

# HR Law Hotline

February 27, 2017

## INDIAN EMPLOYMENT LAW COMPLIANCES REFORMED

- Employers can now maintain consolidated registers in place of the registers required under 9 national labour laws.
- These consolidated registers can be maintained either in hard-copy or electronically.

The Indian government has allowed employers to maintain consolidated registers under 9 national level labour laws.

In a move to streamline compliances required under certain labour laws and with a view to improve to the ease of doing business in India, the Indian Ministry of Labour and Employment has notified the Ease of Compliance to Maintain Registers under various Labour Laws Rules, 2017 ("**Ease of Compliance Rules**").

## LAWS COVERED

The Ease of Compliance Rules covers compliances in relation to the following labour laws:

#	Labour Law	Snapshot
1.	Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996	<ul style="list-style-type: none"> <li>■ Regulates employment and conditions of service of building and other construction workers.</li> <li>■ Applicable to every establishment that employs at least 10 building workers in construction work.</li> </ul>
2.	Contract Labour (Regulation and Abolition) Act, 1970	<ul style="list-style-type: none"> <li>■ Regulates employment of contract labour in establishments and provides for abolition of contract labour in certain circumstances.</li> <li>■ Applicable to establishments engaging at least 20 contract labourers (<i>limit revised by certain Indian states</i>)</li> </ul>
3.	Equal Remuneration Act, 1976	<ul style="list-style-type: none"> <li>■ Provides for payment of equal remuneration to men and women workers and for prevention of discrimination on the grounds of sex.</li> </ul>
4.	Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979	<ul style="list-style-type: none"> <li>■ Regulates the conditions of service of inter-state labourers.</li> <li>■ Applicable to every establishment that employs at least 5 inter-state migrant worker.</li> </ul>
5.	Mines Act, 1952	<ul style="list-style-type: none"> <li>■ Regulates safety measures and the welfare of labourers working in mines.</li> <li>■ Applicable to excavation sites where mining operations for minerals is carried on.</li> </ul>
6.	Minimum Wages Act, 1948	<ul style="list-style-type: none"> <li>■ Fixes minimum wages payable to employees.</li> <li>■ Applicable to all factories, commercial establishments and other employments as provided in the schedule to the law.</li> </ul>
7.	Payment of Wages Act, 1936	<ul style="list-style-type: none"> <li>■ Provides for the time and mechanism for payment of wages to employees and permissible deductions.</li> <li>■ Applicable to industrial and other establishments (<i>extended to shops and commercial establishments in certain Indian states</i>).</li> </ul>
8.	Sales Promotion Employees (Conditions of Service) Act, 1976	<ul style="list-style-type: none"> <li>■ Regulates conditions of service of sales promotion employees in certain establishments.</li> </ul>

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- Applicable to all establishments engaged in select industries including pharmaceutical, cosmetics, soaps, household cleaners and disinfectants, readymade garments, soft drink manufacturing industries, biscuit and confectionaries, ayurvedic, unani and homeopathic medicines, automobiles, surgical equipment, artificial prosthesis and diagnostics, electronics, computers, electrical appliances, and paints and varnishes.

9. Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955
  - Regulates certain conditions of service of working journalists and other persons employed in newspaper establishments.
  - Applicable to establishments set up for production or publication of newspapers, conducting news agencies and certain specified establishments.

## CONSOLIDATED REGISTERS

The Ease of Compliance Rules prescribe the following consolidated registers that are to be maintained by employers:

1. Employee Register
2. Wage Register
3. Register of Loans and Recoveries
4. Attendance Register
5. Register of Rest/Leave/Leave Wages (*to be maintained under the Mnes Act, 1952, Sales Promotion Employees (Conditions of Service) Act, 1976 and Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955*).

As a result of the Ease of Compliance Rules, 56 registers have been merged into 5 registers. Additionally and based on news reports<sup>1</sup> the new registers have 144 data fields as against the 933 filed under the previous set of registers.

Employers are also allowed to maintain the requisite consolidated registers in either hard-copy or in electronic form so long as the integrity, serial number and contents of the columns of the consolidated registers are not modified.

## ANALYSIS

The Ease of Compliance Rules is not just a welcome step for employers but also a huge stride towards making India business friendly. Given the plethora of labour laws in the country, such a proactive step by the government shall significantly reduce the number of registers that employers were required to maintain. Additionally, the option to maintain registers in electronic format will go a long way to make compliance more manageable, both for employers and labour inspectors.

In sum, this is a positive step to improving the labour compliance landscape in India and to reduce compliance costs for employers. The Ease of Compliance Rules is likely to significantly improve India's competitiveness and rankings in the Ease of Doing Business global survey. And not to mention the amount of paper that will be saved by the country due to the reduced compliances, a positive gesture by the government to protect our environment!

— Nishanth Ravindran & Vikram Shroff

You can direct your queries or comments to the authors

<sup>1</sup> <http://economictimes.indiatimes.com/news/economy/policy/in-order-to-improve-ease-of-doing-business-labour-ministry-simplifies-rules-to-maintain-registers/articleshow/57313336.cms>

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