gravely affected the plight of contract labour and is source of constant industrial discord. They cited the example of “Hingonia Gaushala” where the contractor vanished without paying the earned wages of contract labour and because of this amended provision, the principal employer also denied any responsibility resulting into prolonged labour agitation and unrest.

- This objection from the trade unions as regards this provisions do not appear to be viable in as much as through this amendment in the I.D Act, 1947, the provisions in the Rajasthan have been made at par with the corresponding provisions in the central law and further, as per the established legal provisions as upheld by Hon'ble Courts, it is contractor who is employer of contract labour for all practical purposes unless the contract itself is termed void on grounds of being sham or camafloge by courts of law.
- This apart, the Contract Labour (R&A) Act 1970 protects the interests of contract labour in as much as sub-section 4 of section 21 casts statutory liability on the principal employer where the contractor fails to make payment of wages within the prescribed period or makes short payment. In such cases principal employer is liable to make payment of wages in full or the unpaid balance due to the contract labour subject to subsequent recovery from the amount due to the contractor. It is thus clear that the amendment in the I.D Act, 1947 does not have the effect of depriving contract labour of statutory protections which are available under the Contract Labour (R&A) Act, 1970.
- The threshold limits of applicability of Contract Labour (R&A) Act, 1970 and of Factories Act, 1948 have been raised both in Rajasthan and Andhra Pradesh with the object of providing relief to small and medium enterprise. It may safely be conceded that this may result in depriving the workers of the statutory protections which were available before the said amendments.
- The Trade Unions unanimously object and their apprehensions are correct that this has led to unfavourable and damaging conditions being imposed on the helpless workers. While this may be true but how far these could be directly attributed to state amendments in Contract Labour (R&A) Act, 1970 and Factories Act, 1948 is questionable.
- As a matter of fact gradual erosion in service and working conditions of workers have been equally visible in the post liberalisation period confounded further with gradual withdrawal of regular labour inspection mechanism over the years and the impact there of cannot be directly and totally imputed to the said amendments alone which are hardly 2 to 3 years old.

- Contract Labour (R&A) (Andhra Pradesh Amendment) Act, 2003, vide which 'non-core' activities have been clearly defined thereby prohibiting engagement of contract labour in the 'core activity' and doing away with the requirements of Section 10 of the Central Act, have succeeded in introducing greater clarity from the very threshold levels and this is not only in the interests of industry but also of contract labour.
- The Amendment Act does away with the requirements of contract labour board, where under section 10 of the Act issues remain pending for long for disposal. This is advantageous to contract labour as engagement of contract labour is statutorily prohibited in the core activities and not dependant on the long procedures prescribed under Section 10 of the Act. This example appears to be worth emulating in the interests of better clarity.
- Guidelines issued by Government of Andhra Pradesh in respect of requisitioning of outsource services by Government Departments and conditions of employment of outsourced functionaries' along with prescribed remuneration rates at which these functionaries have to be paid by and through services providers without any unauthorized deductions vide G.O. dated 08.08.2016 is really a welcome step in curbing exploitation of such functionaries at the hands of unscrupulous middlemen / service providers.
- The impact of amendments in labour laws in the states as mentioned above, may be a matter of debate, there is hardly any serious controversy regarding other labour reform measures undertaken by State Governments.
- During our interactions with all stake holders, there was, on the whole, full appreciation of measures such as online registration / renewal under various labour laws; consolidated single annual returns format under various labour laws and online submission of annual returns which have facilitated in real terms the entrepreneurs by saving their precious time and effort and helped in real sense in ease of doing business. This has resulted in better monitoring at all the levels and succeeded in curbing unnecessary delays and harassment.
- Progressive measures like relaxation in the hours of work relating to employment of women workers particularly in software, information technology units, call centres etc. and also under the provisions of Factories Act, 1948 subject to certain specified conditions like safety measures of working women are received with overall approval from all concerned as this has succeeded in allowing women workers to avail in full the emerging opportunities of employment available to them.
- In Uttar Pradesh under the Factories Act, 1948, all factories employing women workers are in public interests exempt from the operation of

clause (b) sub-section 1 of section 66. As a result women workers are allowed to work between the hours of 7 pm to 10 pm or during 5 am to 6 am. In Rajasthan women workers are allowed to work in factories also between the hours of 10 pm to 5 am.

- There was hardly any criticism of this provision or of time bound registration / renewals under labour laws subject to subsequent verification.
- Likewise amendment in section 2-A of Industrial Disputes Act, 1947 in Rajasthan as well as in Andhra Pradesh, warranting a limitation of 3 years for purposes of raising industrial disputes in respect of termination, retrenchment, dismissal of individual workman before conciliation machinery or before labour court hardly had any substantial objection from any quarter. Such limitation of 3 years is reasonable in as much as all other Acts provide for period of limitation for the purposes of raising any claim petition. Moreover this will have the welcome effect of putting curbs on raising stale disputes.
- These are progressive measures and have helped in ease of doing business. It is pertinent to mention that in cases of many reform measures, the employers and workers representatives voiced lack of information and were not even aware of some of the reform initiatives.
- The restrictions on physical labour inspections and discretion exercised by the labour inspectorate following the new labour inspection policy have been welcomed by the industry. The present system is transparent, responsible, document oriented and computerized.
- The unions are critical of this present labour inspection mechanism as in their view, this has resulted in increasing the harassment and exploitation of workers. The unions in their interactions lamented that in the first place large number of posts of labour inspectors are lying vacant and those on the rolls have been rendered virtually with hardly any work.
- It may be mentioned here that even in the days of numerical and unhindered physical labour inspections not only the employers were critical of the then labour inspection mechanism being arbitrary and exploitative but also the trade unions were equally critical of the system being indifferent and ineffective in protecting and safeguarding the real interests of workers. The labour inspection system now in place is far more responsive, transparent, responsible, well documented and result oriented and needs be viewed in this perspective.
- The above observations are duly supported in a report released by PHD Chamber of Commerce and Industry following a study conducted by them titled "Impact of Labour Reforms on Industry in

Rajasthan: A survey study". The purpose of this study was to gauge the ease of doing business in Rajasthan with the introduction of recent labour law reforms.

- It was found that about 70% respondents were not aware of the reforms undertaken and even those who were aware, were not enthusiastic. About 16% felt that these reforms do not address the persisting problems of non-availability of skilled labour force. The response from the industry was also found lukewarm as according to the industry, reforms as undertaken addressed only marginal improvements in ease of doing business.
- However, there was enthusiasm about the beginnings made. Similarly MSMEs welcomed the reforms as addressing adequately the problems faced by them.
- It was felt that greater efforts are needed at the state level to enhance the level of awareness about the reforms undertaken and also shortage of skilled man power needs immediate attention and appropriate wide spread skill development measures must be initiated so that the problems relating to unavailability of trained man power could be addressed appropriately.
- The above observations of the study are qualified only to this extent that in this present study in our wide-spread interactions with chambers of commerce and Industry and also with state level trade union federations of Rajasthan during the month of September 2016, we found enthusiastic, widespread participation from all concerned exhibiting full knowledge about the reform measures undertaken in the state of Rajasthan.
- In a recent study conducted by the Department of Industrial policy and promotion (DIPP) along with World Bank Group released in October 2016, rankings were allocated to the states in all India state / union territory-wise ease of doing business rankings. The rankings have been arrived at on the basis of a 340 point business reform action plan and their implementation by the states. This covers the period from July 1st 2015 to June 30th 2016.
- The states which had implemented over 90% of the reforms were classified as leaders in the rankings. In this study, Andhra Pradesh along with Telangana state emerged as joint toppers in ease of doing business rankings for states: these two states closely contested with a score of 98.78% on the 340 parameters that the states were marked on. Haryana stood at ranking no. 6 and Rajasthan stood at 8. Uttar Pradesh along with Karnataka, West Bengal and Bihar was classified as "aspiring leaders" with scores of 70-90%.

Chapter-VI

Recommendations

- Certain labour reforms initiatives by state Governments appeared to us commendable and worth emulation. Notable and foremost worth mentioning is online submission of applications for registration under various labour laws, online registration and online submission of unified returns under various labour laws. We had a chance to witness Labour Department Management System of Government of Rajasthan which is an online portal of Labour Department. The portal, in addition to registration under seven major labour laws, also includes self-certification, third party certification, online inspections and also online integrated returns under labour laws.

The system also facilitates constant online monitoring and review of progress under various heads: extent and levels of pendency and disposals.

Such initiatives have, in real sense, been useful not only for the industry but also for all other stakeholders as well and have succeeded in promoting ease of doing business.

- Allowing female workers to avail in full the emerging employment opportunities by relaxing the statutory restrictions pertaining to night work particularly in information technology, software development, call centres etc. and also in factories subject to certain conditions is also a welcome step which finds support from all concerned.
- Under the Factories Act, 1948, in Uttar Pradesh exemption has been granted during the hours 7 to 10 pm and during the hours 5 to 6 am whereas in Rajasthan exemption has also been granted during the hours of 10 pm to 6 am as well. There was hardly any concern from any stakeholder as this is really a progressive step. The exemption is worth appreciation in as much as it is subject to periodic shift changes and women workers get full opportunities of employment.
- Exemptions to shops and commercial establishments from the opening and closing timings is also a much desired step as facilitating ease of doing business. Recently the Union Government also recommended greater flexibility by recommending 24x7 with provision for substituted holidays, overtime payments etc.
- Experience suggests that shops and commercial establishments open as per the exigencies of business requirements and not according to maximum permissible limits. Andhra Pradesh State has already

moved in this direction and Uttar Pradesh State has permitted closing time as 11 pm subject to payment of registration / renewal charges at double the ordinary rates. Arresting business and growth opportunities in the name of archaic provisions is hardly warranted at the present time and causes inconvenience to public at large. The relaxations in this connection is a welcome step.

- Self-Certification Schemes, complaint redressal mechanisms, extra facility to export oriented manufacturing units by declaring the work of adult workers of national importance under the Factories Act, 1948 etc. are commendable steps facilitating ease of doing business along with better protection of the interests of workers as well.
- Contract Labour (R&A) (Andhra Pradesh Amendment) Act, 2003 provides for statutory prohibition of engagement of contract labour in core activities and defines core activity and outlines non-core activities. The Amendment Act, 2003 dispenses, in the State of Andhra Pradesh, with the provisions relating to state contract labour board. This has facilitated greater clarity in matters of engagement of contract labour from the very threshold levels and is in the interests of workers as well. This appears to be a better option and is recommended for consideration at the appropriate levels.
- Likewise, guidelines issued by Government of Andhra Pradesh in respect of outsourcing of services in Government Departments and fixation of remuneration to such outsourced personnel is really worth emulation as this has succeeded in mitigating the hardships / uncertainties / exploitation of such outsourced personnel. Experience suggests that absence of such provisions have resulted in severe exploitation of such personnel at the hands of service providers.
- Tri-partitism, tri-partite consultations, evolving consensus and taking unions in confidence in matters as vital as labour reforms are the foundationstones of our established labour policy and should be strictly adhered to in the overall interests of better acceptability of reform proposals. During our interactions with the trade union federations in Rajasthan as well as in Andhra Pradesh, serious objections were raised concerning virtual absence of taking unions in confidence. It is recommended that as per the established labour policy, trade unions / federations should be given proper representation in consultative processes and their opinions proper weight age in tri-partite forums particularly in matters like labour reforms.
- Contractualization and casualization have come to stay but as per the accepted policy, exploitation of contract labour is not permissible. Contract labour have to be paid at the same rates at which regular workers doing same and similar works are being paid. This is

specifically stipulated even in the conditions of the licence issued to the contractors but seldom adhered and complied with.

- As a matter of fact, economisation of costs is the major factor behind the proliferation of contract labour particularly during the post liberalization period and cannot be easily dispensed with. To remedy this situation, certain short term and long term measures could be envisaged. As a short term immediate measure, contract labour should be allowed parity in respect of all welfare amenities, transport, canteen, medical and social security provisions admissible to regular workers.
- Again, as a short term measure but a practical one, it would be advisable to specifically fix minimum wages for contract labour by adding a specific entry in part -1 in the schedule to the Minimum Wages Act, 1948. The rationale is that as a matter of actual practice contract labour are paid wages according to the minimum rates prescribed under the Minimum Wages Act. However, in many cases, the concerned employments in which contract labour are actually engaged do not find place in the list of scheduled employments under the Act and in such cases wages to contract labour are based simply on approximations / conjectures etc. and grave injustice is often caused. The state of Andhra Pradesh vide G.O. Ms. No. 27 dated July, 17th 2013 has already amended schedule under section 27 of Minimum Wages Act and added a new entry in respect of contract labour who are not covered under any of the scheduled employments. Minimum rates could then be fixed in this schedule employment in categories like skilled, semi-skilled, un-skilled keeping in consideration the comparable wages to regular workers doing same or similar works.
- Among the long term measures, it is suggested that the proposition that contract labour have to be paid at rates similar to the rates at which regular workers doing the same and similar works are paid be made part of the Contract Labour (R&A) Act of 1970. Leaving this to the care of rules as in Section 25 of Contract Labour Central Rules has not yielded the desired result and largely failed in achieving the purpose for which it was enshrined. In addition, the words same and similar also need be defined clearly denoting parity in the levels of skill, effort and responsibility and not merely literal similarity.
- The Government of India has, recently in the year 2016 itself, introduced “fixed-term employment” in the apparel manufacturing sector under Industrial Employment (Standing Order) Act, 1946 with a view to facilitate employment of workers in apparel manufacturing units on a fixed term basis thereby ensuring same working conditions, wages and other benefits to such fixed-term employees in the sector

as are admissible to regular employees. 'Fixed Term Workman' for purposes of this sector is to be included as one of the categories in the classification of workmen under Industrial Employment (Standing Order) Act, 1946. Such fixed term employment workers are eligible for all statutory benefits available to regular workmen proportionately according to the length of service rendered by them with only this exception that such workers have no lien on job on completion of term.

- This appears to be a much better option than the system of contract labour as envisaged under Contract Labour (R&A) Act, 1970 as it caters to the requirements of industry regarding flexibility in matters of labour deployment as well as it protects the interests of workers by eliminating the third party i.e. contractor in the scheme of labour deployment. Further, statutory protection as regards parity is in-built and available to such workmen.
- Couple of years ago, directions were issued by Union Government specifying fixed-term employment with all necessary particulars and details with no limitation for any particular sector but these guidelines were subsequently withdrawn. It is recommended, in the larger interests and better protection to workers interests that this needs reconsideration at the appropriate level.
- This may help alleviate the apprehensions of trade unionists caused by efforts such as raising the threshold limits of applicability of Contract Labour (R&A) Act, 1970 as is the case in Rajasthan and Andhra Pradesh with Haryana state following on similar lines.
- Enhancing the threshold limits of applicability of Factories Act, 1948 from 10 to 20 and from 20 to 40 in case of factories working with the aid of power and those working without the aid of power respectively definitely results in throwing large number of workers out of the purview of the Act, depriving them of the benefits of working conditions, health and safety provisions under the Act. Even in such cases, where the Factories Act is not applicable, other important Acts like Minimum Wages Act, 1948, Payment of Bonus Act, 1965, Payment of Gratuity Act, 1972 and also ESI Act, 1948 EPF & MP Act, 1952 and so many other Acts are applicable to such workers. It is important that names of all such workers are maintained properly in prescribed muster rolls even in the absence of mandatory Form-12 (Muster roll) prescribed under the Factories Act, 1948 so that benefits of other beneficial legislation are available to such workers.
- Admittedly, small and medium undertakings need to be treated differently in comparison to large manufacturing units but raising the threshold limits for the purpose of applicability of major labour

laws is not a very desirable option. It would be better if a separate comprehensive legislation is considered in respect of such units providing specifically all beneficial provisions from all major labour laws. Such a move is already under active consideration at the appropriate level.

- Importance of inspections under labour laws has to be given due weight age including physical visits and surprise inspections. Likewise the element of some discretion in matters of selection of units for purposes of inspections at least at the higher levels would be desirable. Leaving the entire system to random selection of units for the purposes of inspections and that too through impersonal mechanised processes is not always panacea for all ills afflicting labour inspections.
- It is admittedly not the case here to leave unbridled discretion in matters of selection of units for inspections at the level of labour inspectorate but the point is that the same should not be totally left to the care of only mechanised processes. Labour issues are live issues and need constant monitoring with open eyes and ears warranting human intervention may be at senior levels. In Uttar Pradesh selection of units for purposes of inspections under labour laws is finalized with the prior permission of District Magistrate / Divisional Commissioner: system is transparent, well documented and responsibility oriented and also allows margins for recommendations in selection of units and permission at senior levels. This appears to be one workable model encompassing both absence of full discretion at the lower levels and also responsibility and transparency.
- It is felt that decrying the total labour inspectorate and denying full work opportunity to function is also not a feasible development in the context of fuller utilisation of available man power. With proper career management, proper growth opportunities, proper induction and on job trainings and with better working conditions, greater sense of purpose and discipline could be inculcated and with that the inspectorate could be put to much better use. The vacant posts of labour inspectors need be filled up: the presence of inspectorate is also important in the interests of deterrence.
- The issues and problems in the unorganized sector are much different from those in the organized sector and the labour inspectorate have to play a vitally significant role in this sector to protect the workers from exploitative practices. Enforcement of Acts like Building and Other Construction Workers (RE&CS) Act, 1996, Cess Act, 1996, The Unorganized Workers Social Security Act, 2008, Child Labour (P&R) Act, 1986 and the enforcement of welfare schemes connected therewith

would definitely warrant presence of inspectorate with missionary like zeal, greater vigour, strength and better facilities of mobility and proper orientation.

- For better appreciation of the provisions of major labour laws, welfare and rehabilitation schemes and with a view to their effective enforcement, it is recommended that publicity campaigns including seminars, workshops etc. be organized inviting participation from officers of departments of revenue, police, medical, education, social welfare, WCD, judiciary; NGOs, trade unionists, employers' representatives, Chambers of Commerce and Industry; social activists, academicians, public representatives and distinguished members from civil society etc. This would help in dissemination of necessary information, creating awareness and demand and building up of public and social pressures in favour of effective compliance of the provisions of labour laws. In the present context of dwindling physical inspections under labour laws, this may help in boosting drive for self-compliance.
- Labour is particularly sentimentally and emotionally attached with the provisions of the labour laws and find confidence in status-quo. Any change in the direction of amendments is often looked with apprehension and thus it becomes incumbent to embark on such issues only after careful deliberations of urgency, expected outcomes and likely fallout.
- So far as expected outcome / impact is concerned from the effected amendments in these states, it is probably too early to expect any substantial, visible, material gains-the amendments being hardly 2 to 3 years old. Besides, they are not an end in themselves so far as the expected outcomes are concerned. It will take time before expected tangible outcomes could surface on the ground and that too subject to the availability of other factors as well but the strains on labour are already clearly visible which warrant attention to ameliorate and to offset the resultant hardships and uncertainty faced by the workers at least in the interim period.
- Last but not in the least, innovations in systems and processes are as good and as effective as the man power operating the same: thrust on the improvement in the content and quality of man power is equally essential and is a continuous process. Progression in the qualities of man power in terms of greater involvement, honesty and integrity in deeds and actions, missionary enthusiasm and singularity in commitments would lend greater credibility, reliability and acceptability to labour laws, with reforms where ever so warranted, both amongst the employers and working population.

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