

**GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT
LOK SABHA
UNSTARRED QUESTION NO. 1965
TO BE ANSWERED ON 13.03.2023**

LAYOFFS IN MULTINATIONAL AND INDIAN COMPANIES

**1965. SHRI S. VENKATESAN:
SHRI BHARTRUHARI MAHTAB:
MS. NUSSRAT JAHAN:
SHRI THIRUNAVUKKARASAR SU:**

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

- (a) whether the Government has taken cognizance of the mass layoffs in various multinational and Indian companies in the IT, social media, Edu Tech firms, online shop traders within the country and abroad, start-up companies and related sectors;**
- (b) whether the Government is aware about the unethical and illegal layoffs of the employees by many big IT companies and online retail companies;**
- (c) if so, the number of workers who have lost their jobs in mass layoffs in these sectors, company/ sector-wise;**
- (d) whether the Government has taken any steps to address the issues of those employees and to ensure the welfare of these workers and conducted any study on unethical and illegal layoffs by companies;**
- (e) if so, the details thereof along with any guidelines issued in this regard including steps taken to protect the interests of the working class and to save their livelihood; and**
- (f) whether the Government proposes to intervene to prevent such mass layoffs in future, if so, the details thereof and if not, the reasons therefor?**

ANSWER

**MINISTER OF STATE FOR LABOUR AND EMPLOYMENT
(SHRI RAMESWAR TELI)**

(a) to (f) Employment and retrenchment including lay-offs are a regular phenomenon in industrial establishments. Matters relating to lay-offs in industrial establishments in the country are governed by the

Contd..2/-

provisions of the Industrial Disputes Act, 1947 (ID Act) which also regulates various aspects of lay-off and conditions precedent to retrenchment of workmen. As per the ID Act, establishments employing 100 persons or more are required to seek prior permission of the appropriate Government before effecting closure, retrenchment or lay-off. Further, any retrenchment and lay-off are 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 and retrenched for compensation and it also contains provision for re-employment of retrenched workmen. 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 multi-national and Indian companies in the IT, social media, Edu Tech firms, online shop traders, start-up companies and related sectors lie with the respective State Governments.
