

Labour Laws:

**Contract Labour (Regulation & Abolition) Act, 1970**

Definition:

A person is said to be employed as contract labour, in or in connection with the work of an establishment, when he is hired for such work by or through a contractor, with or without the knowledge of the principal employer.

Scope and Coverage:

The Act extends to the whole of india. It applies to-

- a) every establishment wherein 20 or more workmen are or were employed on any day of the preceding 12 months as contract labour, and
- b) every contractor who employs or employed on any day of the preceding 12 months, 20 or more workmen.

The Act, however, does not apply to any establishment in which work only of an intermittent or casual nature is performed. Intermittent means off and on, not continuous, alternating, recurrent, periodic, casual means irregular. Work performed in an estt. Shall not be deemed to be of an intermittent nature if it was performed for more than 120 days in the preceding 12 months or it is of a seasonal character and is performed for more than 60 days in a year.

Obligation of Employers/Contractors:

- 1) Registration of Establishments as per concerned State Rules.
- 2) A contractor should apply for licence for employing contract labour to the Licensing Officer in the prescribed forms such as location of the estt., nature of process, operation of work etc.
- 3) EPF/ESI/Bonus Acts are applicable as per respective Acts and Rules
- 4) Registers, Returns and Notices are to be maintained both by Principal Employers/and respective Contractors.
- 5) Factories, Minimum Wages Act, Payment of Wages Act, ID Act, WC Act (if applicable) are applicable to the contract labour employed in a factory which is otherwise covered by the said Act(s).
- 6) When a principal employer engages contract labour for work of perennial nature then the worker will become employee of the principal employer if he has worked for 240 days.
- 7) For any lapse on any provisions of labour Acts/Rules by the contractors, principal employer is held responsible for such lapses.