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RECENT LABOUR LAW UPDATES

FASTER REGISTRATION AND RENEWAL PROCESS UNDER MAHARASHTRA SHOPS AND ESTABLISHMENTS ACT, 1948

The Industries, Energy and Labour Department, Government of Maharashtra has issued a notification dated 18 May 2015 (“**Amendment**”) requiring the authorities to complete registration/ renewal process within 7 working days under the Maharashtra Shops and Establishments Act, 1948 (“**MSE Act**”) failing which the application is deemed to be approved.

Background

Section 7 of MSE Act requires every employer of an establishment to obtain registration of such establishment. Further, section 7(2A) of the MSE Act requires that a certificate of registration issued to an establishment be renewed every 12 months. Rule 6 of the Maharashtra Shops and Establishment Rules, 1961 (“**MSE Rules**”) stipulates the procedure for application and grant of the registration certificate and its renewal.

Amendment to the MSE Rules

Pursuant to the Amendment, the MSE Rules now provide that within 7 working days from the receipt of the requisite application and the fees, the labour inspector is required to:

- (a) register or renew the registration of the establishment and issue a registration or renewal certificate in the prescribed format to the employer; or
- (b) reject the application and communicate such rejection to the applicant.

In the event that the labour inspector fails to do so, the registration or renewal of the registration of the establishment shall be deemed to have been granted.

Copy of the receipt of the application (given to the applicant at the time of submission of the application) along with copy evidencing payment of fees shall be deemed to be the certificate of registration or renewal under the MSE Act.

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Analysis

Prior to the Amendment, there was no period prescribed within which the labour inspector was required process applications for registration and renewal. Pursuant to the Amendment a period of 7 working days has now been prescribed for grant of registration and renewal thereof failing which the application is deemed to have been approved. In our view, this is a positive step taken by the Government of Maharashtra to make the registration process a time bound exercise and will certainly aid the ease of doing business in the state.

SCHEME FOR SELF-CERTIFICATION AND CONSOLIDATED ANNUAL RETURNS

Background

In the year 2006, the Government of Maharashtra introduced a 'Self Certification Scheme', where employers can suo-moto certify that they are correctly implementing labour laws ("**2006 Scheme**"). However the 2006 Scheme got very poor response from employers, factories and establishments.

The Government of Maharashtra has therefore decided to simplify the 2006 Scheme and has now introduced a revised 'Self Certification Scheme' in supersession of the 2006 Scheme vide notification dated 23 June 2015 ("**Scheme**").

The present Scheme allows factories, shops and establishments to submit consolidated annual returns in lieu of multiple returns under various labour laws. It also minimizes inspection visits by the labour authorities. It is pertinent to note, however, that the Scheme does not apply to factories, shops and establishments covered under the Maharashtra Factories (Control of Industrial Major Accidents Hazards) Rules, 2003 and factories in which there is use, storage, handling or processing of hazardous chemicals.

Acts Covered under the Scheme

The Scheme covers the following statutes and rules framed thereunder:

- i. The Payment of Wages Act, 1936
- ii. The Minimum Wages Act, 1948
- iii. The Contract Labour (Regulation & Abolition) Act, 1970
- iv. The Maternity Benefit Act, 1961
- v. Payment of Bonus Act, 1965
- vi. Payment of Gratuity Act, 1972
- vii. Equal Remuneration Act, 1976
- viii. Maharashtra Workmen's Minimum House Rent Allowance Act, 1983
- ix. The Factories Act, 1948
- x. The Maharashtra Shops and Establishment Act, 1948
- xi. Inter State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- xii. The Beedi & Cigar Workers (Conditions Of Employment) Act, 1966

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- xiii. The Motor Transport Act, 1961
- xiv. The Child Labour (Prohibition & Regulation) Act, 1986
- xv. The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013
- xvi. Bonded Labour System (Abolition) Act, 1976

Analysis

The Scheme addresses the need of the hour. It is likely to improve the ease of doing business for shops, establishments and factories in the state since it will cut down on inspections by officers of the labour department and will allow employers to submit consolidated annual returns in lieu of multiple returns under various labour laws.

DISCLAIMER

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