

NASSCOM's STATEMENT ON MODEL SHOPS AND ESTABLISHMENTS ACT

NASSCOM welcomes the announcement of the Cabinet considering the Model Shops and Establishments Act and referring this to the States / UT for voluntary adoption. NASSCOM has been representing to the Government on the need for a comprehensive labour code which can address the needs of the IT-BPM sector. This if adopted by States will bring in uniformity in the legislative provisions and working conditions across the country and facilitate ease of doing business for the sector. This is in line with the announcement made by the Hon'ble Finance Minister in his Budget speech 2016.

The current changes proposed in the model shops and establishment act include some key recommendations by NASSCOM, including:

- Exemption of highly skilled workers (for example workers employed in IT, Biotechnology and R&D division) from daily working hours of 9 hours and weekly working hours of 48 hours subject to maximum 125 over-time hours in a quarter. This was a key recommendation from NASSCOM as it enables the employee to aggregate working hours over a longer period of time thus providing flexibility to meet project deadlines. In the IT sector, employees performance is judged on the outcome of a project and not necessarily linked to the time spent in office premises.
- The Bill provides for freedom to operate 365 days in a year and opening/closing time of establishment. This may not grant exemption from election holidays and other exigencies.
- Women to be permitted during night shift. This is being permitted for IT companies even now subject to the conditions specified related to safety, transport. Most State IT policies have enabled this though specific approvals are needed. The policy when implemented by the state could grant blanket approval for the highly skilled workers.
- Online one common registration through a simplified procedure. NASSCOM had recommended the need for a unified procedure and this has been addressed.

Mr R. Chandrashekhar, President, NASSCOM said, “we thank the government for considering changes to the Shops and Establishment Act and introducing a model law for the consideration of the State Government. We would urge State Governments to consider this positively and help implement the same. This announcement will help to address some immediate areas, but does not take away the need to have a sector focused labour code for IT sector.”