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**STANDING COMMITTEE ON LABOUR
(2011-2012)**

FIFTEENTH LOK SABHA

MINISTRY OF LABOUR AND EMPLOYMENT

**THE LABOUR LAWS (EXEMPTION FROM FURNISHING
RETURNS AND MAINTAINING REGISTERS BY CERTAIN
ESTABLISHMENTS) (AMENDMENT) BILL, 2011**

TWENTY-FIRST REPORT



LOK SABHA SECRETARIAT

NEW DELHI

December, 2011/Agrahayana, 1933 (Saka)

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Presented to Lok Sabha on

Laid in Rajya Sabha on



LOK SABHA SECRETARIAT

NEW DELHI

December, 2011/Agrahayana, 1933 (Saka)

COMPOSITION OF THE STANDING COMMITTEE ON LABOUR

(2011-12)

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25. Shri G. N. Ratanpuri

SECRETARIAT

1. Shri Devender Singh - Joint Secretary
2. Shri B.S. Dahiya - Director
3. Smt. Archana Srivastva - Committee Officer

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- (ii) *Minutes of the sittings of the Standing Committee on Labour held on *28.4.2011, *11.5.2011, *19.5.2011, *30.5.2011 and 11.11.11.

*Will be appended at the time of printing.

INTRODUCTION

I, the Chairman, Standing Committee on Labour (2011-12), having been authorized by the Committee do present this Twenty First Report (15th Lok Sabha) on 'The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) (Amendment) Bill, 2011'.

2. In 2005, the Government had introduced a Bill namely 'The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Amendment and Miscellaneous Provisions Bill, 2005' for amendment in the existing Act which was introduced in Rajya Sabha on 22 August 2005. The Bill was referred to the Standing Committee on Labour on 30 August 2005 by the Speaker, Lok Sabha under Rule 331E(b) of the Rules of Procedure and Conduct of Business in Lok Sabha for examination and report.

3. The Committee presented their Report on the Bill to the Parliament on 20.12.2005 (Tenth Report, 14th Lok Sabha). The Committee observed that the Government had neither consulted the Employees Group nor the Employers Group before bringing the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Amendment and Miscellaneous Provisions Bill, 2005 in the Parliament. The

Committee were of the view that the laws should be made simple in order to be more effective to protect the interests of the workers, but they noticed that the proposed amendments in the Bill seemed overwhelmingly in favour of employers. The Committee noted that not only the Central Trade Unions but the Employers Group had also shown their reservations on some of the clauses of the Bill. On the recommendation of the Committee, the Bill was withdrawn by the Government for holding discussions with the Employees and Employers Groups.

4. The Government re-introduced "The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Amendment Bill, 2011 in the Rajya Sabha on 23.03.2011 which was referred to the Committee on 01 April, 2011 by the Speaker, Lok Sabha under Rule 331E(b) of the Rules of Procedure and Conduct of Business in Lok Sabha for examination and report.

5. In the process of examination of the Bill, the Committee invited the representatives of the Ministry of Labour and Employment on 28th April, 2011 and heard their views. The Committee also sought written information on various aspects of the Bill from the Ministry.

6. The Committee invited the views of major Central Trade Unions and the Employers Group on the Bill through Memorandum. In response to the request, some of the Central Trade Unions viz., AITUC, CITU, HMS, INTUC, BMS and All India Central Council of Trade Unions – **Employees Group** and Confederation of Indian Industry, ASSOCHAM, Federation of Indian Chambers of Commerce and Industry - **Employers Group** furnished their comments/suggestions on the clauses of the Bill. On 11, 19 and 30 May, 2011, the representatives of Trade Unions also deposed before the Committee to share their views and gave their suggestions on the proposed amendments.

7. The Committee also heard the views of the representatives of CII and FICCI on 19th May, 2011 and on 30th May, 2011, Federation of Indian Micro and Small & Medium Enterprises (FISME) on the proposed amendments by the Government.

8. The Committee considered and adopted the Report at their sitting held 11th November, 2011.

9. The Committee wish to express their thanks to the officers of the Ministry of Labour and Employment for placing before them the detailed written notes on the subject and furnishing the information as desired by the Committee in connection with the examination of the Bill and rendering evidence before the Committee.

10. The Committee would also like to place on record their deep sense of appreciation of the commitment, dedication and valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

11. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report.

New Delhi;

11th November, 2011
20 Kartika, 1933(Saka)

HEMANAND BISWAL

CHAIRMAN
STANDING COMMITTEE ON LABOUR

REPORT

CHAPTER I

INTRODUCTORY

There are various labour laws for regulating employment and conditions of service of workers. These laws also provide for maintaining registers and furnishing returns to the concerned enforcement authorities.

1.2 The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988, was enacted to provide for exemption to the employer of:-

- (i) “Small establishment” employing ten to nineteen persons,
and
- (ii) “Very small establishment” employing up to nine persons;

from furnishing returns and maintaining registers under the nine scheduled Acts, if they furnish returns and maintain registers under the provisions of the principal Act.

1.3 Under the Principal Act, all establishments are required to submit one Core Return in Form A. In addition, the “small establishments” are required to maintain three registers in Form B, Form C and form D, and the “very small establishments” are required to maintain one register in Form E.

1.4 The Government moved a Bill for amendment in the existing Act in 2005 which was introduced in the Rajya Sabha on 22 August 2005 and was referred to this Committee on 30 August 2005 by the the Speaker, Lok Sabha under Rule 331E(b) of the Rules of Procedure and Conduct of Business in Lok Sabha for examination and report.

1.5 The Committee in their Tenth Report (14th Lok Sabha) presented to the Lok Sabha on 20.12.2005 observed that before bringing the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Amendment and Miscellaneous Provisions Bill, 2005 in the Parliament, the Government had neither consulted the Employees Group nor the Employers Group. The Committee were of the view that the laws should be made simple in order to be more effective to protect the interests of the workers, but they noticed that the proposed amendments in the Bill seemed overwhelmingly in favour of employers. The Committee noted that not only the Central Trade

Unions but the Employers Group had also shown their reservations on some of the clauses of the Bill. The Committee had, therefore, recommended that the Bill be returned to the Government with the request to hold discussions with the employees and employers groups so that consensus is built on reforming the labour laws.

1.6 On the recommendation of the Committee, the Bill was withdrawn by the Government for holding discussions with the Employees and Employers Groups.

1.7 As per the information made available to the Committee, the amendments proposed in the 2005 Bill were discussed in detail with the stakeholders in the meetings held on 23.01.2006, 22.06.2006, 01.03.2007 and 15.03.2007. These were discussed further in the meeting held on 07.06.2007.

1.8 The Government re-introduced "The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Amendment Bill, 2011 in the Rajya Sabha on 23.03.2011 which was referred to the Committee on 01 April, 2011 by the Speaker, Lok Sabha under Rule 331E(b) of the Rules of Procedure and Conduct of Business in Lok Sabha for examination and report.

1.9 The 'The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) (Amendment) Bill, 2011', seeks *inter-alia*, the following amendments :-

- (i) to revise the definition of the expression "small establishment" so as to cover those establishments in which not less than ten and not more than forty persons are employed or were employed on any day of the preceding twelve months within the meaning of that expression instead of not less than ten and not more than nineteen persons, as at present.
- (ii) to provide for maintenance of registers and returns in computer, Computer floppy, diskette or other electronic media and to submit returns through electronic mail;
- (iii) to substitute the First Schedule to the Act for applying the provisions of the Act to sixteen enactments in place of nine enactments, as at present; and
- (iv) to substitute the Second Schedule to the Act to specify new Forms instead of the present Forms A, B, C, D and E.

1.10 The amendment Bill of 2005 had sought to amend a number of clauses of the Principal Act but the present Bill is limited only to four amendments. The Ministry in this context informed the Committee that as per the directions of the Parliamentary Standing

Committee on Labour wide discussions were held with the representatives of all employees and employers organizations and after extensive discussions/deliberations, a broad consensus was arrived at in the meeting of 07.06.2007 on specific points and hence the Ministry decided not to pursue the other amendments as proposed in 2005 Bill but introduced the revised amendment Bill in the Rajya Sabha on 01.04.2011 based on the consensus arrived at.

CHAPTER II

CLAUSE BY CLAUSE ANALYSIS OF 'THE LABOUR LAWS (EXEMPTION FROM FURNISHING RETURNS AND MAINTAINING REGISTERS BY CERTAIN ESTABLISHMENTS) (AMENDMENT) BILL, 2011'

Amendment to Clause 2 - In the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Act, 1988 (hereinafter referred to as the Principal Act), in section 2, in clause (e), for the word "nineteen", the word "forty" shall be substituted.

2.2 The Ministry in their explanatory note, furnishing reasons for proposed amendments, stated that :-

"The Principal Act presently applies to establishments employing upto 19 persons. The amendment proposes to increase it to 40. It will induce establishments to employ more number of persons and still derive the benefits of the Act."

2.3 Regarding the reasons for restricting the number of proposed coverage in the present Bill to 40 only, the Ministry in a written reply furnished to the Committee stated that the restriction of the proposed coverage in the present Bill to 40 workers was based on the broad consensus reached in the meeting with employees and employers organizations held on 06.07.2007.

2.4 On the question of chances of exploitation by the big employers splintering their manpower to enjoy the status of small establishments, the Ministry in a written reply denied the chances of exploitation and stated that the Principal Act is presently applicable to establishments employing upto 19 persons. There was no evidence of splintering of establishments in the existing Act. The same should be applicable when the definition of small establishments is expanded to include upto 40 persons.

2.5 In this context, during the briefing meeting, the representatives of the Ministry informed as under :-

"earlier the proposal was to have this number as 500, which was not acceptable to the trade unions. Therefore, the consensus was arrived at 40. If the number is 40, then almost the entire MSME sector is covered. The purpose was to reduce the administrative cost of compliance of labour laws. What we found in the field was that because the number was 19, many industries that were employing more than 19 but were showing only 19 so that they can take the advantage of this Bill. So, our assessment is that if it is 40, then the MSME sector will be covered."

2.6. Elaborating further the Ministry in a written reply intimated as under:

"A Committee set up by the Cabinet Secretariat to examine the extant procedures for investment approvals and implementation of projects and to suggest measures to simplify and expedite the process for both public and private investment (hereinafter referred to as Govindarajan Committee) observed in their report that the requirement of maintaining separate registers and forms for related subjects under different Acts imposes a heavy burden on projects as well as regulatory authorities and needs to be reviewed. The Govindarajan Committee, therefore, recommended that Act 51 of 1988 namely , The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988 permitting maintenance of common registers may be made applicable to enterprises, employing upto 500 persons. The relevant extract of the Report is as under:

"4.78 The stipulation of maintaining separate registers under each Act for related subjects imposes a heavy burden on the project as well as the regulatory authorities and needs to be reviewed. Instead of maintaining different registers, a single register or electronically maintained database may be sufficient. The Labour Laws (Exemption From Furnishing Returns

and Maintenance of Registers by Certain Establishments) Act, 1988, permits maintenance of common registers but is presently applicable to only small-scale enterprises, employing up to 19 persons. This restriction and punishments prescribed under this Act for violation being more stringent than what individual laws impose, have restricted its use. It is recommended that this law be made applicable to a larger number of industries by increasing the limit of persons employed to 500."

2.7 On this issue, the views of the trade unions, given by them during the sitting of the Committee were as under :-

BHARTIYA MAZDOOR SANGH (BMS)

"in Section 2 where the amendment is sought to increase the number of employees from 19 to 40, our view is that if this increase in numbers is permitted, it would certainly go against the welfare of the employees working in those establishments because in the changing scenario of technology, plant, machinery and the work force required in the establishments since the modern machineries are being introduced, the number of work force is already getting reduced. So, the increase in number of employees, to seek exemption under this amendment, if allowed to happen as it is, then majority of the establishments will go beyond the purview of this Act."

"We have been talking to put the Inspector Regime to an end. After passing the legislation to protect the labour, the management will take over the charge. This law is for twenty employees. But the law has not been changed for those companies where forty or one hundred employees are working. Even then the industrialists or employers do not maintain the registers or they show less numbers of the employees. A mishap has occurred at Peeragarhi recently where ten labourers had died. More than three hundred workers were working in the factory but only nineteen workers have been shown in the register. If they have the sole authority, then what would be the situation? So we are opposing the present bill."

2.8 When asked about the determination of implications/repercussions if the establishments employing upto 40 persons are freed from all obligations under the existing labour laws, as proposed in the Bill, the Ministry intimated as under :-

"There is no question of freeing the establishments employing upto 40 persons from the obligation of implementing labour laws. All obligations under the existing labour laws will apply equally to establishments employing upto 40 persons, as they will apply to establishments employing more than 40 workers.

The law in question mandates only for the maintenance and submission of consolidation and simplifications of registers / returns."

2.9 When asked about the number of 'Small Establishments', the Ministry informed as under:-

"Based on Economic Census, 2005 conducted by Central Statistical Organization, there are a total of 418.27 lakh (41.83 million/4.18 crore) establishments with a total employment of 1009.04 lakh (100.90 million/10.09 crore) persons. The break-up of 'small establishments' is not available."

2.10 Further, asked about the number of persons working in 'Small Establishments', the Ministry replied that they had no such information.

2.11 When asked about the actual furnishing of regular returns by these establishments, the Ministry informed as under :-

"The statistics in this regard is not centrally maintained. However, all establishments has to necessarily submit return

as per the coverage and procedure prescribed in different labour laws. In case of default the employers are liable for penal action."

2.12 When asked about the views regarding furnishing of information to the Inspector mandatorily rather than furnishing it on demand, the Ministry intimated as under :-

"It is mandatory for the establishments to compile information for filing returns and maintaining registers. However, all establishments cannot be inspected given their large numbers vis-a-vis labour inspection machinery. This may lead to laxity in maintenance of records and furnishing them on demand. The Bill proposes maintenance of simplified records in electronic format which would help more returns to be filed on demand."

2.13 When asked about the impact of this amendment on the workers employed by these 'Small Establishments', the Ministry informed as under :-

"The Impact on workers should be positive. Fewer registers to be maintained and returns to be filed should lead to better

compliance with labour laws benefiting workers in terms of employment as well as their entitlements, including social security benefits. Electronic filing of returns and maintenance of registers should enable inspection of more establishments in an efficient manner as a result of which more workers will receive their rightful dues/entitlements."

2.14 Taking note of the current trend in the job market when most of the services are being outsourced or are being executed on contract basis, when asked about the legal protection to these workers, once the amendment takes place, the Ministry informed that the amendment will lead to greater legal protection of workers.

2.15 When asked whether the Ministry and its attached offices are equipped to receive the information electronically as suggested in the Bill, the Ministry stated as under :-

"The provisions of the Act are implemented both by the Central and State Governments as appropriate Government. Their offices are being gradually computerized under various e-governance projects."

2.16 Asked whether the Ministry had enough manpower/inspectors to keep a check on establishments, whether they are maintaining the necessary records and the mechanism proposed to be followed for contravention of statutory provisions, the Ministry informed as under :-

"The provisions of the law have to be followed. Its contravention would attract penal provisions. Neither the Principal Act nor the proposed amendments make any compromise in the system of inspection. The labour laws will continue to be enforced by the enforcement machineries in both 'very small' and 'small' establishments as before. With simplification and consolidation of forms and their maintenance in electronic format, the efficiency of Inspection should improve."

2.17 Substitution of new section for section 4 – Exemption from furnishing or maintaining of returns and registers required under certain labour laws -

"The proposed amendment reads as under :

4 (1) Notwithstanding anything contained in a Scheduled Act, on and from the commencement of the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Amendment Act, 2011, it shall not be necessary for an employer in relation to any small establishment or very small establishment to which a

Scheduled Act applies, to furnish the returns or to maintain the registers required to be furnished or maintained under that Scheduled Act:

Provided that such employer—

(a) furnishes, in lieu of such returns, annual return in Form I; and

(b) maintains, in lieu of such registers,—

(i) registers in Form II and Form III, in the case of small establishments, and

(ii) a register in Form III, in the case of very small establishments, at the work spot:

Provided further that every such employer shall continue to—

(a) issue wage slips in the Form prescribed in the Minimum Wages (Central) Rules, 1950 made under sections 18 and 30 of the Minimum Wages Act, 1948 and slips relating to measurement of the amount of work done by piece-rated workers required to be issued under the Payment of Wages (Mines) Rules, 1956 made under sections 13A and 26 of the Payment of Wages Act, 1936; and

(b) file returns relating to accidents under sections 88 and 88A of the Factories Act, 1948 and sections 32A and 32B of the Plantations Labour Act, 1951.

(2) The annual return in Form I and the registers in Forms II and III and wage slips, wage books and other records, as provided in sub-section (1), may be

maintained by an employer on a computer, computer floppy, diskette or other electronic media:

Provided that a printout of such returns, registers, books and records or a portion thereof is made available to the Inspector on demand."

2.18 The Ministry in their explanatory note furnishing reasons for proposed amendments stated that :-

"Small establishments would be required to maintain only two registers and furnish one annual return and in addition, would be required to maintain and issue wage slips, employment records etc. This is against one register and one return for `very small' establishments and three registers and one return for `small establishments as under the principal Act. At present the furnishing of returns and maintaining of registers is in physical form only. With the proposed amendments an employer may furnish returns electronically and maintain register and other records on computer, floppy, diskette or other electronically media."

2.19 Clause (3) under Section 4 of the Principal Act provides that *'Where an employer in relation to a small establishment or very small establishment to which a Scheduled Act applies, furnishes returns or maintains the registers as provided in the proviso to sub-section (1),*

nothing contained in that Scheduled Act shall render him liable to any penalty for his failure to furnish any return or to maintain any register under that Scheduled Act'. When asked what deterrent or otherwise impact such a provision would have, the Ministry assured the Committee in a written reply:

"The objective of this Act is to simplify the procedures regarding maintaining of Registers and furnishing of Returns under various labour related Acts (16 in number). This Act does not permit for the violation of any of the labour laws in its application."

2.20 As regards the date of submission of annual returns by the establishments, the Committee find that the date given in the Second Schedule is 31st January of every year. When enquired whether the date of return could be 30th April of every year, the Secretary, Ministry of Labour and Employment termed the suggestion valid and stated that it will be made uniform as 31st March.

2.21 Substitution of new Schedules for First Schedule and Second Schedule –

The proposed amendment reads as under :-

4. (1) to substitute the First Schedule to the Act for applying the provisions of the Act to sixteen enactments in place of nine enactments, as at present; and

4 (2) to substitute the Second Schedule to the Act to specify new Forms instead of the present Forms A, B, C, D and E.'

2.22 The Ministry in their explanatory note furnishing reasons for proposed amendments stated that :-

"These simplified methods through amendments will now be applicable in respect of 16 Acts instead of 9 at present."

OBSERVATIONS/RECOMMENDATIONS

The Committee note that the Government brought a Bill seeking to amend the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by Certain Establishments) Act, 1988 in 2005. The amendment Bill was examined by the Committee vide their 10th Report (14th Lok Sabha). The Committee had concluded that Government had consulted neither the Employees' Group nor the Employers' Group before bringing the said Amendment Bill. They therefore, returned the Bill and desired the Government to hold discussions with the Employees' and Employers' Groups and build consensus before reforming the labour laws. Surprisingly, the Committee note that the Government re-introduced the amended Bill in March, 2011 without building consensus with the trade unions. The

Committee find that the Ministry have the data of establishments based on Economic Census of 2005 conducted by the Central Statistical Organisation according to which there are 418.27 lakh such establishments. Regrettably, the Government have neither any information regarding the number of persons working in these 'Small Establishments' nor are they aware as to whether all these establishments are regularly submitting their returns. The Committee observe that the objective behind Section 4(5) of the amendment Bill, 2011 is to exempt the employers from imposition of penalties. In the given scenario when there is no provision of punishment in the Act itself, it is open for the establishment not to furnish the returns which could reveal his status of micro, small and medium enterprise. The Committee are of the

considered view that a Law without penal provision is toothless and cannot be enforced.

2. The Committee find that the nomenclature of the Bill, though in conformity with the title of the Principal Act, is rather misleading as it gives the impression that the intension is to exempt establishments from furnishing Returns and Maintaining Registers, though, the Bill actually envisages that the establishments furnish the information electronically. The Committee are, therefore, of the view that the nomenclature of the Bill be changed to "The Labour Laws (Simplification of procedure for furnishing Returns and Maintaining of Registers by certain Establishments) Bill, 2011".

3. The Committee note that the Clause (e) of Section 2 of the Amendment Bill proposes to increase the number of employees from 19 to 40 for inclusion in small establishments category. The Committee feel that in the increasingly automated world, the number of employees is persistently reducing as the manual interference is going down. The Committee feel that the turnover of smaller high-tech establishments with a lesser number of employees may be a many time higher than the turn over of many smaller units put together. As a result, many large and medium industries are bound to get converted into small industries. In the given circumstances, the Committee are apprehensive that further increasing the number of employees would entail most of the industries being exempted from furnishing the Returns and Maintaining the registers. Mindful of the stout opposition from majority of the

trade unions, the Committee desire that the status quo be maintained as regards the number of employees for inclusion in 'Small Establishments' i.e. 19 as prescribed in the Principal Act or at the most the number could be increased to 25 and the results studied closely.

4. Further, the Bill proposes to substitute Section 4 so that the printouts of such returns, registers, books and records or a portion thereof are made available to the Inspector on demand. The Committee find that neither the Ministry nor the attached offices are able to receive the information electronically as they are gradually being computerized under various e-governance roll-out projects. Moreover, there is a crunch of man-power at the field formation levels and, above all, Ministry have no available data about the number of 'small establishments' or the persons

working in these small establishments. The Committee are of the firm view that in the absence of full computerization, inadequate man-power and non-availability of the number of small establishments, the proposed amendment, if enacted, would be highly detrimental to the labour as there is no deterrent penal provision of keeping a check on the defaulting establishments. The Committee therefore, recommend that the existing provision of furnishing the returns might also continue to ensure foolproof care in matters of vital details. They also recommend that the Central Statistical Organisation (CSO) be requested to conduct a survey for enabling the Ministry to have information about the number of such small establishments and the workforce deployed by them.

5. The Committee observe that substitution of new section for Section 4 would certainly reduce the work relating to maintenance of a number of registers which required additional human resource to maintain them. The Committee find that the prescribed form which would replace the existing registers is deficient in mentioning the names of the employees/workers. The Committee, therefore, recommend that the names and addresses of the employees/workers may also be included in Form I to sort out any ESI, PF or any other labour interest related problem that may arise later on. The Committee also desire that till the receiving offices are fully computerized, the information may also be kept manually and steps taken to ensure that the jobs of workers engaged for maintenance of registers are secure and in no way their interests compromised.

6. The Committee find that there is shortage of manpower for regular monitoring of the implementation of labour laws. During their study visits to some establishments across the country, the Committee observed that there was acute shortage of human resources with the Labour Commissioner entrusted with the responsibility of enforcing the plethora of labour laws. The Committee are of the considered view that strengthening of enforcement machinery is an imperative need of the hour and therefore the field staff needs to be augmented urgently and adequately so as to facilitate regular inspection of the establishments and strict enforcement of labour laws. The Committee therefore, desire that adequate and efficient human resource be mustered for strengthening of the enforcement machinery.

7. Further, the amendment Bill seeks to substitute the First Schedule and the Second Schedule to the Principal Act by a new Schedule containing 16 Acts. Taking note of the fact that the Ministry is unaware of the total number of small establishments and the workers engaged therein and the acute staff crunch with the field formations of the Ministry for overall implementation and monitoring of the labour laws, the Committee are apprehensive that there would be total mess as hundreds of new establishments would come under the ambit of the Bill, if enacted. The Committee therefore, recommend that the Government reconsider the serious implications of the proposed amendment.

8. The Committee observe that Clause (3) of Section 4 of the Principal Act provides that an employer of a small or very small establishment who furnishes returns or maintains the registers as per proviso to subsection (1) shall not be liable for any penalty if he fails to furnish any return or to maintain any register under the Scheduled Acts. The Committee feel that the laws cannot be enforced effectively without penal provisions and as such the employers would be encouraged not to furnish any return or to maintain any register under the Scheduled Acts. The Committee, therefore, recommend that the proposed law ought to have commensurate penal provision to deter the possible defaulters.

9. The Committee note that the date of submission of annual returns is 31st January of every year in the Second Schedule of the Bill. The Committee are of the view that it would be appropriate if the date of return is made uniform for all establishments as 31st March. The Committee, therefore, desire that the date of submission of annual returns be made uniform as 31st March of every year.

10. Subject to the foregoing observations and recommendations, the Committee strongly feel that the amendments proposed need to be revisited to secure the rights and welfare of labour.

New Delhi;

11th November, 2011
20 Kartika, 1933(Saka)

HEMANAND BISWAL

CHAIRMAN
STANDING COMMITTEE ON LABOUR

As introduced in the Rajya Sabha

Bill No.IX of 2011

**THE LABOUR LAWS (EXEMPTION FROM FURNISHING RETURNS
AND MAINTAINING REGISTERS BY CERTAIN ESTABLISHMENTS)
AMENDMENT BILL, 2011**

A

BILL

to amend the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Act, 1988.

BE it enacted by Parliament in the Sixty-second Year of the Republic of India as follows:—

1. (1) This Act may be called the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Amendment Act, 2011.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. In the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Act, 1988 (hereinafter referred to as the principal Act), in section 2, in clause (e), for the word “nineteen”, the word “forty” shall be substituted.

3. For section 4 of the principal Act, the following section shall be substituted, namely:—

“4. (1) Notwithstanding anything contained in a Scheduled Act, on and from the commencement of the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Amendment Act, 2011, it shall not be necessary for an employer in relation to any small establishment or very small establishment to which a Scheduled Act applies, to furnish the returns or to maintain the registers required to be furnished or maintained under that Scheduled Act:

Provided that such employer—

(a) furnishes, in lieu of such returns, annual return in Form I; and

(b) maintains, in lieu of such registers,—

(i) registers in Form II and Form III, in the case of small establishments, and

(ii) a register in Form III, in the case of very small establishments, at the work spot:

Provided further that every such employer shall continue to—

(a) issue wage slips in the Form prescribed in the Minimum Wages (Central) Rules, 1950 made under sections 18 and 30 of the Minimum Wages Act, 1948 and slips relating to measurement of the amount of work done by piece-rated workers required to be issued under the Payment of Wages (Mines) Rules, 1956 made under sections 13A and 26 of the Payment of Wages Act, 1936; and

(b) file returns relating to accidents under sections 88 and 88A of the Factories Act, 1948 and sections 32A and 32B of the Plantations Labour Act, 1951.

(2) The annual return in Form I and the registers in Forms II and III and wage slips, wage books and other records, as provided in sub-section (1), may be maintained by an employer on a computer, computer floppy, diskette or other electronic media:

Provided that a printout of such returns, registers, books and records or a portion thereof is made available to the Inspector on demand.

(3) The employer or the person responsible to furnish the annual return in Form I may furnish it to the Inspector or any other authority prescribed under the Scheduled Acts through electronic mail if the Inspector or the authority has the facility to receive such electronic mail.

(4) Save as provided in sub-section (1), all other provisions of a Scheduled

Act, including, in particular, the inspection of the registers by, and furnishing of their copies to, the authorities under that Act, shall apply to the returns and registers required to be furnished or maintained under this Act as they apply to the returns and registers under that Scheduled Act.

(5) Where an employer in respect of an establishment referred to in sub-section (1), to whom a Scheduled Act applies, furnishes returns or maintains the registers as provided in the proviso to sub-section (1), nothing contained in that Scheduled Act shall render him liable to any penalty for his failure to furnish any return or to maintain any register under that Scheduled Act."

4. For the First Schedule and Second Schedule to the principal Act, the following Schedules shall be substituted, namely:—

"THE FIRST SCHEDULE
[See section 2(d)]

1. The Payment of Wages Act, 1936 (4 of 1936).
2. The Weekly Holidays Act, 1942 (18 of 1942).
3. The Minimum Wages Act, 1948 (11 of 1948).
4. The Factories Act, 1948 (63 of 1948).
5. The Plantations Labour Act, 1951 (69 of 1951).
6. The Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 (45 of 1955).
7. The Motor Transport Workers Act, 1961 (27 of 1961).
8. The Payment of Bonus Act, 1965 (21 of 1965).
9. The Beedi and Cigar Workers (Conditions of Employment) Act, 1966 (32 of 1966).
10. The Contract Labour (Regulation and Abolition) Act, 1970 (37 of 1970).
11. The Sales Promotion Employees (Conditions of Service) Act, 1976 (11 of 1976).
12. The Equal Remuneration Act, 1976 (25 of 1976).
13. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 (30 of 1979).
14. The Dock Workers (Safety, Health and Welfare) Act, 1986 (54 of 1986).
15. The Child Labour (Prohibition and Regulation) Act, 1986 (61 of 1986).

16. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 (27 of 1996).

THE SECOND SCHEDULE

[See section 2 (c)]

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 31st January of the following year) (ending 31st December_____)

1. Name of the establishment, its postal address, telephone number, FAX number, e-mail address and location_____

2. Name and postal address of the employer_____

3. Name and address of principal employer, if the employer is a contractor_____

4. Name of the Manager responsible for supervision and control_____

(i) Name of business, industry, trade or occupation carried on by the employer_____

(ii) Date of commencement of the business, industry, trade or occupation_____

5. Employer's number under ESI/EPF/Welfare Fund/PAN No., if any_____

6. 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)				

Total

7. Average number of workers employed during the year:

8. Total number of mandays worked during the year:

9. Number of workers during the year:

(a) Retrenched :

(b) Resigned :

(c) Terminated :

10. Retrenchment compensation and terminal benefits paid (provide information completely in respect of each worker_____

11. Mandays lost during the year on account of—

(a) Strike :

(b) Lockout :

(c) Fatal accident :

(d) Non-fatal accidents :

12. Reasons for strike or lockout :

13. Total wages paid (wages and overtime to be shown separately):

14. Total amount of deductions from wages made :

15. Number of accidents during the years :

Reported to Inspector of Factories/Dock Safety Corporation

Reported to Workmen's Compensation

Reported to State Insurance Commissioner

Others

Fatal

Non-fatal

16. Compensation paid under the Workmen's Compensation Act, 1923 (8 of 1923) during the year_____

(i) Fatal accidents :

(ii) Non-fatal accidents :

17. Bonus*

(a) Number of employees eligible for bonus :

(b) Percentage of bonus declared and number of employees who were paid bonus:

(c) Amount payable as bonus :

(d) Total amount of bonus actually paid and date of payment :

Place:

Date:

Signature of the Manager/Employer
with full name in capital letters.

ANNEXURE TO FORM I*

Name and address of the contractor	Period of contract From To	Nature of work	Maximum number of workers employed by each contractor	Number of days worked	Number of mandays worked
1	2	3	4	5	6

FORM II

[See section 4(1)]

REGISTER OF PERSONS EMPLOYED-CUM-EMPLOYMENT CARD

Name of the establishment, address, telephone number, FAX number and e-mail address _____

Location of work _____

Name and address of principal employer if the employer is a contractor _____

1. Name of workman/employee _____

2. Father's/Husband's name _____

3. Address:

(i) Present _____

(ii) Permanent _____

4. Name and address of the nominee/next of kin _____

5. Designation/Category _____

6. Date of Birth/Age _____

7. Educational qualifications _____

8. Date of entry _____

9. Worker's ID No./ESI/EPF/L.W.F. No. _____

10. If the employed person is below 14 years, whether a certificate of age is maintained _____

11. Sex: Male or Female _____

12. Nationality _____

13. Date of termination of employment with reason _____

14. Signature/thumb impression of worker/employee_____

15. Signature of the employer/Authorized officer with designation

Signature of the contractor/
authorised representative
of the principal employer.

FORM III
 [See section 4 (1)]
 MUSTER ROLL-CUM-WAGE REGISTER

Name of the establishment and address

Location of work

Name and address of employer

Sl. No.	Name of the worker (ID No.,if Any) and Father's/Husband's name	Designation/ category/ nature of work performed	Attendance (Dates of the month 1,2 to 31)	Leave due (Earned leave and other kind of admissible leave)	Leave availed (specify)	Wage rate/ piece rate/ wages per unit	Other allowances e.g. (a) Dearness Allowance (b) House Rent Allowance (c) Night Allowance (d) Displacement Allowance (e) Outward Journey Allowance
---------	--	---	---	---	-------------------------	---------------------------------------	--

(a)

(b)

(c)

(d)

(e)

9	10	11	12	13	14	15	16
Overtime worked Number of hours in the month	Amount of overtime wages	Amount of advance and purpose of advance	Total gross earnings	Deduction e.g (a) Provident Fund (b) Advance (c) Employees' State Insurance (d) Other amount	Net amount payable (12-13)	Signature/ receipt of wages/ allowances for column number 14	Remarks
				(a)			
				(b)			
				(c)			
				(d)			

Certificate by the principal employer if the employer is contractor.

This is to certify that the contractor has paid wages to workmen employed by him as shown in this register.

Signature of principal employer/
authorised representative of principal employer.".

STATEMENT OF OBJECTS AND REASONS

Parliament enacted from time to time a number of labour laws for regulating employment and conditions of service of workers. Whenever a new law was enacted, it prescribed certain registers to be maintained by the employers. Simultaneously, the laws also prescribed for furnishing of returns of various details by the employers to the concerned enforcing authorities. Over the years, the numbers of such registers to be maintained and the returns to be furnished by the employers under different labour laws have increased considerably. At present, the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Act, 1988 has limited application for providing exemption only to establishments employing up to nineteen persons.

2. There have been persistent demands from various quarters to simplify the forms of various returns to be furnished and registers to be maintained by the employers under different labour laws and also to expand the coverage of the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Act, 1988 to establishments employing more than nineteen persons. After the introduction of computers in all spheres of business, demand has also been made to design computer-based forms and make provision for transmitting the returns electronically.

3. With a view to expanding the coverage of the aforesaid Act to establishments employing up to five hundred workers and to prescribe simplified user friendly forms and to provide for maintenance of registers or records in computer, Computer floppy, diskette or other electronic media and submit the returns through electronic mail, the Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain establishments) Amendment and Miscellaneous Provisions Bill, 2005 was introduced in Rajya Sabha on the 22nd August, 2005. The Bill was referred to by the Department Related Parliamentary Standing Committee on Labour for examination and report. The Standing Committee advised to discuss the provisions of the Bill with the employers' and employees' organisations and to redraft the amendments on the basis of consensus as may be reached. Accordingly, several meetings were held with the representatives of the employers' and employees' organisations. Since giving effect to the recommendations of the Parliamentary Standing Committee and also the suggestions made by various employers' and employees' organisations required amendments to almost all the clauses of the Bill, it is considered appropriate to withdraw the aforesaid Bill and to introduce a fresh Bill.

4. The proposed Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) Amendment Bill, 2011, *inter alia*, seeks to provide for the following:—

(i) to revise the definition of the expression “small establishment” so as to cover those establishments in which not less than ten and not more than forty persons are employed or were employed on any day of the preceding twelve months within the meaning of that expression instead of not less than ten and not more than nineteen persons, as at present;

(ii) to provide for maintenance of registers and returns in computer, Computer floppy, diskette or other electronic media and to submit returns through electronic mail;

(iii) to substitute the First Schedule to the Act for applying the provisions of the Act to sixteen enactments in place of nine enactments, as at present; and

(iv) to substitute the Second Schedule to the Act to specify new Forms instead of the present Forms A, B, C, D and E.

5. The Bill seeks to achieve the above objectives.

NEW DELHI;
The 23rd February, 2011.

MALLIKARJUN KHARGE

ANNEXURE
EXTRACTS FROM THE LABOUR LAWS (EXEMPTION FROM FURNISHING
RETURNS AND MAINTAINING
REGISTERS BY CERTAIN ESTABLISHMENTS) ACT, 1988
(51 OF 1988)

* * * * *

2. In this Act, unless the context otherwise requires,—

* * * * *

Definitions

(e) "small establishment" means an establishment in which not less than ten and not more than nineteen persons are employed or were employed on any day of the preceding twelve months;

* * * * *

4. (1) On and from the commencement of this Act, it shall not be necessary for an employer in relation to any small establishment or very small establishment to which a Scheduled Act applies to furnish the returns or to maintain the registers required to be furnished or maintained under that Scheduled Act:

Exemption from returns and registers required under certain labour laws

Provided that such employer—

(a) furnishes, in lieu of such return, a Code Returns in Form A;

(b) maintains, in lieu of such registers,—

(i) registers in Form B, Form C and Form D, in the case of small establishments; and

(ii) register in Form E, in the case of very small establishments:

Provided further that every such employer shall continue to—

(a) issue wage slips in the Form prescribed in the Minimum Wages (Central) Rules, 1950 made under sections 18 and 30 of the Minimum Wages Act, 1948 and slips relating to measurement of the amount of work done by piece-rated workers required to be

issued under the Payment of Wages (Mines) Rules, 1956 made under sections 13A and 26 of the Payment of Wages Act, 1936; and (b) file returns relating to accidents under sections 88 and 88A of the Factories Act, 1948 and sections 32A and 32B of the Plantations Labour Act, 1951.

(2) Save as provided in sub-section (1), all other provisions of a Scheduled Act, including in particular, the inspection of the registers by, and furnishing of their copies to, the authorities under that Act, shall apply to the returns and registers required to be furnished or maintained under this Act as they apply to the returns and registers under that Scheduled Act.

(3) Where an employer in relation to a small establishment or very small establishment to which a Scheduled Act applies, furnishes returns or maintains the registers as provided in the proviso to sub-section (1), nothing contained in that Scheduled Act shall render him liable to any penalty for his failure to furnish any return or to maintain any register under that Scheduled Act.

*

*

*

*

*

FIRST SCHEDULE
[See section 2(d)]

- (1) The Payment of Wages Act, 1936 (4 of 1936).
- (2) The Weekly Holidays Act, 1942 (18 of 1942).
- (3) The Minimum Wages Act, 1948 (11 of 1948).
- (4) The Factories Act, 1948 (63 of 1948).
- (5) The Plantations Labour Act, 1951 (69 of 1951).
- (6) The Working Journalists and other Newspapers Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 (45 of 1955).
- (7) The Contract Labour (Regulation and Abolition) Act, 1970 (37 of 1970).
- (8) The Sales Promotion Employees (Conditions of Service) Act, 1976 (11 of 1976).
- (9) The Equal Remuneration Act, 1976 (25 of 1976).

SECOND SCHEDULE
[See section 2(c)]
FORM A
[See section 4(1) proviso (a)]
CORE RETURN
RETRUN FOR THE YEAR ENDING 31ST DECEMBER

(To be furnished on or before the 15th February of the succeeding Year by small establishments and very small establishments).

1. (a) Name and postal address of the establishment.

(b) Name and residential address of the employer.

(c) Name and residential address of the Manager or person responsible for supervision and control of the establishment.

(d) Name of the principal employer in the case of a contractor's establishment.

(e) Date of commencement of the establishment.

NATURE OF OPERATION/INDUSTRY/WORK CARRIED ON

2. (a) Number of days worked during the year.

(b) Number of man-days worked during the year.

(c) Daily hours of work.

(d) Day of weekly holiday.
3. (a) Average number of persons employed during the year.
 - (i) Males.
 - (ii) Females
 - (iii) Adolescents (those who have completed 14 years but have not completed 18 years of age)
 - (iv) Children (those who have not completed 14 years of age).

- (b) Maximum number of workers employed on any day during the year.
- (c) Number of workers discharged, dismissed, retrenched or whose services were terminated during the year.

4. Rates of wages-categorywise.

- (1) Males (2) Females (3) Adolescents (4) Children

5. Gross Wages paid:

(a) in cash.

(b) in kind.

6. Deductions:

(a) Fines.

(b) Deductions for damage or loss.

(c) Other deductions.

7. Number of workers who were granted leave with wages during the year.

8. Nature of Welfare amenities provided; Statutory (specify the Statute).

9. Does the establishment carry out any hazardous process or dangerous operation coming within the meaning of the Factories Act, 1948. If so, give particulars.

10. Number of Accidents:

(a) Fatal.

(b) Non-fatal.

11. Nature of safety measures provided as required under the Factories Act, 1948.

Signature of employer with full name in capitals.

Date

Place

FORM B
 [See section 4(1) proviso (b)(i)]
 REGISTER OF WAGES REQUIRED TO BE MAINTAINED BY SMALL
 ESTABLISHMENTS

(To be maintained within seven days of the expiry of the wage period)

Name of the Establishment.....Name and address of Employer.....

Address (Local)..... Nature of work.....

(Permanent).....Wage period.....

Serial Number	Name of the employee	Sex	Designation	Classification whether permanent/temporary/casual/part time or any other	Father's or husband's name	Total days/number of units worked	Wages earned					
							Basic wage	Dearness allowance	Over-time	Bonus or gratuity	Maternity benefits	Any other allowance

Statutory
Actual
Minimum
Rate

Wages earned Deduction

Total amount	Advances	Fines due to damage or loss by neglect or default	Provident Fund	Employees' State	Other deductions indicating the nature	Total deductions	Net amount payable	Signature or thumb impression of employee with date	Signature of Inspector with date	Remarks
--------------	----------	---	----------------	------------------	--	------------------	--------------------	---	----------------------------------	---------

Employers' Contribution Employees' Contribution Employers' Contribution Employees' Contribution

NOTES: 1. In case of deduction of any advance taken by an employee, the employer shall also indicate therein the number of instalments paid/total instalments by which advance is to be repaid such as "5/20, 6/20" etc. The purpose of advance shall also be mentioned in the Remarks column.

2. In case of imposition of fines or deduction for damage or loss, the specific act or omission for which the penalty has been imposed has to be indicated in the Remarks column. A certificate shall also be recorded in the said column to the effect that an opportunity to show cause was given to the employee concerned before imposition of fine or deduction.

Signature of the employer with full name in capitals.

Date.....

Place.....

FORM C
[See section 4(1) proviso (b)(i)]
MUSTER ROLL TO BE MAINTAINED BY SMALL ESTABLISHMENTS

Name of establishment..... Name and address of the employer.....

Address (Local)

.....

(Permanent)..... Wage period.....

Serial Numer	Name of the employee	Date of employment	Permanent address	Age or Date of Birth	Father's or husband's name	For the period ending... Number of Units of Work done During.....	Total ttendance
-----------------	-------------------------	-----------------------	----------------------	-------------------------------	-------------------------------------	---	--------------------

Total Overtime Worked ¹	Total production in case of piece Rated workers ²	Compensatory rest ³ -----	Signature of Insepctor with date	Remarks
		Brought Forward From previous Wage period	Given during the wage period	

NOTES: 1. In the case of daily-rated workers, the extend of overtime done on each occasion has to be reflected against each concerned date, such as "P/1" meaning "Present with one hour's overtime", "P/1-2" meaning "Present with one and a half hour's overtime", and so on.

2. The number of units of work done by a piece-rated worker has to be noted for each day in the Register. In case of employment of any child/adolescent, the employer shall indicate the hours worked each day with intervals of rest.

3. The compensatory rest availed by the worker has to be marked in the Register in red ink as 'CR'.

NOTE: Column 7 to be filled up on each working day and the remaining columns to be completed within seven days of the expiry of the wage period.

Date.....Signature of the employer with full name in capitals.
Place.....

FORM D

[See section 4(1) proviso (b)(i)]
**MONTHLY REGISTER SHOWING WELFARE AMENITIES TO BE MAINTAINED
 BY SMALL ESTABLISHMENTS**

Name and address of the Address of the establishment: For the month of

employer..... Local/Permanent

Serial number	Name of the employee	Sex	Designation	Weekly day of rest	Dates of holidays for festivals or similar other occasions	Number of casual leave availed by the employee	Quantum of annual leave with wages Due	Availed
------------------	----------------------------	-----	-------------	--------------------------	---	---	--	---------

Whether Welfare Amenities Provided for Rest Room Drinking Water	First-Aid	Whether Scheduled Caste/Scheduled Tribe Handicapped or any other Particular category	Signature of the employer or his agent	Remarks of the Inspecting Officer	Signature of Inspector with date
---	-----------	--	---	--	--

NOTE: To be completed within seven days of the expiry of each calendar month.

Date..... Signature of the employer with full name in capitals.
 Place.....

[See section 4(1) proviso (b)(ii)]
**MONTHLY REGISTER OF MUSTER ROLL-CUM-WAGES REQUIRED TO BE
 MAINTAINED BY VERY SMALL ESTABLISHMENTS**

Year.....
 Month.....or
 Wage period
 (where different).....

Name of establishment.....

Name of employee.....

Father's Name.....

Nature of work.....

Rate of wages.....

Wage period.....

Date of employment.....

Date	Hours of work From To	Interval for rest and Meal	Hours worked with the employer	Overtime	Casual or sickness leave availed during the Month/wage period	Privilege leave	Signature of the employer	Remarks of the employer
------	-----------------------------	-------------------------------	-----------------------------------	----------	--	-----------------	---------------------------	-------------------------

	Hours Worked	Wages earned		Leave due	Leave availed	Balance
--	-----------------	-----------------	--	--------------	------------------	---------

Remuneration Due Basic Salary Or Wage	Over time allowances	Other allowances Total	Deductions Fines and deductions on account of damage Or loss by Neglect or Default	Other deductions	Advance Paid, if any Date Amount Total	Net amount of payment	Date of payment	Signature or thumb impression of the employee	Signature of Inspector with remarks if any, and date
---	-------------------------	---------------------------	---	---------------------	---	--------------------------------	-----------------------	---	--

NOTE : Columns 1 to 12 to be filled up on each working day and the remaining columns to be completed within seven days of the expiry of the wage period.

Date..... Signature of the employer with full name in capitals.
Place.....

RAJYA SABHA

A

BILL

to amend the Labour Laws (Exemption from Furnishing Returns and
Maintaining Registers
by certain Establishments) Act, 1988.

(Shri Mallikarjun Kharge, Minister of Labour and Employment)
GMGIPMRND—7067RS(S3)—10-04-2011.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON 28TH APRIL, 2011.

The Committee met from 1130 hrs. to 1300 hrs. in Committee Room `B', Parliament House Annexe, New Delhi to have briefing by the representatives of the Ministry of Labour and Employment on (i) "The Labour Laws (Exemption from furnishing returns and maintaining registers by certain establishments) Amendment Bill, 2011" and (ii) "The Mines (Amendment) Bill, 2011".

PRESENT

Shri Hemanand Biswal – CHAIRMAN

MEMBERS

LOK SABHA

2. Shri K. Murugesan Anandan
3. Shri Raj Babbar
4. Shri Shafiqur Rahman Barq
5. Shri Paban Singh Ghatowar
6. Shri Hassan Khan
7. Shri Kaushalendra Kumar
8. Shri P. Lingam
9. Shri Hari Manjhi
10. Shri P.R. Natarajan
11. Shri Ramkishun
12. Shri Mahendra Kumar Roy
13. Shri Chandu Lal Sahu
14. Dr. Virendra Kumar

RAJYA SABHA

15. Dr. E.M. Sudarsana Natchiappan
16. Shri Rudra Narayan Pany
17. Smt. Renubala Pradhan
18. Shri Rajaram
19. Shri Praveen Rashtrapal
20. Shri G.N. Ratanpuri
21. Shri Ranbir Singh Parjapati

SECRETARIAT

1. Shri B.S. Dahiya - Director
2. Shri Ashok Sajwan - Additional Director

Witnesses

Ministry of Labour and Employment

Sl.No.	Name of the Officer	Designation
1.	Shri P.C. Chaturvedi	Secretary (L&E)
2.	Shri Ravi Mathur	Additional Secretary
3.	Dr. Vinita Kumar	Labour & Employment Adviser
4.	Shri A.C. Pandey	Joint Secretary
5.	Shri N.K. Prasad	Chief Labour Commissioner (Central)
6.	Shri K.M. Gupta	Economic Adviser
7.	Shri Satish Puri	DGMS
8.	Shri A.K. Sinha	Director of Mines Safety
9.	Shri B.P. Singh	Director of Mines Safety

2. At the outset, the Chairman welcomed the representatives of the Ministry of Labour & Employment to the sitting of the Committee convened to have briefing by them on 'The Labour Laws

(Exemption from furnishing returns and maintaining registers by certain establishments) Amendment Bill, 2011’ and the ‘The Mines (Amendment) Bill, 2011’. After introduction by the representatives of the Ministry, the Committee first took up “The Labour Laws (Exemption from furnishing returns and maintaining registers by certain establishments) Amendment Bill, 2011”.

3. The Committee were briefed on the amendments proposed in Bill through power point presentation. Members sought certain clarifications on the Bill. The Secretary replied to the queries of the Chairman and other Members.

4. The main discussion on the ‘The Labour Laws (Exemption from furnishing returns and maintaining registers by certain establishments) Amendment Bill, 2011’ Bill was on the following points:-

- (i) Reasons for limiting the coverage in terms of number of persons employed by the establishments to 40 from the earlier proposal of 50.
- (ii) The nomenclature of the Bill.

- (iii) Implication of the proposed amendment.
- (iv) Impact of the amendment on the workers employed by small establishments.
- (v) Need to increase the amount of the penalty.
- (vi) Manpower in the Ministry for inspections/surprise inspections of these establishments.
- (vii) Need to include the particulars of the employees in the return.

5. Some Members suggested that the Committee hear the views of Trade Unions on the proposed amendments before suggesting amendments to the Bill.

6.	xx	xx	xx
7.	xx	xx	xx
8.	xx	xx	xx

9. A copy each of List of Points relating to proposed amendments in both the Bills was handed over to the Secretary for furnishing replies thereto to the Committee, within a week.

The witnesses then withdrew.

10. A copy of the verbatim proceedings was kept for record.

The Committee then adjourned.

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 11TH MAY, 2011.**

The Committee met from 1130 hrs. to 1300 hrs. in Committee Room `B', Parliament House Annexe, New Delhi to hear the views of the Central Trade Unions on the (i) "The Labour Laws (Exemption from furnishing returns and maintaining registers by certain establishments) Amendment Bill, 2011" and (ii) "The Mines (Amendment) Bill, 2011".

PRESENT

Shri Hemanand Biswal – CHAIRMAN

MEMBERS

LOK SABHA

2. Shri K. Murugesan Anandan
3. Shri Raj Babbar
4. Shri Shafiqur Rahman Barq
5. Dr. Kakoli Ghosh Dastidar
6. Shri Kaushalendra Kumar
7. Shri P. Lingam
8. Shri Hari Manjhi
9. Shri P.R. Natarajan
10. Shri S. Pakkirappa
11. Shri P.L. Punia
12. Shri Ramkishun
13. Shri Mahendra Kumar Roy
14. Dr. Virendra Kumar

RAJYA SABHA

15. Dr. E.M. Sudarsana Natchiappan
16. Shri Rudra Narayan Pany
17. Smt. Renubala Pradhan
18. Shri Rajaram
19. Shri Praveen Rashtrapal
20. Shri G.N. Ratanpuri
21. Shri Ranbir Singh Parjapati

SECRETARIAT

1. Shri Devender Singh - Joint Secretary
2. Shri B.S. Dahiya - Director
3. Shri Ashok Sajwan - Additional Director

Witnesses

LIST OF THE REPRESENTATIVES OF CENTRAL TRADE UNIONS

Sl.No.	Name of the Central Trade Union	Name of the Representative
1.	Bhartiya Mazdoor Sangh	(i) Shri Shyam Sunder Sharma (ii) Shri Barun Kumar Sinha
2.	Centre of Indian Trade Unions	Shri A.K. Padmanabhan, President
3.	All India United Trade Union Centre	Shri R.K. Sharma Member, AIUTUC
4.	Hind Mazdoor Sabha	Comrade R.A. Mital, National Secretary

2. At the outset, the Chairman welcomed the representatives of the Central Trade Unions to the sitting of the Committee convened to hear their views on 'The Labour Laws (Exemption from furnishing returns and maintaining registers by certain establishments) Amendment Bill, 2011' and the 'The Mines (Amendment) Bill, 2011' and also drew their attention to Direction 55 of Directions by the Speaker, Lok Sabha. The Chairman, thereafter, sought their views

on the various provisions of 'The Labour Laws (Exemption from furnishing returns and maintaining registers by certain establishments) Amendment Bill, 2011' in the first instance.

3. The representatives of the Trade Unions deposing before the Committee expressed their views and gave their suggestions on various provisions of the Bill. Some of the major views expressed by them related to the following provisions:-

- (i) Reasons for limiting the coverage in terms of number of persons employed by the establishments to 25 at the most.
- (ii) The nomenclature of the Bill.
- (iii) Implications of the proposed amendment.
- (iv) Impact of the amendment on the workers employed by small establishments.
- (v) Need to increase the amount of the penalty.
- (vi) Manpower in the Ministry for inspections/surprise inspections of these establishments.

(vii) Trade Unions should have access to the returns furnished by the employers.

4. XX XX XX

5. The queries raised by members, pertaining to both the Bills, were also responded to by the representatives of Trade Unions.

6. The Chairman then thanked the representatives of Trade Unions for giving valuable suggestions on both the Bills.

The witnesses then withdrew.

7. A copy of the verbatim proceedings was kept for record.

The Committee then adjourned.

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 19TH MAY, 2011.**

The Committee met from 1130 hrs. to 1300 hrs. in Committee Room `D`, Parliament House Annexe, New Delhi to hear the views of the Central Trade Unions on the (i) “The Labour Laws (Exemption from furnishing returns and maintaining registers by certain establishments) Amendment Bill, 2011” and (ii) “The Mines (Amendment) Bill, 2011”.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

**MEMBERS
LOK SABHA**

2. Shri K. Murugesan Anandan
3. Shri Shafiqur Rahman Barq
4. Shri Kaushalendra Kumar
5. Shri P. Lingam
6. Shri Hari Manjhi
7. Shri P.R. Natarajan
8. Smt. Mausam Noor
9. Shri S. Pakkirappa
10. Shri Ramkishun
11. Dr. Virendra Kumar

RAJYA SABHA

12. Shri Aayanur Manjunatha
13. Dr. E.M. Sudarsana Natchiappan
14. Shri Rudra Narayan Pany
15. Smt. Renubala Pradhan
16. Shri Rajaram
17. Shri G.N. Ratanpuri

18. Shri Ranbir Singh Parjapati

SECRETARIAT

- | | | | |
|----|---------------------|---|---------------------|
| 1. | Shri Devender Singh | - | Joint Secretary |
| 2. | Shri B.S. Dahiya | - | Director |
| 3. | Shri Ashok Sajwan | - | Additional Director |

Witnesses

(A) REPRESENTATIVES OF CENTRAL TRADE UNIONS

- | | | |
|----|--|--|
| 1. | Indian National Trade Union Congress (INTUC) | Shri G.B. Nagpure, (Safety Expert) |
| 2. | All India Trade Union Congress | Shri H. Mahadevan, Dy. General Secretary |

(B) REPRESENTATIVES OF FICCI

1. Shri Ravi Wig, Member
2. Shri H.S. Tandon, Member Executive

(C) LIST OF THE REPRESENTATIVES OF CII

1. Shri B. Muthuraman, President, CII
2. Shri Sushanta Sen, Principal Advisor
3. Dr. Sarita Nagpal, Dy. Director General
4. Shri Sunil Mishra, Director
5. Shri Shreeram Lakshman, Deputy Director
6. Shri Sanjay Tripathi, DGM-HRD
7. Shri Sanjay Kumar, Senior Manager (Legal), Teamlease Services

2. At the outset, the Chairman welcomed the representatives of the Central Trade Unions to the sitting of the Committee convened to hear their views on 'The Labour Laws (Exemption from furnishing returns and maintaining registers by certain establishments) Amendment Bill, 2011' and the 'The Mines (Amendment) Bill, 2011' and also drew their attention to Direction 55 of Directions by the Speaker, Lok Sabha. The Chairman, thereafter, sought their views on the various provisions of the Bills, one by one.

3. The representatives of the Trade Unions deposing before the Committee expressed their views and gave their suggestions on various provisions of the 'The Labour Laws (Exemption from furnishing returns and maintaining registers by certain establishments) Amendment Bill, 2011' in the first instance. Some of the major views expressed by them related to the following provisions:-

Views of the Trade Unions:-

- (i) To have a separate dispensation for establishments having an employable size of 19 or less workers.

- (ii) A separate law to be named as Special Enterprises Employment Relations Act, as recommended by Second Labour Commission.
- (iii) Rationalization of Labour Laws.
- (iv) The workers in SME sector should not be denied benefits of social security, minimum wages etc.
- (v) The number of Acts be confined to nine for coverage under the instant Amendment Bill.
- (vi) Labour administration should be strengthened by way of inspections.
- (vii) Number of establishments covered should be restricted to 19 and bringing it at 40 should not be agreed to.

The witnesses then withdrew.

Thereafter the representatives appeared in the witness box. After the customary welcome and opening remarks, the representatives of FICCI made the following submission.

Views of FICCI:-

- (i) Number of establishments covered should be raised to 100 from 40.
- (ii) Attention be paid towards employment generation.

No comments were offered by FICCI on 'The Mines (Amendment) Bill, 2011'.

The witnesses then withdrew.

The representatives of CII were invited to depose before the Committee. Their main submission on 'The Labour Laws (exemption from furnishing returns and maintaining registers by certain establishments) Amendment Bill, 2011' were:

Views of CII:-

- (i) Welcomed the filing of electronic returns.
- (ii) Need to change the mind-set of people who want to see it in black and white.
- (iii) Very small establishments could cover upto 100 workers.
- (iv) For the small establishment, it could be upto 500 workers.

(v) The proposed coverage of Act which is 16 as per the present Bill may also cover the Employees' Compensation Act, 1923, the Apprentices Act, the Employment Exchange (Compulsory Notification of Vacancies) Act, the Maternity Benefit Act, the Payment of Gratuity Act, and the Industrial Disputes Act.

4. The queries raised by the Members on both the Bills, were also responded to by the representatives of the Trade Unions and the representatives of the federations of industry.

5. The Chairman thanked the representatives of the Trade Unions and the representatives of the federation of industry for giving valuable suggestions on both the Bills before they withdrew.

6. A copy of the verbatim proceedings was kept for record.

The Committee then adjourned.

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 30TH MAY, 2011.**

The Committee met from 1130 hrs. to 1230 hrs. in Committee Room `B', Parliament House Annexe, New Delhi to hear the views of the representatives of (i) Trade Unions and (ii) Federation of Indian Micro and Small & Medium Enterprises on `The Labour Laws (Exemption from furnishing returns and maintaining registers by certain establishments) Amendment Bill, 2011' and `The Mines (Amendment) Bill, 2011'.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

MEMBERS

LOK SABHA

2. Shri K. Murugesan Anandan
3. Shri Shafiqur Rahman Barq
4. Shri Hassan Khan
5. Shri Kaushalendra Kumar
6. Shri Hari Manjhi
7. Shri P. Balram Naik
8. Shri P.R. Natarajan
9. Shri P. L. Punia
10. Shri Ramkishun
11. Dr. Virendra Kumar

RAJYA SABHA

12. Shri Aayanur Manjunatha
13. Dr. E.M. Sudarsana Natchiappan
14. Shri Rudra Narayan Pany
15. Smt. Renubala Pradhan
16. Shri Rajaram
17. Shri Ranbir Singh Parjapati

SECRETARIAT

1. Shri Ashok Sajwan - Additional Director

Witnesses

LIST OF THE REPRESENTATIVES OF TRADE UNIONS

Sl. No	Name of the Central Trade Union	Name of the Representative
1.	All India Central Council of Trade Unions (AICCTU)	Shri Santosh Roy, National Secretary
2.	Trade Union Coordination Centre	Shri S.P. Tiwari, General Secretary
3.	National Front of Indian Trade Unions	Shri S.K. Mishra, Vice President
4.	Federation of Indian Micro and Small & Medium Enterprises	(i) Shri Naveen Jain-CEC Member & Former Treasurer (ii) Shri V.N. Sastry-Joint Secretary (Projects)
5.	Labour Progressive Federation	Shri C. Kuppusami, Ex-MP, President
6.	United Trades Union Congress (UTUC)	Shri Abani Roy, President

2. At the outset, the Chairman welcomed the representatives of the Central Trade Unions to the sitting of the Committee convened to hear their views on 'The Labour Laws (Exemption from furnishing returns and maintaining registers by certain establishments)

Amendment Bill, 2011' and the 'The Mines (Amendment) Bill, 2011' and also drew their attention to Direction 55 of Directions by the Speaker, Lok Sabha. The Chairman, thereafter, sought their views on the various provisions of 'The Labour Laws (Exemption from furnishing returns and maintaining registers by certain establishments) Amendment Bill, 2011' in the first instance.

3. The representatives of the Trade Unions deposing before the Committee expressed their views and gave their suggestions on various provisions of the Bill. Some of the major views expressed by them related to the following provisions:-

Views of Trade Unions:-

- (viii) The number of establishments having an employable size be increased from 19 to 25 and not which is proposed in the Bill.
- (ix) Abolish 'Inspector Raj'.
- (x) There should be more stress on the implementation aspect of the law.
- (xi) The names and other details of workers should also be included in the format.

Views of FISME:-

Welcomed the amendments as suggested in the Bill.

4. The representatives of the Trade Unions expressed their views and gave their suggestions on various provisions of the 'The Mines (Amendment) Bill, 2011' as under:-

Views of Trade Unions:-

- (i) Punishments needs to be increased.
- (ii) The proposed amendments should not help in reducing the responsibility of the owners and management of any level.

Views of FISME:-

The FISME while supporting the Bill and stated that they will sent their views in fifteen days in writing.

5. The queries raised by members, pertaining to both the Bills, were also responded to by the representatives of Trade Unions.

6. The Chairman then thanked the representatives of Trade Unions for giving valuable suggestions on both the Bills.

The witnesses then withdrew.

7. A copy of the verbatim proceedings was kept for record.

The Committee then adjourned.

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 11TH NOVEMBER, 2011.**

The Committee met from 1500 hrs. to 1530 hrs in Room No.074, Parliament Library Building, New Delhi to consider and adopt the draft Report on 'The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) (Amendment) Bill, 2011' of the Ministry of Labour and Employment.

PRESENT

Shri Hemanand Biswal - Chairman

MEMBERS

LOK SABHA

2. Dr. Virendra Kumar
3. Shri Narahari Mahato
4. Shri Hari Manjhi
5. Shri Sanjay Dina Patil
6. Shri Mahendra Kumar Roy
7. Shri Bhausahab Rajaram Wakchaure

RAJYA SABHA

8. Shri Mohd. Ali Khan
9. Shri Aayanur Manjunatha
10. Shri Rudra Narayan Pany
11. Smt. Renubala Pradhan
12. Shri Rajaram
13. Shri G.N. Ratanpuri

SECRETARIAT

1. Shri Ashok Sajwan - Additional Director
2. Shri Arvind Sharma - Deputy Secretary
3. Smt. Bharti S. Tuteja - Under Secretary

2. At the outset, the Chairman welcomed the Members and apprised them about the draft Report on 'The Labour Laws (Exemption from Furnishing Returns and Maintaining Registers by certain Establishments) (Amendment) Bill, 2011' of the Ministry of Labour and Employment.

3. The Committee took up the draft Report for consideration. The Committee adopted the draft Report without any modification.

4. The Committee then authorized the Chairman to present the same to both the Houses of Parliament.

The Committee then adjourned.