

Circular No – 092/2023

Date: 11.09.2023

To

All Members of the Association

COMPLIANCE WITH APPLICABLE LABOUR LAWS

1. The Association has been impressing on the members that complete compliance with the applicable labour laws should be made by the member establishments. The members have been advised to put in place a system for ensuring full compliance with the applicable labour laws and to ensure that periodical update and review of the compliance may be made by the establishments.
2. The members are aware that if the applicable statutory provisions are not complied with, penal consequences will be attracted in accordance with the applicable provisions. Non-compliance would not only attract adverse observations from the Labour Department, but also some of the customers who depute their consultants for audit of the compliance be made by the establishments and any adverse comments from such auditors may affect the relationship with the customers and may also adversely affect the business of the establishment. Compliance with the law of the land in general and in particular of labour laws is therefore not only mandatory but a necessity in the interest of the business of the establishment.
3. Some of the Labour Acts like Shops and Establishments Act, Factories Act, Contract Labour (Regulation and Abolition) Act, Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act 1996 and BOC Workers Welfare CESS Act and other enactments require registration of the establishment with the departments concerned. Failure of such registration would attract penal consequences.



4. The letter dated 31.08.2023 of the Commissioner of Labour Government of Karnataka is already circulated vide KEA Circular No.091/2023 dated 08.09.2023. The member establishments are requested to ensure that wherever it is obligatory to register their establishment under law, the same should be got done within the time frame specified under the applicable Act.
5. Further KEA has addressed a letter dated 11.09.2023 to the Labour Commissioner appreciating the initiative taken by the Hon'ble Minister of Labour and Commissioner of Labour advising the Employers to ensure compliance. We have also highlighted the problems and harassment faced by the employers in the course of compliance with law and requested the Commissioner of Labour to ensure that employers would not face difficulties in future. Copy of the letter is enclosed.

For KARNATAKA EMPLOYERS' ASSOCIATION
Sd/
[B C Prabhakar]
President



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KARNATAKA EMPLOYERS' ASSOCIATION

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Reg. No. TU 507 / 20-3-1962

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

Date:11.09.2023

Labour Commissioner
Department of Labour
Government of Karnataka
Karmika Bhavana
Bannerhatta Road
Bengaluru -560029
E-mail: labour.commissioner42@gmail.com

Dear Sir,

Sub: Registration under Karnataka Shops and Commercial Establishments Act

1. The Association acknowledges the receipt of your letter no. P&S/SCA/CR-07/2023-24 dated 31.08.2023.
2. The Association appreciates the initiative taken by the Hon'ble Minister of Labour and also the Commissioner of Labour to advise the Industrial and Commercial Establishments to ensure compliance with Labour Laws and complete the registration formalities wherever required. The Association will be glad to join hands with the Labour Department in ensuring that the Industrial and Commercial Establishments of Karnataka comply with applicable labour laws without exception including the completion of the formalities of registration etc. The Association has issued circular advising all its members to comply with the applicable labour laws and complete wherever necessary registration formalities. Copy of the circular is enclosed.

3. We take this opportunity to place before the Hon'ble Commissioner, feedback received from some of the members of the association with regard to the problems and difficulties faced by them with the officials of the Labour Department. Some of the feedbacks received are listed below:

- The inspecting officials arrive at the factory or the establishment unexpectedly. If the official concerned with the compliance with the labour laws is not available and if the officials present at the establishment are not able to produce the document required or information sought by them, the enforcement officials record that the documents relating to compliance have not been produced and call the concerned officials to produce the documents at their office. When the officials of the establishment visit the official concerned at their office for producing documents either they are not available or would harass the establishment and the officials in different manners.
- One of the frequent complaints received from the members is that the enforcement officials may make "**demands**" and unless the demands are met, they would continue to harass the establishment concerned and its officials. Such conduct may please be discouraged.
- Even though in order to avoid personal contact, the registration and other formalities are now made online, the same has not changed the attitude of the officials of the labour department. They continue to harass the establishment and its officials with their personal requirements and thus defeat the very object of faceless compliance.
- Another grievance of our members is that in cases where the branch office is located in Bengaluru/ Karnataka and Head Office is located outside and the compliance in such companies

is made at corporate level at the Head Office, the Labour Officials demand for compliance documents and if the local office inform them that the compliance is done at the corporate office, without seeking any further information issue show cause notice to the officials at the corporate office. There are also instances where the Labour officers have without even waiting for the response from the Corporate Office have initiated prosecution. This conduct on the part of the Labour Department officials requires to be remedied.

- There are several instances, where the prosecution has been launched against the employers on frivolous grounds most of which have been quashed by the courts with adverse remarks against the officials of the Labour Department.
4. The Association has brought the above to your kind notice not by way of a complaint but by way of a feedback and we are sure that the Hon'ble Authority will look into these matters and ensure that the employers do not continue to face above type of difficulties in future.
 5. The Association once again assures your good-self that it will co-operate with the department in ensuring that all the Labour Laws as applicable are complied with by their members and statutory benefits available to the employees /workmen are made available by the employers without exception.

For Karnataka Employers' Association

B. C. Prabhakar

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President

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