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NEWSFLASH

Haryana Government passes Bill allowing 75% reservation for locals in private jobs



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Haryana's Governor, Mr. Satyadeo Narain Arya has sanctioned the Haryana State Employment of Local Candidates Bill, 2020 which shall be effectual for a patch of 10 years from the date of its constitution i.e. 2nd March 2021. The Act warrants reservation and provisioning of at least 75% of stipulated private sector employment, to dwellers of Haryana.

Applicability & Requirements

All the companies, societies, trusts, limited liability partnership firms, partnership firms and any person employing 10 or more persons (covered employers) and an entity, as may be notified by the government from time to time shall come under the ambit of this Act.

Every covered employer shall be required to employ 75 per cent local candidates for the posts where the gross monthly salary or wages are not more than INR 50,000, or as notified by the government from time to time.

All such employers shall be obligated to lodge details of employees in their establishment who earn gross 'salary or wages' up to INR 50,000 per month on a designated portal, as has been instituted by the government in this regard, within three months of the Act coming in force.

A local candidate, i.e. one who is "domiciled in State of Haryana" and shall be able to avail the benefit of this reservation, while seeking employment in private sector. The candidate will also have to mandatorily register himself/herself on a designated portal while seeking benefit under this reservation. Further, the Employer will have to make recruitments through the portal, itself.

Compliance

Covered employers would be required to furnish quarterly reports on the designated portal, giving details of local candidates employed and appointed during the period.

Exception

The employer may claim exemption where adequate number of local candidates of a desired skill, qualification or proficiency are not available. An application, in a particular format (to be drafted later), shall be required to be made, to the 'Designated Officer' (an officer not below the rank of a Deputy Commissioner) appointed under the Law.

On receipt of the application, the Designated Officer shall hold an inquiry and evaluate the attempts made by the employer to recruit local candidates of the desired skill, qualification or proficiency. Subsequent to the evaluation, he may accept/ reject the claim of the employer seeking exemption. The Designated Officer may also direct the Employer to train local candidates to achieve the desired skill, qualification or proficiency.

Penalties for contravention

If it is established that the employer has committed a violation of provisions of the Act, a fine (minimum INR 10,000 to a maximum INR 2 lakh), may be imposed on the employer. If the employer continues to commit the violation even after conviction, a penalty of INR 1,000 per day till the violation continues shall be levied.

Additionally, a penalty of INR 50,000 shall be charged on the employer who produces false records or counterfeits or knowingly makes/ produces a false statement. On a subsequent offence, penalty shall not be less than INR 2 lakh but may even extend to INR 5 lakh.

Way forward

The enactment of the Bill shall have a far reaching impact on businesses in Haryana. Establishments in the state shall have to ensure compliance, and within three months from the law coming into force, register employees receiving gross monthly salary or wages less than INR 50,000. Further, employers shall have to employ 75% of the local candidates with respect to such posts where the gross monthly salary or wages are not more than INR 50,000. Additionally, quarterly returns shall also have to be furnished under the Act. Therefore, covered employers must be prepared well in advance as non-compliance to the law entails hefty fine and penalty.

**NOIDA**

(Delhi NCR - Corporate Office) A-109, Sector 136, Noida - 201304
T: +91 120 5123000

DELHI

(Registered Office) B-27, Soami Nagar, New Delhi-110017, India
T: +91 120 5123000

GURUGRAM

812-814, Tower B, Emaar Digital Greens Sector 61, Gurugram, Haryana, 122102
T: +0124-4301551/1552/1554

MUMBAI

11th Floor, B Wing, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai 400013, India | T: +91 22 61737000

CHENNAI

Prestige Palladium Bayan, Level 5, 129-140, Greams Road, Thousand Lights, Chennai 600006
T: +91 44 46549201

BENGALURU

Embassy Square, #306, 3rd Floor 148 Infantry Road Bengaluru, Karnataka 560001
T: +91 80 2228 0999

PUNE

3rd Floor, Park Plaza, CTS 1085, Ganeshkhind Road, Next to Pune Central Mall, Shivajinagar, Pune - 411005

DEHRADUN

First Floor, "IDA" 46 E. C. Road, Dehradun – 248001, Uttarakhand
T: +91 135 271 6300/301/302/303

www.nangia-andersen.com | query@nangia-andersen.com

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