

GOVERNMENT OF INDIA
MINISTRY OF ELECTRONICS AND INFORMATION TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION NO. 1227
TO BE ANSWERED ON: 16.12.2022

LARGE SCALE LAYOFFS IN IT SECTOR

1227. DR. ANBUMANI RAMADOSS:

Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) whether the Central Government is aware about the rampant and large scale layoffs in IT & IT- related sectors in the country;
- (b) if so, the reasons therefor;
- (c) whether the Central Government has any policy mechanism to constitute a legal and institutional mechanism to oversee the rampant, unfair, illegal and unethical layoffs done across various IT companies in the country; and
- (d) if so, the details steps taken thereof?

ANSWER

MINISTER OF STATE FOR ELECTRONICS AND INFORMATION TECHNOLOGY
(SHRI RAJEEV CHANDRASEKHAR)

(a): As per National Association of Software and Service Companies (NASSCOM), the Indian IT industry continues to be a net hirer, having added nearly 8,00,000 direct jobs during the Financial Years 2020-21 and 2021-2022.

(b): Layoffs and attrition are a part of the changing skill and talent requirement in the IT sector. To assist reemployment, the Government has implemented FutureSkills PRIME (Programme for Re-skilling/Up-skilling of IT Manpower for Employability) programme in order to re-skill/ up-skill the IT professionals.

(c) and (d): Employment including lay-offs is a regular phenomenon in industrial establishments. Matters relating to lay-off in industrial establishments are governed by the provisions of the Industrial Disputes Act, 1947 (ID Act) which also regulates various aspects of lay-off. As per the ID Act, establishments employing 100 persons or more are required to seek prior permission of the appropriate Government before effecting lay-off. Further, lay-off is deemed to be illegal which is not carried out as per the provisions of ID Act. ID Act also provides for right of workmen laid off for compensation. Based on their respective jurisdictions as demarcated in the ID Act, Central and State Governments take actions to address the issues of the workmen and protect their interests as per the provision of the Act. In the establishments that lie in the jurisdiction of Central Government, the Central Industrial Relations Machinery (CIRM) is entrusted with the task of maintaining good Industrial relations and protects the interest of workers including on the matters relating to lay off and its prevention. The jurisdiction in the matters with regard to IT and IT- related sectors lie with the respective State Governments.
