

## **The Contract Labour (Regulation and Abolition) Act, 1970**

This act applies to every establishment employing twenty or more workmen as contract labour and to every contractor employing twenty or more workmen on any day in the preceding twelve months.

### **2. Definitions:**

A **workman is considered “contract labour”** if he is hired for the work of an establishment through a contractor, whether or not the principal employer is aware of it.

A **“contractor”** is someone who agrees to deliver a specific outcome for an establishment. This involves more than just supplying goods; it includes providing services through contract labour or supplying contract labor for the establishment’s work.

A **“principal employer”** is the person who has ultimate control over a factory, mine, or any other establishment. This includes the owner, occupier, named manager, or any person responsible for supervising and controlling.

**7. Registration of establishments.** The principal employer must apply for registration of their establishment with the registering officer. If the application is complete, the officer will register the establishment and provide a certificate of registration to the principal employer.

**9.** A principal employer cannot hire contract labour without registration of the establishment.

**12-13. Licensing of contractors.** Contractors are required to obtain a license from the licensing officer in order to employ contract labour. When applying for a license, the contractor must use the prescribed form, providing details about the establishment's location, the nature of the work for which contract labour is to be employed, and other relevant information. Additionally, the contractor must comply with and ensure conditions such as work hours, wages, amenities, etc., for the contract labour.

The license remains valid for twelve months from the date of issuance and it is only for completing the work for which the license is issued. It can be renewed by paying fees and meeting the prescribed conditions.

**The Contractor or Principal Employer is responsible for providing certain welfare and health facilities to labours, including:**

**16. Canteens:** If a contractor employs 100 or more workers, they must provide and maintain one

or more canteens for the contract labour.

**17. Rest-rooms:** Contractors must provide rest rooms or suitable accommodation for overnight stays. These rest rooms must be well-lighted, ventilated, and kept clean and comfortable.

**18. Other facilities:** Contractors must provide a sufficient supply of drinking water, an adequate number of prescribed-type latrines and urinals conveniently located, and washing facilities.

**19. First-aid facilities:** Contractors must ensure the availability and accessibility of first-aid boxes with prescribed contents at all places where contract labour is employed.

**20.** If amenities like canteen, rest-rooms, first aid box and others required to be provided for the benefit of the contract labour are not provided by the contractor, then such amenity shall be provided by the principal employer.

**21. Responsibility for payment of wages.**

- Contractors must pay the wages to contract labour employed by them promptly. In establishments with less than 1,000 workers, wages must be paid before the seventh day of the month; and in larger establishments, wages must be paid before the tenth day of the month.

- When workmen employed by the contractor perform the same or similar work as the workmen directly employed by the principal employer, the contractor's workmen shall be paid the same wages, and entitled to the same holidays and other benefits as the workmen directly employed by the principal employer for similar roles **(25-2-v-a)**.

- Principal employers must appoint a representative to oversee wage distribution by contractors. This representative certifies timely and deduction-free payments. Contractors are responsible for ensuring wage disbursement in the presence of the authorized representative.

- If a contractor fails to pay wages to contract labour, the principal employer must pay wages. The principal employer can recover the amount by deducting it from the contractor's owed money.

**29. Registers and other records to be maintained.** Principal employers and contractors must maintain registers and records detailing information about contract labour, including the nature of work performed and the rates of wages paid. Additionally, both principal employers and contractors are required to display notices within the premises. These notices should contain information about working hours, the nature of duties, and any other relevant details.