

THE CONTRACT LABOUR (REGULATION AND ABOLITION) ACT, 1970

PRESENTED BY :
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OBJECT OF THE ACT



To prevent exploitation of contract labour and also to introduce better conditions of work.

Section 1 : Short title, extent, commencement and application

1. This Act may be called the Contract Labour Act, 1970.
2. It extends to the whole of India
4. It applies:-
 - a) To every **establishment** in which twenty or more workmen are employed or were employed on any day of the preceding twelve months as contract labour.
 - b) To every **contractor** who employs or who employed on any day of the preceding twelve months twenty or more workmen



5. Act does not apply to:-

- a) Intermittent nature
- b) Work not perform for more than 120 days
- c) Seasonal nature

Section 2 : Definitions

Sec 2 (c) CONTRACTOR

"contractor", in relation to an establishment, means a person who undertakes to produce a given result for the establishment, other than a mere supply of goods or articles of manufacture to such establishment, through contract labour or who supplies contract labour for any work of the establishment and includes a sub-contractor.

Sec 2 (i) WORKMEN

"workman" means any person employed in or in connection with the work of any establishment to do any skilled, semi-skilled or un-skilled manual, supervisory, technical or clerical work for hire or reward, whether the terms of employment be express or implied, but does not include any such person.

Principal Employer

- ◆ **Head of Department or office**
- ◆ **Occupier/Owner**
- ◆ **Owner or agent of Owner**
- ◆ **Any person responsible for supervision**

ADVISORY BOARDS

- ◆ **Central Advisory Contract Labor Board**
 - / **Chairman (appointed by the Central govt.)**
 - / **Chief Labor commissioner**
 - / **Members > 18 not <11**

- ◆ **State Advisory Contract Labor Board**
 - / **Chairman**
 - / **Labor commissioner (or any other person by Govt.)**
 - / **Members >11 not <9**

REGISTRATION OF
ESTABLISHMENTS
EMPLOYING CONTRACT
LABOUR



Section 6: Appointment of registering officers

APPOINT SUCH PERSONS TO **define the limits,**
within which a registering officer shall
exercise the powers conferred on him by or
under this Act.

Section 7 : Registration of certain establishments

1. Every principal employer of an establishment to which this Act applies shall, make an **application to the registering officer** in the prescribed manner for registration of the establishment
2. If the application for registration is complete in all respects, the registering officer shall register the establishment and issue to the principal employer of the establishment a **certificate of registration** containing such particulars as may be prescribed.

Section 8: Revocation of registration in certain cases


- ◆ If the registering officer is satisfied that, the registration of any establishment has been obtained by misrepresentation or suppression of any material fact, or that for any other reason the registration has become useless or ineffective

Section 9: Effect of non-registration

- ◆ In case an establishment required to be registered under Section 7 is not been registered within the time fixed for the purpose under that section;
- ◆ In the case of an establishment the registration in respect of which has been revoked under section 8.

Section 10: Prohibition of employment of contract labour

1. The appropriate Government may, **after consultation with the Central Board** or, as the case may be, a **State Board**, prohibit, by notification in the Official Gazette, employment of contract labour in any process, operation or other work in any establishment.
2. The appropriate Government shall have regard to the **conditions of work and benefits provided** for the contract labour in that establishment and other relevant factors, such as –
 - a) Whether the process, operation or other work is incidental to, or necessary for the industry, trade, business, manufacture or occupation that is carried on in the establishment

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- b) Whether it is of perennial nature, that is to say, it is of sufficient duration having regard to the nature of industry, trade, business, manufacture or occupation that is carried on in that establishment
 - c) Whether it is done ordinarily through regular workmen in that establishment or an establishment similar there off
 - d) Whether it is sufficient to employ considerable number of whole-time workmen.

LICENSING OF CONTRACTORS



Section 11: Appointment of licensing officers

- ◆ Appoint such persons define the limits, within which a licensing officer shall exercise the powers conferred on licensing officers by or under this Act.

Section 12: Licensing of contractors

1. With effect from such date as the **appropriate government** shall undertake or execute any work through contract labour except under and in accordance with a **licence issued in that behalf by the licensing officer**.
2. Provisions of this act may contain such conditions including,
 - ◆ Hours of work
 - ◆ Fixation of wages
 - ◆ Other essential amenities

Section 13: Grant of licences

1. Every application for the grant of a licence under sub-section(1) of section 12 shall be made in the prescribed form and shall contain the particulars
2. The licensing officer may make investigation
3. A licence granted shall be **valid for the period specified** therein and may be renewed from time to time

Section 14: Revocation, suspension and amendment of licences

If the licensing officer is satisfied, either on a reference made to him in this behalf or otherwise, that-

- a) Obtained by **misrepresentation or suppression** of any material fact
- b) **Failed to comply with the conditions** subject to which the licence has been granted

WELFARE AND HEALTH



Section 16: Canteen


1. Appropriate Government may make rules
 - (a) to which this Act applies,
 - (b) Wherein work requiring employment of contract labour is likely to continue for such period as may be prescribed, and
 - (c) wherein contract labour numbering one hundred or more is ordinarily employed by a contractor, one or more canteens shall be provided and maintained by the contractor for the use of such contract labour.

Without prejudice to the generality of the foregoing power, such rules may provide for:-

- (a) The **date** by which the canteens shall be provided;
- (b) The **number of canteens** that shall be provided, and the standards in respect of construction, accommodation, furniture and other equipment of the canteens;
- (c) The **foodstuffs** which may be served therein and the charges which may be made thereof.

Section 17: Rest-rooms

1. In every place wherein contract labour is required to halt at night in connection with the work of an establishment:-
 - (a) To which this Act applies, and
 - (b) In which work requiring employment of contract labour is likely to continue for such period as may be prescribed,



2. The rest rooms or the alternative accommodation to be provided under subsection

(1) shall be sufficiently **lighted and ventilated** and shall be maintained in a **clean and comfortable** condition.

Section 18: Other facilities

It shall be the duty of every contractor employing contract labour to provide and maintain:

- a) A sufficient supply of wholesome **drinking water**
- b) A sufficient number of **latrines and urinals** situated as to be convenient and accessible to the contract labour and
- c) **Washing facilities**

Section 19: First-aid facilities

- ◆ There shall be provided and maintained by the contractor so as to be readily accessible during all working hours a first-aid box equipped with the prescribed contents at every place where contract labour is employed by him.

Section 20: Liability of Principal employer in certain cases

1. If any **amenity** required to be provided for the benefit of the contract labour employed in an establishment is not provided by the contractor within the time prescribed thereof, such amenity shall be provided by the principal employer within such time as may be prescribed.
2. All **expenses incurred** by the principal employer in providing the amenity may be recovered by the principal employer from the contractor either by **deduction from any amount payable to the contractor** under any contract **or as a debt payable by the contractor.**

Section 21: Responsibility for payment of wages

1. A contractor shall be responsible for
 - Payment of wages to each worker employed by him
 - Shall be paid before the expiry of such period as may be prescribed.

2. Duty of principle employer

- Shall nominate a representative to be present at the time of disbursement of wages
- Shall be the duty of such representative to certify the amounts paid as wages in such manner

3. It shall be the duty of the contractor to ensure the disbursement of wages in the presence of the authorized representative of the principal employer.



4. In case the contractor fails to make payment of wages within the prescribed period or makes short payment,

- Then the principal employer shall be liable to make payment of wages in full or the unpaid balance due,
- Recover the amount so paid from the contractor either by deduction from any amount payable to the contractor under any contract or as a debt payable by the contractor.

INSPECTING STAFF

- ◆ **The appropriate Government may, by notification in the Official Gazette, appoint such persons as it thinks fit to be inspectors for the purposes of this Act, and define the local limits within which they shall exercise their powers under this Act.**
- ◆ **(2) Subject to any rules made in this behalf, an inspector may, within the local limits for which he is appointed—**

- ♦ (a) enter, at all reasonable hours, **with such assistance (if any), being persons in the service of the Government or any local or other public authority as he thinks fit, any premises or place where contract labour is employed, for the** purpose of examining any register or record or notices required **to be kept or exhibited by or under this Act or rules made thereunder, and require the production thereof for inspection;**
- ♦ (b) examine **any person whom he finds in any such premises or place and who, he has reasonable cause to believe, is a workman employed therein;**
- ♦ (c) **require any person** giving out work **and any workman, to** give any information, **which is in his power to give with respect to the names and addresses of the persons to, for and from whom the work is given out or received, and with respect to the payments to be made for the work;**
- ♦ (d) **seize or** take copies of such register, record of wages or notices or portions **thereof as he may consider relevant in respect of an offence under this Act which he has reason to believe has been committed by the principal employer or contractor; and**
- ♦ (e) **exercise such other powers as may be prescribed.**

Is contract labour the problem or the solution?

Following the murder at Maruti's Manesar plant, the debate over the plight of India's contract labourers has come to the fore. Most argue that India's labour laws need a rethink, while others say the violence has nothing to do with the nature of employment

It seems as if the government has been forced to take a hard line on contract labour by accident. The government's decision to ban contract labour in the public sector was a response to the demands of the unions. The unions were demanding that the government should not employ contract labour in the public sector. The government's decision to ban contract labour in the public sector was a response to the demands of the unions. The unions were demanding that the government should not employ contract labour in the public sector.

B. L. SRINIVAS
INDIA'S CHIEF LABOUR OFFICER
HE HAS BEEN IN THE CHIEF POST FOR OVER 10 YEARS. HE HAS BEEN A KEY FIGURE IN THE GOVERNMENT'S EFFORTS TO REFORM THE LABOUR LAWS. HE HAS BEEN A KEY FIGURE IN THE GOVERNMENT'S EFFORTS TO REFORM THE LABOUR LAWS.

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CASE STUDY: IS CONTRACT LABOUR THE PROBLEM OR THE SOLUTION?



Thank you