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MINISTRY OF LABOUR AND EMPLOYMENT ISSUES AN ADVISORY FOR REGISTRATION OF AGGREGATORS AND PLATFORM WORKERS

23 September 2024

On 16 September 2024, the Ministry of Labour and Employment, Government of India, issued an advisory addressed to aggregators accompanied by a standard operating procedure (SOP) for registration of aggregators and platform workers on its [e-Shram portal](#) and requesting aggregators to voluntarily register themselves and the platform workers engaged by them to ensure comprehensive coverage of such workers on the portal and consequent access to an integrated database of welfare schemes available for their benefit. Notably, between 19 September 2021 and 18 September 2024, the Central Government has registered ~29,10,59,880 unorganised workers, and the recent advisory appears to be an effort to ensure that the portal is being utilised by verified workers.

The move comes after [reports](#) suggesting that the Central Government is keen to implement provisions relating to gig workers and platform workers under the Code on Social Security, 2020 (SS Code) even ahead of enforcement of other provisions of the code.

Key concepts used in the advisory

The advisory makes note of the definition of 'aggregator' under the SS Code and accordingly defines an 'aggregator' to mean a digital intermediary that connects a service recipient to a service provider. Similarly, the advisory relies on the SS Code to explain that a 'platform worker' is one who is engaged outside of the traditional employer-employee relationship to provide services on an online platform. With those definitions in place, the advisory sets out a list of specific activities / sectors to which it will apply, which list matches the one set out under the SS Code. This list includes ride sharing services, food and grocery delivery services, e-marketplaces, professional services providers, and healthcare services.

Role of the aggregator

The advisory requests aggregators to register themselves on the portal, and the SOP explains the process of registration including the details required to be furnished by the aggregators, such as the number of platform workers engaged, the details of the welfare provisions extended by the aggregator to the workers, and the annual turnover of the aggregator. Once an aggregator is registered, it will be expected to register the platform workers on the e-Shram portal, post which the workers will receive a Universal Account Number (UAN), which number may be intimated by the aggregator on the e-Shram portal. If a platform worker is already registered on the portal and has received a UAN, such UAN may also have to be informed by the aggregator on the portal. Once this process is completed, the aggregator is advised to upload other details of the platform worker including the number of days worked and the monthly consideration to be paid to the

worker, on a quarterly basis. The aggregator is also expected to update any exits of the platform workers on the portal.

Comment

While the advisory appears to suggest that the intent of requesting aggregators to register themselves and their platform workers is to ensure that the benefits of the e-Shram portal reach the intended beneficiaries, it is possible that such registration may ultimately become a mandate once the relevant provisions of the SS Code come into operation, considering that aggregators would be required to make contributions to the welfare schemes that the Central Government would implement for platform workers, within the range of 1% to 2% of the annual turnover (not exceeding 5% of the consideration payable to the platform worker), and the registration may be key to monitor such compliance. Moreover, the draft Code on Social Security (Central) Rules, 2020 require aggregators to assess the contribution payable by them and accordingly submit Form XX (prior to submitting the final return in Form XXI that contains the contribution amount determined after finalisation of accounts and the provisional contribution already paid), and such Form XX requires the aggregator to specify a registration number. In that sense, through the advisory, the Central Government may be testing the waters and assessing the robustness of the e-Shram portal prior to its more comprehensive deployment under the SS Code.

Our discussions with some aggregators suggest that given the innate volatility of the engagements of platform workers, it may be difficult to keep track of their onboarding and disengagement or to require them to submit details of their UAN to the aggregator for onward submission on the e-Shram portal. The next few weeks may better indicate how the aggregators would be responding to the advisory.

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