

## LABOUR LAWS FOR ITES COMPANIES

West Bengal offers the simplest labour laws as compared to other states. The state believes that Entrepreneurs will take almost important to safeguard the interests of their employee, and has not instituted any stringent requirement like many other states in India.

Some of highlights are as follows:

- a. All ITES companies are granted the status of 'Public Utility Service' providers under the Industrial Disputes Act, 1947. The majority of employees in ITES organisations are outside the purview of the 'blue-collared worker' class. However, in view of the Government's understanding of 24x365 operations of the ITES sector, the Government has decided to classify the ITES sector as 'Public Utility Service'
- b. All ITES units are deemed 'establishment' under the purview of the West Bengal Shops and Commercial Establishments Act, 1963.
- c. Given the round-the-clock nature of work that is part of the ITES industry, the Government grants it permission to work on a 24x7x365 model. These units are also exempt from the following provisions of the West Bengal Shops and Commercial Establishment Act, 1963.
  - i. Closing an establishment and granting of a weekly holiday under Section 5 (1) of the Act, provided that every individual has at least one day off every week and a compulsory day off in lieu of working on bank holidays. This would enable the ITES companies to run their operations on all seven days of the week.
  - ii. Opening and closing hours under Section 7 (1) of the Act. This would enable the ITES industry to run a three-shift operation.
  - iii. Working hours' stipulation under Section 7 (2) of the Act. This will enable 'flexitime' operations for its employees.
  - iv. Enabled to engage female employees between 8 pm and 6 am, under Section 10 (b) of the Act subject to (i) Special arrangements being made for protection of female employees during these hours; (ii) Female employees being employed jointly or in a minimum group of 10 female employees; (iii) Arrangement of a separate rest room for female employees; (iv) A minimum of 50 people to be employed during these hours (including female employees).
- d. Under section 13 of the West Bengal Shops and Commercial Establishment Act, 1963 the ITES companies will now have an option of giving compensatory day off to an employee if the quantum of work exceeds 48 hours a week.
- e. Under the Employment Exchange Compulsory Notification of Vacancies Act, 1959, ITES companies will be required to send a consolidated report every quarter on the vacancies to the concerned employment exchange. The exchange, will, however sponsor names only when specifically requested to do so by the company.