CORRIDALEGAL
Corporate & Employment Law Firm

Bare Act

The Employment Exchanges Compulsory Notification of Vacancies

1959

Corrida Legal presents the Bare Act Series, sourced from official texts and supported with an executive summary designed to help readers grasp the essence of the law with ease.

NOTE: An Executive Summary of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 is included towards the end of this document, right after the full bare act of the statute. This summary helps professionals, business owners, compliance officers, HR managers, legal practitioners, and students quickly understand the key provisions relating to compulsory notification of vacancies to employment exchanges, applicability of the Act to establishments, obligations of employers, exemptions, procedures for reporting vacancies, penalties for non-compliance, and enforcement mechanisms, without having to read the entire text.

The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 Summary provides a clear, practical, and time-saving guide for anyone looking to understand India's employment notification framework, ensure statutory compliance in recruitment processes, manage workforce planning effectively, and stay aligned with regulatory requirements under the Employment Exchanges Act bare act.

THE EMPLOYMENT EXCHANGES (COMPULSORY NOTIFICATION OF VACANCIES) ACT, 1959

ARRANGEMENT OF SECTIONS

SECTIONS

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THE EMPLOYMENT EXCHANGES (COMPULSORY NOTIFICATION OF VACANCIES) ACT, 1959

ACT NO. 31 OF 1959

[2nd *September*, 1959.]

An Act to provide for the compulsory notification of vacancies to employment exchanges.

BE it enacted by Parliament in the Tenth Year of the Republic of India as follows:—

1. Short title, extent and commencement.—(*1*) This Act may be called the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959.

(2) It extends to the whole of India[1]* * *.

(3) It shall come into force in a State on such date[2] as the Central Government may, by notification in the Official Gazette, appoint in this behalf for such State and different dates may be appointed for different States or for different areas of a State.

2. Definitions.—In this Act, unless the context otherwise requires,—

(*a*) "appropriate Government" means—

(1) in relation to—

(a) any establishment of any railway, major port, mine or oil-field, or

(b) any establishment owned, controlled or managed by—

(i) the Central Government or a department of the Central Government,

(ii) a company in which not less than fifty-one per cent. of the share capital is held by the Central Government or partly by the Central Government and partly by one or more State Governments,

(iii) a corporation (including a co-operative society) established by or under a Central Act which is owned, controlled or managed by the Central Government,

the Central Government;

(2) in relation to any other establishment, the Government of the State in which that other establishment is situate;

(b) "employee" means any person who is employed in an establishment to do any work for remuneration;

(c) "employer" means any person who employs one or more other persons to do any work in an establishment for remuneration and includes any person entrusted with the supervision and control of employees in such establishment;

(d) "employment exchange" means any office or place established and maintained by the Government for the collection and furnishing of information, either by the keeping of registers or otherwise, respecting—

(i) persons who seek to engage employees,

(ii) persons who seek employment, and

(iii) vacancies to which persons seeking employment may be appointed;

(e) "establishment" means—

1. The words "except the State of Jammu and Kashmir" omitted by Act 51 of 1970, s. 2 and the Schedule (w.e.f. 1-9-1971).

2. 1st May, 1960, *vide* notification No. G.S.R. 382, dated 1st April, 1960, *see* Gazette of India, Extraordinary, Part II, sec. 3(*i*), in respect of all the States to which the Act extends and in the Union territories of Delhi, Himachal Pradesh, Manipur and Tripura.

(a) any office, or

(b) any place where any industry, trade, business or occupation is carried on;

(f) "establishment in public sector" means an establishment owned, controlled or managed by—

(1) the Government or a department of the Government;

(2) a Government company as defined in section 617 of the Companies Act, 1956 (1 of 1956);

(3) a corporation (including a co-operative society) established by or under a Central, Provincial or State Act, which is owned, controlled or managed by the Government;

(4) a local authority;

(g) "establishment in private sector" means an establishment which is not an establishment in public sector and where ordinarily twenty-five or more persons are employed to work for remuneration;

(h) "prescribed" means prescribed by rules made under this Act;

(i) "unskilled office work" means work done in an establishment by any of the following categories of employees, namely:—

(1) *daftri*;

(2) *jemadar*, orderly and peon;

(3) dusting man or *farash*;

(4) bundle or record lifter;

(5) process server;

(6) watchman;

(7) sweeper;

(8) any other employee doing any routine or unskilled work which the Central Government may, by notification in the Official Gazette, declare to be unskilled office work.

3. Act not to apply in relation to certain vacancies.—(*1*) This Act shall not apply in relation to vacancies,—

(a) in any employment in agriculture (including horticulture) in any establishment in private sector other than employment as agricultural or farm machinery operatives;

(b) in any employment in domestic service;

(c) in any employment the total duration of which is less than three months;

(d) in any employment to do unskilled office work;

(e) in any employment connected with the staff of Parliament.

(2) Unless the Central Government otherwise directs by notification in the Official Gazette in this behalf, this Act shall not also apply in relation to—

(a) vacancies which are proposed to be filled through promotion or by absorption of surplus staff of any branch or department of the same establishment or on the result of any examination conducted or interview held by, or on the recommendation of, any independent agency, such as the Union or a State Public Service Commission and the like;

(b) vacancies in an employment which carries a remuneration of less than sixty rupees in a month.

4. Notification of vacancies to employment exchanges.—(*1*) After the commencement of this Act in any State or area thereof, the employer in every establishment in public sector in that State or area shall, before filling up any vacancy in any employment in that establishment, notify that vacancy to such employment exchanges as may be prescribed.

(2) The appropriate Government may, by notification in the Official Gazette, require that from such date as may be specified in the notification, the employer in every establishment in private sector or every establishment pertaining to any class or category of establishments in private sector shall, before filling up any vacancy in any employment in that establishment, notify that vacancy to such employment exchanges as may be prescribed, and the employer shall thereupon comply with such requisition.

(3) The manner in which the vacancies referred to in sub-section (*1*) or sub-section (*2*) shall be notified to the employment exchanges and the particulars of employments in which such vacancies have occurred or are about to occur shall be such as may be prescribed.

(4) Nothing in sub-sections (*1*) and (*2*) shall be deemed to impose any obligation upon any employer to recruit any person through the employment exchange to fill any vacancy merely because that vacancy has been notified under any of those sub-sections.

5. Employers to furnish information and returns in prescribed form.—(*1*) After the commencement of this Act in any State or area thereof, the employer in every establishment in public sector in that State or area shall furnish such information or return as may be prescribed in relation to vacancies that have occurred or are about to occur in that establishment, to such employment exchanges as may be prescribed.

(2) The appropriate Government may, by notification in the Official Gazette, require that from such date as may be specified in the notification, the employer in every establishment in private sector or every establishment pertaining to any class or category of establishments in private sector shall furnish such information or return as may be prescribed in relation to vacancies that have occurred or are about to occur in that establishment to such employment exchanges as may be prescribed, and the employer shall thereupon comply with such requisition.

(3) The form in which, and the intervals of time at which, such information or return shall be furnished and the particulars which they shall contain shall be such as may be prescribed.

6. Right of access to records or documents.—Such officer of Government as may be prescribed in this behalf, or any person authorised by him in writing, shall have access to any relevant record or document in the possession of any employer required to furnish any information or returns under section 5 and may enter at any reasonable time any premises where he believes such record or document to be and inspect or take copies of relevant records or documents or ask any question necessary for obtaining any information required under that section.

7. Penalties.—(*1*) If any employer fails to notify to the employment exchanges prescribed for the purpose any vacancy in contravention of sub-section (*1*) or sub-section (*2*) of section 4, he shall be punishable for the first offence with fine which may extend to five hundred rupees and for every subsequent offence with fine which may extend to one thousand rupees.

(*2*) If any person—

(a) required to furnish any information or return—

(i) refuses or neglects to furnish such information or return, or

(ii) furnishes or causes to be furnished any information or return which he knows to be false, or

(iii) refuses to answer, or gives a false answer to, any question necessary for obtaining any information required to be furnished under section 5; or

(b) impedes the right of access to relevant records or documents or the right of entry conferred by section 6,

he shall be punishable for the first offence with fine which may extend to two hundred and fifty rupees and for every subsequent offence with fine which may extend to five hundred rupees.

8. Cognizance of offences.—No prosecution for an offence under this Act shall be instituted except by, or with the sanction of, such officer of Government as may be prescribed in this behalf or any person authorised by that officer in writing.

9. Protection of action taken in good faith.—No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act.

10. Power to make rules.—(*1*) The Central Government may, by notification in the Official Gazette and subject to the condition of previous publication, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the employment exchange or exchanges to which, the form and manner in which, and the time within which vacancies shall be notified, and the particulars of employments in which such vacancies have occurred or are about to occur;

(b) the form and manner in which, and the intervals at which, information and returns required under section 5 shall be furnished, and the particulars which they shall contain;

(c) the officers by whom and the manner in which the right of access to documents and the right of entry conferred by section 6 may be exercised;

(d) any other matter which is to be, or may be, prescribed under this Act.

[1][(*3*) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.]

1. Subs. by Act 4 of 1986, s. 2 and the Schedule, for sub-section (*3*) (w.e.f. 15-5-1986).

Karnataka Shops and Commercial Establishments Act, 1961 (Act 8 of 1962) Bare Act PDF & Executive Summary

Introduction to the Employment Exchanges Act 1959 PDF

The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959. Central Act. Came into force 1960. Applies to whole of India except J&K.

Purpose – not about wages, not about working hours. About vacancies. Employer has to notify vacancies to the Employment Exchange. Notification is compulsory. Selection is still employer's choice, Act does not force recruitment from the exchange. Corrida Legal has explained this many times, HRs often confuse it.

Key points:

- Objective → collect vacancy data, provide job seekers information.
- Coverage → all public sector, private sector if 25 or more employees.
- Exemptions → agriculture, domestic service, short-term casual.
- Obligation → notify vacancies, furnish quarterly and periodic returns.
- Records → keep registers of notifications, people employed, returns filed.
- Penalty → fine for default, higher fine for repeat, false information treated serious.

Corrida Legal note → internal hiring does not exempt. Even if employer already picked a candidate, notification must be sent. Inspectors don't accept "we already filled the job".

Common lapses seen:
(i) registration and returns not filed on time
(ii) short-term and contract jobs wrongly treated as exempt
(iii) no physical file of notifications kept
(iv) delay in producing documents at inspection, treated as refusal

Why this matters. Inspections are routine. Inspectors begin with registers. They ask for quarterly returns. If not available → notice. Penalty may look small but repeated contraventions add up. More important is the record – without proof of notification, employer has no defence.

Corrida Legal has handled compounding matters where the only failure was delay of a few days in notification. Still treated as contravention.

Purpose and Scope – Employment Exchanges Act 1959 PDF

The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 has a very narrow purpose. Not about wages, not about social security, not about leave. Only one focus → compulsory notification of vacancies.

Why this law was passed

- Government needed authentic data on employment trends.
- Vacancies were not being reported, so unemployed persons had no equal chance.
- Exchanges were created to act as a bridge between employers and job seekers.

- Notification ensures transparency – vacancies are recorded, candidates are informed.

Corrida Legal note → many employers still ask "why should we notify when we recruit on our own?" Answer is simple: the Act is not about recruitment. It is about information. The Government needs statistics to plan employment policy.

Scope of the Act

- Applies to the whole of India (except J&K at that time).
- Applies to every establishment in public sector, without exception.
- Applies also to private sector establishments employing 25 or more persons.
- Smaller establishments exempt unless notified.

Types of vacancies covered:
(i) all posts in technical, clerical, skilled and unskilled categories
(ii) notifiable vacancies include regular, long-term, and some categories of contract roles
(iii) exclusions → agriculture, domestic service, very short-term casual employment
(iv) additional exclusions may be added by notification of Government

Corrida Legal has seen HRs treat apprenticeships as exempt. Not always correct. If it is a real vacancy and not training-only, it must be reported. Inspectors look at the substance, not just the label.

Why employers must care
Purpose is statistical, but obligation is legal. Inspectors have power to check registers, ask questions, demand returns. Failure = offence. Fines may look nominal (few hundred or thousand rupees), but reputation risk is higher. Repeat offences attract stronger action.

Corrida Legal observation – most defaults come not from refusal but from ignorance. HR managers focus on EPF, ESI, Shops & Establishments compliance, and forget about this Act. Inspectors use this as an easy ground to issue notices.

Applicability and Bare Text – Employment Exchanges Act 1959 Bare Act Download

The bare text of the Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 is short compared to other labour laws. Bare Act download is available, but most HR managers rarely read it. They prefer summaries. Corrida Legal has seen in practice that reliance only on summaries creates problems, because inspectors quote the bare Act directly during inspections.

Who is covered under the Act

- Every establishment in the public sector, without exception.
- Private sector establishments employing 25 or more persons.
- Units below 25 persons generally outside scope, unless specifically notified.
- Establishments engaged in agriculture, domestic service, and short-term casual jobs are excluded.
- State Governments may issue notifications to exempt or include certain categories.

Corrida Legal note → exemptions are not automatic. Unless specifically notified, employers must assume they are covered. Many startups argue that IT/ITES is not covered. Wrong. IT establishments with 25 or more employees fall squarely under the Act.

What kind of vacancies are included
(i) All technical and non-technical roles.
(ii) Clerical, skilled, semi-skilled, unskilled positions.
(iii) Supervisory posts, depending on notifications.
(iv) Contractual or temporary vacancies of more than short duration.

What is excluded → agriculture, domestic service, short-term casual employment, unskilled office boys engaged temporarily.

Why Bare Act reference is important
The bare Act download is the authentic text. Inspectors quote specific sections and employers cannot rely on summaries as defence. For example, Section 4 makes it mandatory to notify vacancies to the local employment exchange in prescribed form. HR managers often know the rule generally but not the exact section. Corrida Legal advises clients to keep both – a copy of the bare Act PDF for reference, and a practical compliance checklist for day-to-day use.

In practice

- Inspectors begin with coverage. They ask for employee count. If above 25, Act applies.
- If employer argues exemption, inspector demands proof of notification. Without government notification, exemption is not accepted.
- Public sector employers have no escape. Private employers with more than 25 workers are also squarely included.
- Corrida Legal has handled cases where employers tried to argue "we are a small branch, below 25" while total headcount in other branches exceeded 25. Inspectors aggregated numbers and still issued notices.

Corrida Legal observations

1. Bare Act PDF is the baseline – summaries cannot override it.
2. Establishments must carefully count employees. Branch offices are not automatically separate.
3. Many IT/ITES companies wrongly assume exclusion. Inspectors clarify they are included.
4. Vacancy means any post, not just permanent jobs. Even long-term contract posts are not exempt.
5. Exemptions are rare, and must be specifically notified.

Duties of Employers – Employer Obligations under Employment Exchanges Act 1959

The central duty under this Act is simple. Employers must notify vacancies. The law calls it compulsory notification. That is why it is named the *Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959*. Notification is not optional. Corrida Legal has seen many HR managers misunderstand this, treating it as a suggestion. Inspectors do not treat it that way.

Core Obligations under the Employment Exchanges Act 1959 PDF

Employers covered under the Act have to:

- Notify vacancies to the local employment exchange in the prescribed form.
- Furnish information within the prescribed time.
- Submit quarterly returns giving details of employment and vacancies.
- Maintain registers showing notified vacancies and appointments.

Corrida Legal note → not just permanent roles. Even longer contract roles have to be notified. "Short-term casual" exemption is narrow.

Legal Duties as Summarised in the Compulsory Notification of Vacancies Act Executive Summary

The executive summary prepared by Corrida Legal explains it in practical terms:
(i) Notify all vacancies except exempted categories.
(ii) Do not delay beyond time limit, delay = contravention.
(iii) File quarterly returns without fail.
(iv) Produce registers and returns whenever inspector demands.

Many employers only notify big posts. Wrong. The Act does not say "senior vacancies only". Every covered vacancy must be reported.

Reference to the Bare Text – Employment Exchanges Act 1959 Bare Act Download

The bare Act download clearly states the obligations in Section 4 and 5. Section 4 → notify vacancies. Section 5 → furnish prescribed information and returns. These two provisions create the entire compliance burden. Inspectors always cite these sections in notices. Corrida Legal advises clients to keep a copy of the bare Act PDF in their HR file, so that managers know what inspectors are quoting.

Specific Employer Obligations under Employment Exchanges Act 1959

1. Notify vacancy to the local employment exchange.
2. Use the prescribed form.
3. Notify before filling the vacancy. Notification after selection is still a contravention.
4. Submit quarterly returns in prescribed form.
5. Maintain proof of submission (acknowledgement, email, stamped copy).
6. Produce records when inspector demands.

Corrida Legal has seen notices issued only because HR could not produce proof of notification, even though they claimed to have sent it. Proof is as important as compliance.

Practical Compliance – Vacancy Notification Compliance India PDF

In practice, compliance is a routine HR duty. But it is often overlooked. Corrida Legal tells clients to:

- Maintain a separate file marked "Vacancy Notifications".
- Keep copies of every return and every notification sent.
- Update registers weekly.
- Cross-check that vacancies filled = vacancies notified.

This way, during inspection, HR can produce everything in one place. Inspectors usually check the file first. If file is neat and complete, inspection ends quickly. If not, notices follow.

Consequences of Breach – Employment Exchanges Act Penalties and Rules

Failure to comply brings penalties. First offence → fine. Repeat → higher fine. False information → heavier penalty. Continued default → daily fine. Inspectors may prosecute in case of deliberate failure. Corrida Legal experience is that most cases are compounded, but compounding itself costs more than timely compliance.

Corrida Legal Observations

1. Internal hiring does not exempt notification.
2. Notification must be before filling, not after.
3. Proof of submission is essential.
4. Many HRs forget quarterly returns, leading to notices.
5. Bare Act sections are short but strict.

Vacancy Notification Process – Step by Step Compliance under the Employment Exchanges Act 1959

The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 created a fixed process. Notification of vacancies is the heart of compliance. Without this step, the entire Act fails. Corrida Legal has observed that most employers know they "should notify" but very few HR teams know the exact process. That gap usually leads to notices.

Understanding the Requirement – Employment Exchanges Act 1959 PDF

The bare law states that all notifiable vacancies must be reported. A notifiable vacancy means any job opening (technical, clerical, skilled, unskilled) in an establishment covered by the Act. The *Employment Exchanges Act 1959 PDF* clearly lists exemptions (like agriculture, domestic service, very short casual work). Employers must assume all other posts are covered.

Corrida Legal note → the biggest mistake is HR assuming "short-term" equals exempt. Only very short casual jobs are exempt. Contract jobs of three months or six months are still notifiable.

Step One – Compulsory Notification of Vacancies Act Executive Summary

The process, as explained in the *Compulsory Notification of Vacancies Act executive summary*, is:

1. Identify a vacancy as soon as it arises.
2. Fill the prescribed notification form (usually Form ER-I or as prescribed by rules).
3. Send the form to the local employment exchange within the prescribed time.
4. Maintain an acknowledgement or stamped copy for records.

Notification must happen before filling the job. If HR reports after hiring, inspectors still treat it as default.

Step Two – Legal Authority from Employment Exchanges Act 1959 Bare Act Download

The *Employment Exchanges Act 1959 bare act download* confirms obligations in Section 4 (notification of vacancies) and Section 5 (furnishing returns). These are the two pillars of the law. Inspectors carry the bare Act text and quote directly from these sections. Corrida Legal recommends employers to keep the Bare Act PDF printed in HR files. That way, managers know the exact legal wording, not just a paraphrase.

Step Three – Practical Employer Obligations under Employment Exchanges Act 1959

Employers must ensure:

- All notifiable vacancies are reported without delay.
- Use of correct prescribed forms.
- Vacancies notified before appointment.
- Quarterly returns filed on time.
- Registers updated with details of notified and filled vacancies.
- Proof of submission available for inspection.

Corrida Legal observation → Inspectors often ask: "show me the last 3 returns." If HR cannot produce them, a notice follows immediately.

Step Four – Vacancy Notification Compliance India PDF

Compliance is more than filing one form. It is an ongoing process. The *vacancy notification compliance India PDF* prepared by Corrida Legal includes checklists:

- Maintain a "Vacancy File" with all forms, returns, and proofs.
- Update the file weekly, not quarterly.
- Cross-check headcount vs vacancies reported.
- Ensure every branch reports separately, unless consolidated reporting is allowed.

Corrida Legal note → Many employers forget to notify branch vacancies. Inspectors treat each branch as an establishment. Notices have been issued for missing branch notifications even when the head office complied.

Step Five – Penalties for Breach – Employment Exchanges Act Penalties and Rules

If the process is ignored, penalties follow. Under the *Employment Exchanges Act penalties and rules*:

- First offence → fine.
- Second offence → higher fine, often double.
- False information → treated as serious violation.
- Continuing contravention → daily fine until compliance is proved.

In practice, inspectors prefer compounding. Employer pays compounding fee, case closed. But compounding costs more than timely compliance. Corrida Legal has assisted multiple employers in such matters, and the lesson is always the same → cheaper to comply than to pay after default.

Records and Returns – Employer Compliance under the Employment Exchanges Act 1959

The Act does not stop at vacancy notification. Employers must also maintain records and submit periodic returns. In practice, inspectors begin inspections by asking for these documents. If registers or returns are missing, even if vacancies were notified, the employer is still treated as non-compliant. Corrida Legal has seen this often.

What Records must be kept

- A register of all vacancies notified.
- Details of appointments made against those vacancies.
- Employee headcount, broken down into categories.
- Copy of every return sent to the employment exchange.
- Proof of notification – acknowledgement slips, stamped copies, or email confirmations.

Corrida Legal note → digital storage alone is not enough. Inspectors usually ask for hard copies. HR should maintain a physical file labelled "Employment Exchange – Notifications and Returns".

What Returns must be filed

(i) Quarterly return on employment situation, usually Form ER-I.
(ii) Returns regarding vacancies notified and filled.
(iii) Special returns if called for by the employment officer.

Quarterly return is compulsory. Many HRs assume one annual return is sufficient. Wrong. The Act specifically requires quarterly reporting.

Process of Filing Returns

- Fill prescribed forms accurately.
- Submit to the local employment exchange within due date.
- Keep proof of submission.
- Cross-check headcount in the return with internal HR records.

In practice → inspectors compare returns with wage registers and attendance sheets. If numbers do not tally, they issue notices. Corrida Legal has handled cases where employers under-reported staff strength to avoid coverage, and inspectors caught the mismatch through PF/ESI records.

Inspection Angle

- Inspectors can demand registers and returns anytime.
- Delay in producing them = offence.
- Back-dated entries are spotted easily. Treated as false records.

Corrida Legal advice: update registers weekly, not quarterly. Producing old data during inspection looks suspicious, even if accurate.

Penalties for Non-Filing of Returns

Under the Employment Exchanges Act penalties and rules:

- Fine for first default.
- Higher fine for repeat offence.
- False or misleading information punished more severely.
- Daily fine in case of continuing contravention.

Compounding is possible, but it costs more. Corrida Legal has seen clients pay compounding fee only because quarterly returns were missed for two quarters. Filing on time would have been cheaper.

Penalties and Offences – Employment Exchanges Act Penalties and Rules

The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 has its own penalty framework. Amounts may not look large compared to other labour laws, but enforcement is strict. Inspectors use penalties as the first step to push compliance. Corrida Legal has seen even reputed employers fined for small lapses.

General Penalties

- Failure to notify a vacancy → fine.
- Failure to file quarterly return → fine.
- Furnishing false information → higher fine.
- Repeat offence → higher penalty, sometimes double.

Corrida Legal note → penalties may look nominal, but repeat offences hurt reputation. Inspectors often highlight non-compliance in public reports.

Continuing Contravention
If default continues, daily fine is imposed until compliance is shown.
Example: renewal of return missed → inspector issues notice → if employer still does not file, daily fine starts running.

False Records or Misleading Returns
Providing false information is treated seriously. Inspectors may prosecute.

- Under-reporting of employee strength.
- Declaring exemptions wrongly.
- Back-dated returns.
  Corrida Legal has handled cases where HR tried to "adjust" returns after inspection. Inspectors caught the mismatch with PF/ESI records. Penalties were heavier than ordinary defaults.

Prosecution
Court can take cognizance only on inspector's complaint. In practice, prosecutions are rare but possible. Usually applied in cases of repeated or deliberate falsehood. Corrida Legal experience → compounding is the usual outcome, but the threat of prosecution is used to push employers into settlement.

Compounding of Offences

- Certain offences may be compounded on payment of fee.
- Allowed only once for the same offence in a 5-year period.
- Compounding is costlier than compliance.
  Corrida Legal has seen employers pay ₹10,000+ for compounding of repeated return defaults, while timely filing would have cost nothing.

Why Penalties Matter
This Act is often treated as “low-risk” because fines are smaller. Wrong assumption. Inspectors use it as an easy ground to issue notices. Once a notice is issued, employer comes under closer scrutiny for other laws. Corrida Legal advises employers → never ignore this Act.

Enforcement and Inspections – Role of Officers under the Employment Exchanges Act 1959

The Act gives powers to enforcement officers, usually called Employment Officers or Inspectors. On paper their role is to guide, supervise and ensure compliance. In practice, they inspect, demand documents, and issue notices. Corrida Legal has seen inspections being used more as enforcement than advisory.

Appointment and Powers of Inspectors

- Appointed by State Government or Central Government.
- Power to enter any covered establishment.
- Check registers, returns, and proof of notifications.
- Ask HR or employees questions.
- Take copies of documents.

Corrida Legal note → inspectors almost always begin with quarterly returns. If missing, notice is issued immediately.

How Inspections are Conducted

- Some inspections are routine.
- Some are based on complaints.
- Employer must cooperate. Refusal itself is an offence.
- Delay in producing documents often treated as refusal.
- Inspectors may call for records in writing as well.

In practice → inspections are usually short. If registers are neat and proof of submission is ready, they finish quickly. If not, notice follows. Corrida Legal advises keeping an “inspection file” updated at all times.

Duties of Employers During Inspections

1. Produce registers and returns immediately.
2. Keep acknowledgement slips of all notifications handy.

3. Do not prevent inspector from questioning staff.
4. Have HR or manager available to respond.

Failure in any of these = contravention.

Notices and Legal Action

- If inspector finds non-compliance, first step is a notice.
- Employer gets opportunity to rectify.
- If ignored, prosecution can be initiated.
- Court takes cognizance only on inspector's complaint.

Corrida Legal has observed most matters end at the notice stage. Prosecutions are rare but possible, especially if false records are found.

Practical Risks

- Inspectors sometimes link data with PF/ESI records. If headcount does not match, notice is issued.
- Missing holiday lists or registers in other labour laws often get noted during the same inspection.
- One inspection under this Act usually opens the door to wider compliance checks.

Conclusion – Why Employment Exchanges Act Compliance Matters

The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959 is often ignored. Many employers see it as minor because fines are smaller. Wrong assumption. Inspectors use this Act as an easy entry point. If vacancy notifications or quarterly returns are missing, notice is issued. Once notice is issued, wider inspection usually follows.

Why employers should take it seriously

- Registration and wage laws already attract attention.
- This Act is simpler, but easier for inspectors to enforce.
- Non-compliance here signals poor HR systems overall.
- Data is cross-checked with PF, ESI, Shops and Establishments records.

Corrida Legal note → HR teams often ask, "what if we hire internally?" or "what if it's a contract post?" The answer is the same: notification is still compulsory. Hiring choice remains with employer, but reporting is mandatory.

Key compliance steps

1. Notify every vacancy (except exempt categories) before filling.
2. File quarterly returns on time.
3. Maintain registers and proof of submission.
4. Keep an inspection file ready at all times.

5. Train HR staff to understand obligations.

Consequences of ignoring

- Fine for first offence.
- Higher fine for repeat offence.
- Daily fine for continuing contravention.
- Compounding allowed once in 5 years only.
- False records treated more seriously than delay.

Corrida Legal has assisted several employers where the only default was missing quarterly returns. Penalty was imposed, then compounded. Cost was higher than compliance. Lesson is always the same – cheaper to comply, safer to maintain proof.