F.NO.DGE&T-M-27014/2/2003-EE.I
Government of India
Ministry of Labour
DGE&T

3/10 Jamnagar House,
Shajahan Road,
New Delhi - 110011

Dated : 30th October 2003

To

All Labour Secretaries and
States/Uts Directors of Employment.

Sir,

I am directed to say that in the Special Meeting of the Working Group on National Employment Service held on 8.4.03 a Committee on Private Employment Agencies was constituted under the Chairmanship of Principal Secretary, L & E, Gujarat with representatives from Governments of Maharashtra, Rajasthan, Punjab & DGE&T to evolve guidelines on Operation of Private Placement Agencies.

A copy of guidelines as approved in the meeting of the Committee on Private Employment Agencies held on 26.9.2003 at Shram Shakti Bhawan, New Delhi is enclosed herewith for necessary action.

Kindly acknowledge the receipt.

Yours faithfully,

(\(\text{K.S. Meena}\))
Joint Director of Employment Exchanges
Guidelines on Operation of Private Placement Agencies

i) The Private Placement Agencies are defined as those agencies, which cater to the specific placement requirement of the labour market within the country. It should not include such agencies, which are covered under the provisions of Contract Labour (Regulation and Abolition) Act, 1970 and Inter-state Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.

ii) The Private Placement Agencies should be registered with the designated authority of State/UT. For registration of such agencies security deposit if considered necessary by the State/UT would be necessary to safeguard the interest of the job-seekers.

iii) Such agencies should provide more or less regular Jobs.

iv) Private Placement Agencies will take adequate care to see that placement is not made for illegal activities.

v) The Private Placement Agencies for placement are required to provide the placement services through matching of employers requirement with the profile of job seekers registered with them. In such cases the Private Placement Agencies may, therefore, have to be allowed to take reasonable service charges from the job seekers, which should not exceed first monthly wage of the job seeker. However, the Private Placement Agencies may not be allowed to charge more than Rs.100/- as registration charges from job seekers to meet the initial service charges.

vi) The service charges to be paid by the employer to the Private Placement Agencies may be left open because it is a mutual agreement between the employer and the Private Placement Agencies. It should, however, be ensured that any amount of charges to be paid by the employer to the Private Placement Agencies for making placement services should not affect the rate of monthly wage of the job seeker.

vii) Private Placement Agencies shall maintain a job seekers database which should be made available to State/UT controlled Employment Exchanges and vice versa on mutually agreed term.

viii) The Employment Department of the State/UT Government may be authorized to ensure the compliance of these guidelines, the functioning of Private Placement Agencies and both the agencies should work in harmony.
ix) While regulating the Private Placement Agencies, the respective States/UTs will devise their mechanism of interaction between Public and Private Placement Agencies.

x) In case of violation made by the Private Placement Agencies the State/UT Government will have the right to forfeit his security deposit, besides cancellation of registration.

xi) It should be obligatory on the part of the Private Placement Agencies to share the statistical information connected with the registration and placement of job seekers as prescribed by the State/UT Govt. Authorized persons of the State/UT will have right to ascertain, the names of the employers to whom the services are provided by the Private Placement Agency.

xii) Redressal of grievances or disputes may be settled by some designated authority as declared by the State/UT Government.

xiii) Agreement between the designated authority by the State/UT Government and concerned placement agencies should be signed.

xiv) The Private Placement Agencies registered with the designated authority of Government shall display their registration number and other details as may be required in conspicuous manner.

xv) If registered Private Placement Agencies have branches in other States, it will be required to enter into separate agreement(s) with the designated authority of the concerned State(s)/UT(s).