

**Bill No. XI of 2002**

**THE CONTRACT LABOUR (REGULATION AND ABOLITION)  
AMENDMENT BILL, 2002**

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BILL

*further to amend the Contract Labour (Regulation and Abolition) Act, 1970*

BE it enacted by Parliament in the Fifty-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Contract Labour (Regulation and Abolition) Amendment Act, 2002. Short Title and Commencement.

5 (2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

37 of 1970. 2. In section 2 of the Contract Labour (Regulation and Abolition) Act, 1970 (hereinafter referred to as principal Act), for clause (a) the following clause be substituted, namely:— Amendment of Section 2.

10 ‘(a) “appropriate government” means the Government of the State or of the Union Territory, as the case may be, in whose territorial jurisdiction an establishment is situated.’

3. In section 10 of the principal Act, after the *Explanation* the following proviso shall be added, namely:— Amendment of Section 10.

15 “Provided that where the appropriate Government decides that the process, operation of other work in an establishment is of perennial nature, the contract labour employed for such work shall be given regular employment for such perennial work in the concerned establishment.”

#### STATEMENT OF OBJECTS AND REASONS

It has been provided in the Contract Labour (Regulation and Abolition) Act, 1970 that in case of establishments of Central Government, the appropriate Government will be the Central Government and in case of all other establishments, the Government of the State will be the appropriate Government. Especially after the judgment of Airport Authority Case, Bombay, the Labour Department has issued a circular that the Administrative Department should be treated as appropriate Government unless until the Act is amended. The Central Government is to be considered as appropriate Government for the purpose of Contract Labour issues. It is totally impracticable. The Central Government does not have the infrastructure to solve all the matters. It results in unnecessary delay in the matters of contract labour and their welfare. The State Governments have all the infrastructure such as Labour Commissioners etc. in their respective territories. Hence it will be in the fitness of things if the State Governments may be treated as appropriate Government in the case of all the establishments.

Similarly, though Section 10 of the Act provides for prohibition of employment of contract labour in an establishment where the work is of perennial and permanent nature and is of sufficient duration, yet it fails to ensure regular employment to the workmen employed for the purpose. Regular employment should be given to the same workmen in that establishment in case the contract work of that establishment is abolished.

The Bill proposing amendments in the Sections 2 & 10 of the Act seeks to achieve the aforesaid objectives.

RAMA CHANDRA KHUNTIA

*ANNEXURE*

EXTRACTS FROM CONTRACT LABOUR (REGULATION AND ABOLITION)  
ACT, 1970 (NO. 37 OF 1970)

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**2. Definitions**

(1) In this Act, unless the context otherwise requires,—

[(a) “appropriate government” means—

- (i) in relation to an establishment in respect of which the appropriate government under the Industrial Disputes Act, 1947 (14 of 1947), is the Central Government, the Central Government;
- (ii) in relation to any other establishment, the Government of the State in which that other establishment is situate;]

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**10. Prohibition of employment of contract labour**

(1) Notwithstanding anything contained in this Act, 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) Before issuing any notification under sub-section (1) in relation to an establishment, 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;
- (b) whether it is of perennial nature, that it is to say, it is of sufficient duration having regard the nature of industry, trade, business, manufacture or occupation carried on in that establishment;
- (c) whether it is done ordinarily through regular workmen in that establishment or an establishment similar thereto;
- (d) whether it is sufficient to employ considerable number of whole-time workmen.

*Explanation:* If a question arises whether any process or operation or other work is of perennial nature, the decision of the appropriate government thereon shall be final.

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RAJYA SABHA

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further to amend the Contract Labour (Regulation and Abolition) Act, 1970.

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*(Shri Ramachandra Khuntia, M.P.)*