

Contract Labour Regulation & Abolition Act, 1970

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What the act deals...

- *Regulates* the employment of contract labour in certain establishments and to provide for its *abolition* in certain circumstances and for matters connected therewith.

The Applicability

- to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour
- to every contractor who employees or who employed on any day of the preceding 12 months 20 or more workmen
- In case of West Bengal, the number is 10

And the non applicability

- The act is not applicable in an Estb. in which work only of an intermittent or casual nature is performed
- Establishment includes any office or department of Govt.

When not intermittent

- if performed for more than 120 days in the preceding 12 months, or
- if seasonal character and is performed for more than 60 in a year

Important Definition

- Appropriate Govt - Central or State
- Controlled Industry - Control by Union for Public interest
- Contract labour - if hired for work of an Estb. through a contractor, *with or without* the knowledge of the principal employer

Definition continue...

- Contractor - a person who undertakes to produce a given result for the establishment, (*other than a mere supply of goods*) through contract labour or who supplies contract labour for any work of the Estb.
- Sub-contractor - is also a contractor

Principal Employer includes

- The Hd. of office for any office/dept. of the Govt./ local authority
- Factory – Factory Manager
- Mines – Owner/Agent/Manager
- Any other establishment

THE ADVISORY BOARDS

- Central & State Advisory Board
- Board comprising of Chairman appntd. by the Govt., C/A/J/D/ALC. & Members (by Govt.) to represent the stakeholders ie. the govt., contractors, workmen and any others
- The appropriate Govt. can constitute committees for specific purpose/s

Registration of Estbs. Employing CONTRACT LABOUR

- D/ALC (LEO) the registering officers
- Every principal employer make an application to the registering officer in the prescribed manner
- the registering officer issue a certificate of regn. if the application is complete
- Revocation of registration
- Non Reg. PE not to employ contract labour

Prohibition of employment of contract labor

- the Govt. consulting with the Advisory Board can prohibit employment of contract labour in any process, operation or other work in any estb. After considering conditions of work and benefits provided for the contract labour

Other consideration

- Nature (incidental) & necessity (for the industry) of work
- Ordinarily done through regular workmen
- Perennial nature of work
- When the work needs a whole time employee

LICENSING OF CONTRACTORS

- Licensing officers (Govt.)
- Contractor shall not undertake or execute any work thro. contract labour without a license issued by D/ALC
- Application shall contain particulars like location, the nature of process, oprn. or work etc. requiring contract labour
- Investigation, Specific period of License
- Revocation, suspension & amendment

Welfare & health of Contract Labour

- Duty of every contractor - Canteen (100 Workers), Rest-rooms (for night halt), drinking water, latrines, urinals, washing facilities and First-aid facilities
- Liability of principal employer - If the amenity not provided by the contractor
- Principal employer may recover the amount from the contractor by deduction of any amount payable or as a debt payable by the contractor

Responsibility for payment of wages

- Contractor shall be responsible for payment of wages to his labour
- Authorised, nominated Rep. of Principal employer is to be present at the time of wages disbursement by the contractor
- Representative is to certify the wage payment
- Contractor to ensure wage disbursement in presence of the authorised rep.of PE

But in case the contractor fails...

- If fails to make payment of wages, or makes short payment, then the principal employer shall be liable to make payment of wages in full or the unpaid balance due to the contract labour employed by the contractor
- PE can 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

PENALTIES AND PROCEDURE

- Obstruction to inspector, willful refusal to produce documents - punishable with imprisonment for a term which may extend to 3 months, or with fine which may extend to Rs. 500, or with both
- Contravention of provisions – Act, rules or condition of a licence granted
- 3 Months or/& Rs. 1000. Continuation attracts addl. fine upto Rs. 100/day

Offences by companies

- Co. as well as every person in charge/responsible to the Co. for the conduct of its Bsns. is treated as guilty & liable to be proceeded against and punished
- Director, Manager etc. is also liable if it is proved that the offence is committed with the consent or connivance
- Exemption: If established that exercised without knowledge or diligently handled

Cognizance of offences & limitation

- 1st class Magistrate Court on complaint or with pre-sanction of the inspector
- Complaint to be made within 3 months, But, if a written order of an inspector disobeyed - 6 months

Registers & Maintenance of Records

- PE & contractor requires to keep particulars of contract labour employed, the nature of work performed by them, the rates of wages paid etc.
- Within the premises PE & contractor requires to exhibit hours of work, nature of duty etc. (in prescribed manner).

Exemption, Protection & Power

- The appropriate Government (in special cases) may exempt
- The appropriate Government has power to make rules
- The Central Govt. may give directions to the State reg. the carrying of execution

Important Forms

- The PE to apply to registered in Form No. 1, get Certificate in Form No. 2 and maintain register in Form No. 3
- The Contractor has to obtain License depositing the required fees on Form No. 4 along with the PE Certificate on Form No. 5, get license in Form No. 6
- Contractor & PE to notify start & completion of work in form No 6A & 6B respectively
- Renewal in form No 7, Temp provision (8-11)

Important forms and Returns

- Register of Contractor Form No. 12
- Employment card & Service certificate Form No. 14 & 15 (contractor)
- Muster roll, wage admn. Etc Form No. 16 to 23, Wage Slip Form No. 19
- PE to file annual return by 15th Feb to D/ALC (Form No. 25). Contractor to file half yrly return by 31st Jan & Jul of year (Form No. 24)

A Quick recap

- Advisory Committee & Apprt. Govt.
- 10 no. of employee, License required by PE & Contractor by application
- Sub-contractor is also a contractor
- Amenities, Payment of wage.
- Witnessing, liability & recovery by PE
- Maintenance of records, Penalty
- Regulation & Abolition (Sec 10 only)

Qs'

If any...