

Recommendations related to the “The Private Placement Agencies (Regulation) Bill – Draft”

S. No.	Particulars (clause, sub-section, section)	Views / Comments / Suggestions / Remarks / Recommendations
1.	Sub-section (1) of “Section 3. Mandatory Registration”	The duration be reduced from 180 days to 120 days for certain specific reasons related to the urgent and expeditious need to create awareness and build supportive systems that are necessary to deal with fraudulent private placement agencies putting lakhs of job-seekers at risk. Hence, it is suggested that the mandatory registration window be reduced from 180-days to 120-days.
2.	Sub-section (4) of “Section 3. Mandatory Registration”	The draft did not include the definition of “Local Placement Support Authority” anywhere. Given the use-case, a local placement support authority can be either a local support authority of state placement support authority or that of a central placement support authority. It is also suggested to create a dedicated local placement support authority for municipal corporations across the country which are the engines of the Indian urbanization, globalization and rapid economic progress. Hence, we request you to address this ambiguity.
3.	Sub-section (2) of Section 4: Application for Registration	Under Clause – (i), it is suggested to provide a 30-day window period for the applicants before refusing the registration in order to safeguard the applicant’s right to being heard with reasonable opportunity.
4.	Sub-section (3) of Section 4: Application for Registration	Under Clause – (b), it is suggested to create two separate functional sub-categories, 1. Private Placement Agencies which provide Skilling to job-seekers shall have their registration validity period for 5 years. (to be referred to as “Class-A PPAs” hereinafter) 2. Private Placement Agencies which DO NOT provide Skilling to job-seekers shall have their registration

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		validity period for 4 years. <i>(to be referred to as “Class-B PPAs” hereinafter)</i> Removing such a remedy might lead to an adverse impact on the livelihood of the users.
5.	Sub-section (3) of Section 4: Application for Registration	Under Clause – (c), it is suggested that the renewal process also include the following key performance indicators (KPIs), • <i>Total job-seekers enrolled over the preceding registration period.</i> • <i>Total job-seekers who got employment through the placement agency.</i> • <i>Total job-seekers who could not secure any employment.</i> • <i>Job-seekers’ feedback of the placement agency to be sought, recorded and maintained separately by the Central, State and, or Local Placement Support Authorities as applicable.</i> • <i>Average package (in terms of CTC in LPA) received by the Job-seeker.</i> • <i>Number of skilling courses offered by the Placement Agency either on its own (or) in partnership with external skilling agencies.</i> • <i>Number of sectors, areas across which such skilling courses are offered.</i> Period of validity extension shall be the same as was accorded at the time of registration i.e., in case of 1. Class – A PPAs, renewed validity extension period shall be for 5 years. 2. Class – B PPAs, renewed validity extension period shall be for 4 years. However, in cases involving sub-par KPIs of PPAs, it is suggested to reduce the renewal period to 1. <u>4 years</u> for Class – A PPAs. 2. <u>3 years</u> for Class – B PPAs.
6.	Clause – (b) of Section 6: Role of Private Placement Agency	As per current Indian laws, there is nothing as such as “Integrated Career Service Identification Number(s)”. There

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		is a National Career Service Identification Number. Not sure if the DGE was referring to it or is proposing a new identifier. In either case, it was neither defined under Section 2 nor was it found anywhere else in the draft Bill. Hence, we request the DGE to provide clarification on this.
7.	Clause – (c) of Section 6: Role of Private Placement Agency	Under sub-clause (ii) of clause – (C), after the phrase ‘proposed date of departure’, add the following sentence, “details of travel consultancies involved, or any other consultancies, agents, agencies, organizations involved with employment process including transitioning between the domestic and overseas aspects of travel, accommodation, job training, skilling and employment”
8.	Clause – (c) of Section 7: Conditions for Registration of Private Placement Agencies	It is suggested that the reporting time of placement details to the State Placement Support Authority be decreased from 60 days to 45 days.
9.	Section 7: Conditions for Registration of Private Placement Agencies	After clause – (f), include the following new clause – (fa): “It shall be the duty of the Private Placement Agency to seek the assistance and support of Central, or, State Placement Support Authority as required, and conduct awareness programmes and sessions on existing social security, protection and welfare schemes and policies related to the employees as per the Indian labour and employment laws and rules to the job-seekers.”
10.	Title of Section 9: Functions of the Placement Support Authority	In the title of the section, include the word “Central” before the phrase ‘Placement Support Authority’ to remove ambiguity.
11.	Clause – (C) of Section 9: Functions of the Placement Support Authority	After the phrase ‘revocation of registration’, add the phrase “and a penalty not exceeding ₹ <i>fifty thousand</i> Indian National Rupees.”

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12.	Clause – (f) of Section 11: Functions of the State Placement Support Authority.	After the phrase ‘through such agencies’, add the following sentence, “by creating awareness programmes on the social security schemes provided by the state governments and the union government and the employees’ rights and entitlements as per the current Indian labour laws.”
13.	Clause – (g) of Section 11: Functions of the State Placement Support Authority.	Add the following sentence after the existing sentence. “Also, provide ratings to the Private Placement Agencies based on certain KPIs and other metrics on a half-yearly basis and classify them into two groups, 1. Class – A PPAs (with at least 3 out of 5 rating), and 2. Class – B PPAs (with less than 3 out of 5 rating)”
14.	Clause – (k) of Section 11: Functions of the State Placement Support Authority.	After the phrase “registration of agencies”, add the phrase “or levy penalties”.
15.	Clause – (1) of Section 14: Penalties	• Increase the duration of imprisonment term from 3 months to 4 months. • After the word “months”, replace “and” with “or”. • After the word “fine”, insert the phrase “not exceeding ₹ one lakh Indian National Rupees or with both”
16.	Clause – (3) of Section 14: Penalties	• Replace the phrase “for a term” with the phrase “six months”. • After the word “fine”, include the phrase “not exceeding ₹ two lakh Indian National Rupees”
17.	Clause – (1) of Section 16: Power of State Government to make rules	Replace the phrase “with the previous approval of the Central Government” with “as per the provisions of this Act, or, in accordance with the approval of the Central Placement Support Authority” The reason is to delegate, democratize and strengthen the autonomous functioning of Central Placement Support Authority as a statutory institution while also ensuring that Central Government be not burdened by the general matters which do not merit such attention.

Based on our basic preliminary stakeholder consultation with about 25+ Private Placement Agencies located across Hyderabad, Bengaluru and Chennai, we would like to bring some other aspects associated with the core objectives of this Bill.

Other critical dimensions that should have been included in the draft

PPA perspective:

1. The role of skilling agencies (which impart skills) and their association / partnership with placement agencies (which assist the jobseekers with placement) has not been considered while drafting the legislation.
2. The cross-user functionality, utility and integration between government labour portals like e-Shram, Shram Suvidha, Samadhan and National Career Services (NCS), and all the challenges associated with these have not been addressed anywhere in the draft.
3. The bill did not mention anything about the standardized procedures and provisions related to fees determination and its control. The PPAs are concerned that any ambiguity in the proposed legislation on matters related to fees charged from jobseekers in lieu of providing placement services is bound to create bureaucratic hurdles both in terms of time and financial costs which could be unreasonable and unrealistic and anti-employment too. Hence, better clarity is being sought on these matters.
4. Need to explore the scope of performance-linked incentives to highly performing PPAs.
5. Lack of transparency, possibility for apathy, and other lapses related to functioning of Central / State / Local Placement Support Authorities is a concern to PPAs particularly since the draft proposes certain specific functions to be fulfilled by PPAs in order to safeguard the interests of job-seekers which require adequate and consistent state institutional support. Hence, time-bound grievance redressal mechanisms for PPAs should be put in place so that bottlenecks in the state support can be appropriately identified and addressed.
6. Navigating through labour laws, codes, EPFO / ESI norms, e-Shram, Shram Suvidha and other regulations including contract regulations is cumbersome,

particularly for smaller PPAs which lack legal resource support for compliance leading to non-compliance and penalties.

Jobseeker perspective:

1. Lack of transparency in fees charged and placement services provided.
2. Scarce number of PPAs linking MSME manufacturing and production jobs.
3. Lapses in PPAs' understanding of the Employer requirements often leading to candidates joining and, subsequently either quitting the company or getting terminated.
4. Jobseekers with fake degrees and fake experiences manage to secure jobs due to poor background verification from the placement agencies and the employers.
5. Information asymmetry, unclear job roles and poor communication from PPAs leading to lack of understanding and clarity on a given job opportunity.
6. Jobseekers from vulnerable communities i.e., women, OBCs, SCs and STs need dedicated PPAs linking them to the Employers.

We hope the above observations are of some use, and request the Directorate General of Employment, Ministry of Labour and Employment – Government of India to undertake an extensive stakeholder engagement to map the current needs, aspirations and concerns of all the parties involved.

Thank you and best wishes!



Yours sincerely,



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1. CRFHGR consents to the disclosure/sharing of this document and its content to the general public under RTI Act, 2005.
2. CRFHGR duly certifies that it has no conflict of interest regarding the purpose and objects of this draft amendment.