

Ref. No. 106/8362

8 March 10

Shri P.C. Chaturvedi, I.A.S,  
Secretary, Labour & Employment  
Ministry of Labour & Employment  
Govt of India,  
Shram Shakti Bhawan, New Delhi

Mr. Dinesh Rai, IAS  
Secretary MSME  
Ministry of MSME, Govt. of India,  
Udyog Bhawan, New Delhi

Shri Madav Lal, I.A.S  
AS & DC MSME  
Ministry of MSME  
Govt of India, Nirman Bhawan  
7th Floor, A wing, Maulana Azad Road, New Delhi

**Subject: Concept proposal for providing Social Security to all the workers in MSE Sector and Simplification of Labour Laws.**

Sir,

For so many decades we are struggling with two main issues i.e. availability of Social Security to all workers and simplification of Labour Laws for Micro and Small Sector. Both the issues are important but in political circles these are looked upon as contradictory to each other. Hence despite several rounds of discussions over the years only a small fraction of the total workforce Employed in MSE Sector is covered under the EPF and ESIC Schemes and MSE entrepreneurs are also buried under the loads of several Labour Laws.

I therefore propose a solution to the problem as under:-

1. A Social Security tax of 0.5% of the sales turn over (proposed to be charged alongwith G.S.T) may be levied.
2. MSE's may then be exempted from payment of EPF, ESI, Gratuity and Bonus and from submitting the related reports and returns up except proposed for Social Security tax.
3. Every Worker may be issued an identification card which should be valid even if he/she switches over the job. All the benefits may be provided to the worker and his/her family based on this card.

If this proposal is agreed in principle, an expert group may be constituted to work out the details of the scheme including its implementation process. I foresee a win-win situation for both the workers as well as MSE's if such a scheme is designed and implemented properly.

Submitted for your kind consideration and recommendations to the appropriate authorities.

Thanking you,  
Your's truly

Anil Gupta  
President