

As part of the objective to make it easier to do business in India, India's finance minister had proposed in the annual budget for fiscal 2017 to introduce legislative reforms to simplify, rationalise and amalgamate existing labour laws into four codes dealing with wages; industrial relations; social security and welfare; and safety and working conditions. As a first step in that initiative, on 21 February 2017, India's central government notified the Ease of Compliance to Maintain Registers under various Labour Laws Rules, 2017 (the "EOC Rules"). The EOC Rules consolidates 56 different registers into five registers under the following labour legislations:

Legislation	Purpose
Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996	Regulates employment and conditions of service of building and other construction workers.
Contract Labour (Regulation and Abolition) Act, 1970	Regulates employment of contract labour in establishments and provides for abolition of contract labour in certain circumstances.
Equal Remuneration Act, 1976	Provides for payment of equal remuneration to men and women workers and for prevention of discrimination on the grounds of sex.
Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979	Regulates the conditions of service of inter-state labourers.
Mines Act, 1952	Regulates safety measures and the welfare of labourers working in mines.
Minimum Wages Act, 1948	Fixes minimum wages payable to employees.
Payment of Wages Act, 1936	Provides for the time and mechanism for payment of wages to employees and permissible deductions.
Sales Promotion Employees (Conditions of Service) Act, 1976	Regulates conditions of service of sales promotion employees in certain establishments.
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.

The five registers required to be maintained under the EOC Rules are:

1. Employee register
2. Wage register
3. Register of loan and recoveries
4. Attendance register
5. Register of rest days, leave account of employees and leave with wages

The EOC Rules allow an employer to maintain these five registers electronically. Additionally, the central government plans to release software on a free basis to facilitate the maintenance of these registers in digitized form. According to the central government, the EOC Rules would affect 58.5 million establishments in agricultural and non-agricultural sectors.

## Impact

Under the Constitution of India, labour is a subject in the concurrent list where both the central and state governments are competent to enact legislation subject to certain matters being reserved for the central government. A number of state governments have enacted their own rules under the above mentioned labour laws. While the EOC Rules substantially reduce the number of registers to be maintained by establishments, until such state governments adopt the EOC Rules, the EOC Rules will not be applicable to an establishment located in that state and such establishments will need to comply with the relevant rules passed by the state government.

In recent years the central government has made several efforts to streamline and simplify the compliance requirements under various labour laws, including introducing bills such as the Model Shops and Establishments (Regulation of Employment and Conditions of Service) Bill 2016 and amendments to Indian maternity benefit laws introduced through the Maternity Benefit (Amendment) Bill 2016. Amendments have also been proposed to some federal laws relating to factories and the use of apprentices. Until the state governments adopt the relevant initiatives being introduced by the central government, employers may still have to endure unwieldy compliance requirements under the various labour laws.

## Contacts



**Biswajit Chatterjee**

Partner, Corporate  
Co-chair, India Practice  
T +65 6922 8664  
E [biswajit.chatterjee@squirepb.com](mailto:biswajit.chatterjee@squirepb.com)



**Salil Rajadhyaksha**

Senior Associate  
T +65 6922 8661  
E [salil.rajadhyaksha@squirepb.com](mailto:salil.rajadhyaksha@squirepb.com)



**Isha Malhotra**

Associate  
T +65 6922 8668  
E [isha.malhotra@squirepb.com](mailto:isha.malhotra@squirepb.com)

---

The contents of this update are not intended to serve as legal advice related to individual situations or as legal opinions concerning such situations, nor should they be considered a substitute for taking legal advice.

© Squire Patton Boggs.

All Rights Reserved 2017