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Micro, Small and Medium
Enterprises (F) Department
Secretariat, Chennai-9.

Letter No. 507/F/2015-1, dated 23.01.2016

From
Thiru A. Muthiah, M.A.,
Deputy Secretary to Government.

To
1 The Additional Chief Secretary / Industries Commissioner and
Director of Industries and Commerce,
Chennai-32 .(w.e)

The Additional Chief Secretary/Managing Director,
SIDCO, Guindy, Chennai-32.(w.e)

The Additional Chief Secretary/Chairman and Managing Director,
TANSI, Guindy, Chennai-32 (w.e)

The Principal Secretary/Director,
EDI, Guindy, Chennai-32 (w.e)

Sir,

IS (Engg)
Sub: To Regulate the Inspections in the start-ups in MSME
Department units in Tamil Nadu – Rejections – Regarding.

Ref: From Secretary to Government of India, Ministry of Labour
and Employment, New Delhi addressed to Chief Secretary
to Government D.O. letter No.Z-13025/39/2015-LR Cell,
dated 12.01.2016.

I am directed to enclose copy of the letter cited and request you to take
appropriate action to regulate the inspections in the startups as suggested in the
Government of India letter scrupulously whereas applicable.

Yours faithfully,

Theyagaran 27/1/16
for Deputy Secretary to Government

BB
25/1/16.



शंकर अग्रवाल, आई०ए०एस०

भारत सरकार के सचिव

SHANKAR AGGARWAL, I.A.S.
Secretary to Govt. of India

MINISTRY OF LABOUR & EMPLOYMENT
SHRAM SHAKTI BHAVAN
NEW DELHI - 110001

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श्रम शक्ति भवन

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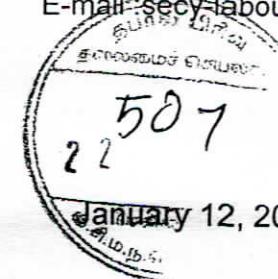
Fax : 91-11-23 35 56 79

E-mail : SecyLabour@nic.in

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D.O. No. Z-13025/ 39 /2015-LR-Cell

26
21.01.2016

Chief Secretary
166 /CS /Ans
19 JAN 2016
Govt. of Tamil Nadu



Dear Chief Secretary,

Government of India has decided to promote the Start-Up ecosystem in the country to incentivize the entrepreneurs in setting up new start-up ventures and thus catalyze the creation of employment opportunities through them. In this connection, various incentives and ease in regulatory compliance provisions are being conceptualized. Start-ups are defined by Department of Industrial Policy & Promotion (DIPP), as an entity, incorporated or registered in India not prior to five years, with annual turnover not exceeding Rs. 25 crores in any preceding financial year, working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.

2. Promoting the Start-ups, as defined above, would need special handholding and nurturing. Thus such Start-ups, as defined by DIPP, may be allowed to self-certify compliance with the Labour Laws. The Labour Laws to be covered under this are:

*Ans (Final)
Pr. Secy MMS
24/6
Secty 24/6
J. 20/11
Ans*

- (1) The Industrial Disputes Act, 1947
- (2) The Trade Unions Act, 1926
- (3) The Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996
- (4) The Industrial Employment (Standing Orders) Act, 1946
- (5) The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- (6) The Payment of Gratuity Act, 1972
- (7) The Contract Labour (Regulation and Abolition) Act, 1970
- (8) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- (9) The Employees' State Insurance Act, 1948

3. It is observed that out of the 9 Central Labour Acts above, first 7 Acts are implemented both by State Government (State sphere) and Central Government (Central sphere). Last two (EPF and ESI Act) are mainly implemented by Central Government. Also, out of these 7, only 4 Acts (viz. *Industrial Disputes Act, Building & Other Construction Workers Act, Inter-State Migrant Workmen Act, and Contract Labour Act*) require establishments to file Return. Similarly, only 4 Acts (viz *Building & Other Construction Workers Act, Inter-State Migrant Workmen Act, Payment of Gratuity Act and Contract Labour Act*) require inspection of the establishments by Inspectors.

4. In view of the above, State / UT Governments are advised that:

- (i). For the first year of setting up of the Start-ups such establishments may not be inspected under any of the 4 Labour laws mentioned above (viz. BoCW Act, ISMW Act, Payment of Gratuity Act and Contract Labour Act). These start-ups may be asked to submit an online self-declaration instead.
- (ii). Start-Ups may be allowed to submit self-certified returns (as is being done under *Shram Suvidha Portal under these Acts for the Central sphere*) under aforesaid Acts. From the second year onwards, upto three year from the setting up of the unit, such Start-ups may be taken up for inspection only when very credible and verifiable complaint of violation is filed in writing and the approval has been obtained from at least one level senior to the inspecting officer.

5. You are, therefore, requested to direct the concerned Departments in your State/UT to regulate the inspections in the Start-ups, as suggested above, wherever applicable. For submitting self-certification online, the Shram Suvidha Portal of Government of India may be used.

With regards

Yours sincerely

(Shankar Aggarwal)

Shri K. Gnanadesikan,
Chief Secretary,
Government of Tamil Nadu,
Fort St. George,
Chennai – 600 009.