

## LAW CAPSULE

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**REGISTRATION**

**UNDER INDIAN**

**CONTRACT**

**LABOUR LAW**

### **Registration & License under**

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

The Contract Labour (Regulation & Abolition) Act, 1970 came into force on 10<sup>th</sup> February'1971. The Contract Labour (Regulation & Abolition) Bill was earlier passed by both the Houses of Parliament and received the assent of the President on 5th September'1970. Some of the key features and highlights of the Act are herein below:

1. **APPLICABILITY** - The Act shall apply 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;
2. The Act shall not apply to establishments in which in which work only of intermittent or casual nature is performed;
3. "**ESTABLISHMENT**" means any place where any **industry, trade, business, manufacture or occupation is carried on**;
4. "**PRINCIPAL EMPLOYER**" means the **head of the office or department** or such other officer in case of department of the Govt. or a local authority, the **owner or occupier of the factory** in case of a factory, the owner or agent of the mine in case of a mine and any person responsible for supervision and control of the

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establishment in case of any other establishment;

5. Appointment of registering officers being Gazetted Officers of Government;

6. According to Section 7, the registration officer shall register an establishment and issue a certificate of registration, only if the application been submitted by the *principal employer* is complete in all respects. Contravention of the provisions of Section 7 is an offence;

7. LIST OF DOCUMENTS REQUIRED FOR REGISTRATION FROM PRINCIPAL EMPLOYER IN DELHI-

- a. Application for Registration of establishment employing contract labour [Form I as per Rule 17(1)]
- b. Copy of Memorandum & Articles of Association/PartnershipDeed/ Proprietors ID Proof;
- c. Copy of Registration under the Delhi Shop's & Est. Act/Factories Act;
- d. Challan of Registration Fee;
- e. Notice of commencement/completion of Contract Work [Form VI-B as per Rule 81(3)];
- f. Register of Contractors [Form XII as per Rule 74];
- g. Copy of Agreement of each contractor;
- h. Copy of Power of Attorney authorized by Resolution of the Board or signed by Partner/Proprietor;
- i. Affidavit by the Principal Employer informing that they have not employed workers directly for the work, they

have assigned the work to the contract workmen, and if so there is no violation of Rule 25(2)(v);

- j. Certificate of Principal Employer [Form V as per Rule 21] issued by the contractors;
- k. Application for License [Form IV as per Rule 21(1)];
- l. Reasons for filing of application of registration if any;
- m. Bank Statement to confirm wages are paid through cheque/ECS Transfer alongwith Wages Register alongside;
- n. Undertaking that the statutory records have been uploaded on the website;
- o. Details of the Contractor i.e. ESIC Code, Bank Statement/Salary Slip paid to employees, PF/Challan, MoA/AoA of the Company, Board Resolution for Authorised Signatory, ID proof/PAN Card of Employer, ID Proof/PAN Card of Company, ID Proof/PAN Card of Authorised Signatory;
- p. Affidavit along with Form IV;
- q. Affidavit by Company through Authorised representative of the Contractor;
- r. Affidavit of the Authorised representative of the Contractor;
- s. Website;
- t. Email Address;
- u. Name & landline or mobile phone number of Principal Employer.

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8. LOCATION OF THE OFFICE WHERE DOCUMENTS HAVE TO BE SUBMITTED IN DELHI-

- a. District Labour Office, Room No. 122-123, A-wing, 1<sup>st</sup> floor, Pushpa Bhawan, New Delhi;
- b. Near DTC Colony, Hari Nagar, Pratap Nagar, New Delhi-110064;
- c. F Block, Karampura, New Delhi;
- d. Nimri Colony, Ashok Vihar, Phase IV, Delhi- 52;
- e. Employment Exchange Building, Pusa Complex, New Delhi;
- f. Social Welfare Building, 1-Canning Lane, K. B. Marg, New Delhi;
- g. Vishwakarma Nagar, Jhilmil Colony, Shahadra, New Delhi.

9. Statutory fees Payable

- a. Rs. 20 where the number of workers is 20;
- b. Rs. 50 where the number of workers exceeds 20 but does not exceed 50;
- c. Rs. 100 where the number of workers exceeds 50 but does not exceed 100;
- d. Rs. 200 where the number of workers exceeds 100 but does not exceed 200;
- e. Rs. 400 where the number of workers exceeds 200 but does not exceed 400;
- f. Rs. 500 where the number of workers exceeds 400.

10. In case if the registration of an establishment has been obtained by misrepresentation or suppression of any material fact, the registration requires to be revoked. The

*principal employer* has the right to be heard before the revocation (Section 8);

11. The Appropriate Govt. may after consultation with the Central Board or the State Board as the case may be, prohibit the employment of contract labour, by notification in the Official Gazette;

12. Industrial Court have no jurisdiction to determine the question as to whether the contract labour should be abolished or not, the same within the exclusive domain of Appropriate Government;

13. It is only the appropriate Government which has the authority to abolish the contract labour system and not the court including the industrial adjudicator;

14. The Act does not purport to abolish contract labour in its entirety;

15. Appointment of licensing officer, being Gazetted Officers of Government;

16. According to Section 12, no contractor shall undertake or execute any work through contract labour, without a license being issued by the licensing officer;

17. **VALIDITY OF LICENCE-** The license issued by the licensing officer shall be valid for the period specified therein and may be renewed from time to time for such period and on payment of such fees and on such conditions as may be prescribed; [12 months]

18. According to Section 14, if the holder of a license has, without reasonable cause, failed to comply with the conditions subject to which the license has been granted, the license stands to be revoked or suspended;

19. Any person aggrieved by an order made under section 7, section 8, section 12 or section 14 may, within 30 days from the date on which the order is communicated to him, prefer an appeal to an appellate officer who shall be a person nominated by the Appropriate Government;
20. The Appropriate Govt. may make rules requiring that in every establishment to which this Act applies, one or more canteens shall be provided and maintained by the contractor for the use of such contract labour;
21. **FACILITIES FOR CONTRACT LABOURS-** In every place wherein contract labour is required to halt at night in connection with the work of an establishment, they shall be provided with such number of **rest-rooms** or such other **alternative accommodation** within such time as may be required;
22. It shall be the duty of every contractor employing contract labour to provide **First-aid facilities** to the contract labours employed under him;
23. Obligation to provide amenities i.e. **canteens, rest-rooms, drinking water, latrines and urinals of prescribed types or first –aid facilities** conferred by the Act to the workers is on the principal employer;
24. **PUNISHMENT & PENALTY** - Whoever contravenes any provision of this Act or of any rules made there under, he shall be punishable with **imprisonment for a term which may extend to three months or a fine** which may extend to one thousand rupees, or with both; Since this is a Criminal Case the presence of the Accused i.e. Director is mandatory on all

the dates of hearing before the Hon'ble District Court.

25. If the person committing an offence under this Act is a company, the company as well as every person in charge of it shall be deemed guilty of the offence and shall be liable to be proceeded against and punished accordingly;
26. **JURISDICTION OF COURT-** No court inferior to that of a Presidency Magistrate or a **Magistrate of the first class** shall take cognizance of any offence punishable under this Act;
27. The limitation period prescribed for complaint of any offence under this Act is three months from the date on which the alleged commission of the offence came to the knowledge of an inspector;

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**For any further details, please contact:**

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