

Bill Summary

The Haryana State Employment of Local Candidates Bill, 2020

- The Haryana State Employment of Local Candidates Bill, 2020 was introduced in and passed by the Haryana legislative assembly on November 5, 2020. The Bill provides at-least 75% of employment to local candidates in private establishments in Haryana. Local candidate means a candidate who has domicile in the state.
- **Applicability:** The Bill will apply to: (i) all companies, societies, trusts, limited liability partnership firms, partnership firms, (ii) any person employing 10 or more persons, and (iii) any entity notified by the government. It will not apply to the central or state government, or any organisation owned by the central or state government. It will be in force for a period of 10 years from the date it comes into effect.
- **Compulsory registration:** All employers in the applicable establishments must register employees with a salary below Rs 50,000 on a designated portal notified by the government. This must be done within three months of the Bill coming into effect. No person can be employed by any employer until such registration is completed.
- **Reservation for local candidates:** All employers must provide 75% of the employment in all applicable establishments to local candidates with a gross monthly salary of up to Rs 50,000. The government may amend this limit through a notification.
- The employer may choose to limit the recruitment of candidates from any district to 10% of the total number of local candidates. The local candidates must register themselves on the designated portal to avail the benefits of reservation under the Bill.
- **Exemptions from providing reservation:** Employers may claim an exemption from the requirement of providing reservation to locals if adequate number of local candidates of desired skill, qualification, or proficiency are not available. This claim will be evaluated by a designated officer (an officer not below the rank of or equivalent to a Deputy Commissioner). The designated officer may, after inquiry: (i) accept the claim, (ii) reject the claim with recorded reasons, or (iii) direct the employer to train local candidates to achieve the desired skill or proficiency. Orders made by the designated officer will be made public on the website of the government.
- **Verification and inspection:** All employers must furnish a quarterly report specifying the details of local candidates employed and appointed by them during the quarter. These reports will be examined by an authorised officer (an officer not below the rank of or equivalent to a sub-divisional officer). Upon inspection, the officer may pass any order necessary for ensuring compliance with the Bill.
- Further, the authorised officer will have the right to enter any premises and conduct inspections to verify compliance with the Bill. The officer may enter the premises only between 6 AM and 6 PM with at least one day's notice.
- **Appeal by employer:** An employer aggrieved by the order of the designated officer or the authorised officer may file a complaint with the Appellate Authority (an officer not below the rank or equivalent rank of labour commissioner) within 60 days. The appellate authority may repeal, validate, or modify the order as passed by the designated officer or the authorised officer.
- **Offences and penalties:** The Bill specifies penalties for various offences. For example, failure to provide 75% employment to local candidates will attract a fine between Rs 50,000 and two lakh rupees. If the violation continues, there will be an additional penalty of up to Rs 1,000 for each day of continued violation.
- Failure to comply with compulsory registration of employees will attract a fine between Rs 25,000 and one lakh rupees, with a further penalty of up to Rs 500 for each day if the violation continues. A court will take cognisance of an offence only if the complaint is made within six months of the date on which the offence came to the knowledge of the designated officer or the authorised officer.

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