



कर्मचारी भविष्य निधि संगठन
(श्रम एवं रोजगार मंत्रालय, भारत सरकार)
EMPLOYEES' PROVIDENT FUND ORGANISATION
(Ministry of Labour & Employment, Govt. of India)
मुख्य कार्यालय / Head Office
भविष्य निधि भवन, 14-भीकाजी कामा प्लेस, नई दिल्ली-110 066.
Bhavishya Nidhi Bhawan, 14, Bhikaiji Cama Place, New Delhi - 110 066.

No C-III/011/03(30)2016/DL/D.O/Start-ups/22

Dated: 21.01.2016

To

All Additional Central PF Commissioners (Zones),
All Regional P.F. Commissioners-I (In-Charge of Regions),
All Regional P.F. Commissioners-II (In -Charge of SROs).

Subject: Promotion of Start-Up Ecosystem in India -Instructions regarding inspection of Start-ups.

Sir/Madam,

Kindly refer to *the Secretary (Labour & Employment) D.O Letter No. Z-13025/39/2015-LR Cell dated 12.01.2016* regarding promotion of Start-Up Ecosystem in India (*Copy enclosed*).

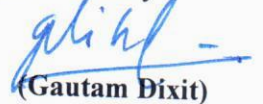
In terms of directions contained therein, for the purpose of *EPF & MP Act, 1952*, all concerned are required to adhere to the following directions:

- For the first year of setting up of the Start-ups, such establishments may not be inspected under EPF & MP Act, 1952. These Start-ups may be asked to submit an online self-declaration instead.*
- Start-Ups are allowed to submit self-certified returns under EPF & MP Act, 1952. From the second year onwards, up to three year from the setting up of the unit, such Start-Ups may be taken up for inspection only when very credible and verifiable complaints of violation is filed in writing and the approval has been obtained from the Central Analysis and Intelligence Unit (CAIU).*

It is therefore advised 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. Please acknowledge the receipt.

(This issues with the approval of the competent authority)

Yours Sincerely


(Gautam Dixit)

Regional P.F. Commissioner-I(compliance)

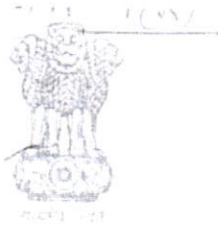
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शंकर अग्रवाल, आई०ए०एस०

भारत सरकार के सचिव

SHANKAR AGGARWAL, I.A.S.

Secretary to Govt. of India

MINISTRY OF LABOUR & EMPLOYMENT
SHRAM SHAKTI BHAVAN
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D.O. No. Z-13025/ 39 /2015-LR Cell

January 12th, 2016

Dear KE,

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:

- (1) The Industrial Disputes Act, 1947
- (2) The Trade Unions Act, 1926
- (3) The Building and Other Constructions 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 9, only 6 Acts (*viz. Industrial Disputes Act, Building & Other Construction Workers Act, Inter-State Migrant Workmen Act, Contract Labour Act, EPF Act and ESI Act*) require establishments to file Return. Similarly, only 6 Acts (*viz Building & Other Construction Workers Act, Inter-State Migrant Workmen Act, Payment of Gratuity Act, Contract Labour Act, EPF Act and ESI Act*) require inspection of the establishments by Inspectors.

4. In view of the above, for implementation of the above 9 Acts in the Central sphere, it is directed that:

- (i) For the first year of setting up of the Start-ups such establishments may not be inspected under any of the 6 Labour laws mentioned above (*viz. BoCW Act, ISMW Act, Payment of Gratuity Act, Contract Labour Act, EPF Act and ESI Act*). These start-ups may be asked to submit an online self-declaration instead.
- (ii) Start-Ups are allowed to submit self-certified returns 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 the Central Analysis and Intelligence Unit (CAIU).
5. You are, therefore, requested to direct the concerned officials in your organisation to regulate the inspections in the Start-ups, as suggested above, wherever applicable. For submitting self-certification online, the Shram Suvudha Portal of Government of India may be used.

With regards

Yours sincerely



13/11

(Shankar Aggarwal)

Sh. K. K. Jalan,
Central Provident Fund Commissioner,
EPFO, New Delhi