



**Circular No – 066 / 2023**

Date: 25-05-2023

To  
All Members of The Association

**KEA CONGRATULATES CHIEF MINISTER**  
**URGES FOR LABOUR LAW REFORMS**

KEA has written a letter dated 20.05.2023 to the Hon'ble Chief Minister, Government of Karnataka, Congratulating on behalf of the Association. KEA has requested for certain urgent Labour Law reforms. Further, it is emphasised for bringing a paradigm shift in the Administration of the State to make it number one destination for the Investors which would in turn make way for setting up Industries and generation of employment and revenue to the State Exchequer.

A copy of the letter addressed to the Chief Minister is attached.

**For KARNATAKA EMPLOYERS' ASSOCIATION**

**Sd/  
[B C Prabhakar]  
President**



# KARNATAKA EMPLOYERS' ASSOCIATION

NO.74, 2<sup>nd</sup> FLOOR, SHANKARA ARCADE, VANIVILAS ROAD,  
BASAVANAGUDI, BENGALURU - 560 004  
Reg. No. TU 507 / 20-3-1962

**B.C. Prabhakar**, B.A., B.L.,  
President

Date: 20.05.2023

Sri Siddaramaiah,  
Hon'ble Chief Minister  
Government of Karnataka  
Vidhana Soudha  
Bengaluru - 560001

Respected Sir,

## **SUB: MAKE KARNATAKA NUMBER ONE DESTINATION FOR INVESTORS**

1. The Association, the Office Bearers and the Members take this opportunity to congratulate you on your assumption as Chief Minister of Karnataka, a much-deserved responsibility. The people of Karnataka look forward for paradigm shift in the Administration of the State to make it number one destination for the Investors which would in turn make way for setting up of Industries and generation of employment and revenue to the State Exchequer.
2. Our Association is one of the oldest Employers Organization in the state and is in existence for over six decades. The membership of Association consists of public sector undertaking, state as well as central, private industries, software industries and a host of other individual enterprises from different sectors of Industries, Commerce and Service Sector. The membership of association is over 750. The Association has been in the fore front of championing the cause of industry, employers and also maintaining harmonious industrial relations in the industry.
3. Under your leadership, the Association has no doubt that state will prosper. The Department of Industries and Labour which have a crucial role to play in making Karnataka an Industry friendly State

*Bel*

should be headed by dynamic leaders who would take their responsibilities with missionary zeal and bring about changes in functioning of the said departments.

4. Your honour may please keep above requirements of the two important departments for attracting investments in Karnataka which would pave way for employment and generate opportunities to the local youngsters.
5. The Association requests your immediate attention with regard to certain changes in the existing Labour Laws that are required for ensuring maximum investment into the State.
  - a. **Flexible working hours** - This facility is required in order to cater to the varied demands of clients from all over the world as Bengaluru has become the Silicon Valley of the East.
  - b. **Amendment in chapter -VB** of the Industrial Disputes Act 1947 by enhancing the limit to 300 from the existing 100 workmen for seeking permission from the State Government, layoff, retrenchment and closure of industrial establishments. This amendment is very much necessary in view of the fact that several manufacturing industries are being set up in Karnataka particularly in Bengaluru to supply components and other requirements to several hi-tech industries.
  - c. **Amendment to CLRA Act** to increase the threshold for registration under the Act from employment of 20 contract labourers to 50 contract labourers. This amendment will ease the compliance burden of several MSME Industries who are crucial for providing employment opportunities to the large number of workers.
  - d. **Karnataka Shops and Commercial Establishments Act:** In Bengaluru and other parts of Karnataka, there are substantial number of Industrial and Commercial Establishments who have branches in different states of the Country. The Government of India, with a view to ensure uniformity has circulated Model

BCP.



Shops and Establishments Act. Some of the States have already replaced their existing Shops and Establishments Act with the new Act on the basis of Model circulated by Government of India. Karnataka should not lag behind in this important matter and should revise the Shops and Commercial Establishments Act to conform to the Model Shops and Establishments Act circulated by Government of India. This would ensure uniformity in the service conditions of the employees and also registration requirements in respect of organizations who operate on All India basis, particularly, IT and ITEs establishments and other commercial organizations.

6. **Revamping of the Labour Department** – Labour Department would play key role in maintaining proper industrial climate in the Industries. The present attitude of the Officers of the Labour Department, is not conducive for creating such an atmosphere to enable ease doing business in Karnataka. The Association has received from its members several adverse feedback about integrity and honesty of some of the officials of the Labour department. There is an urgent need to revamp the department in such a way that the department becomes a Facilitator for growth of Industries in the State by creating a conducive environment. Towards this, it is also necessary to revise the guidelines with regard to inspection and other formalities to be completed for registration, licence and compliance with focus on facilitating online compliance.
7. The Association looks forward towards heralding a new era in Karnataka under your dynamic leadership and the Association assures fullest co-operation on behalf of employers in Karnataka.

**For Karnataka Employers' Association**

*B. C. Prabhakar*

**B.C. Prabhakar**  
**President**  
**Mobile No. 98440 33348**