

**TWENTY FOURTH REPORT  
COMMITTEE ON PETITIONS  
(SIXTEENTH LOK SABHA)**

**MINISTRY OF LABOUR & EMPLOYMENT**

**(Presented to Lok Sabha on 9 December, 2016)**



**LOK SABHA SECRETARIAT  
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**COMPOSITION OF THE COMMITTEE ON PETITIONS  
(2016-2017)**

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| 3. Shri Harish Kumar Sethi | - | Senior Executive Assistant |

(iii)

## **TWENTY FOURTH REPORT OF THE COMMITTEE ON PETITIONS**

### **(SIXTEENTH LOK SABHA)**

#### *INTRODUCTION*

I, the Chairperson, Committee on Petitions, having been authorised by the Committee to present the Report on their behalf, present this Twenty Fourth Report (Sixteenth Lok Sabha) of the Committee to the House on the representation received from Shri Sapan Kumar Ghosal regarding amendment to the Contract Labour (Regulation & Abolition) Act, 1970 governing the working conditions of Contract Labourers.

2. The Committee considered and adopted the draft Twenty Fourth Report at their sitting held on 29 November, 2016.
3. The observations/recommendations of the Committee on the above matters have been included in the Report.

**NEW DELHI;**

**29 November, 2016**  
**08 Agrahayana, 1938 (Saka)**

**BHAGAT SINGH KOSHYARI**  
Chairperson,  
***Committee on Petitions***

(v)

## REPORT

### **REPRESENTATION RECEIVED FROM SHRI SAPAN KUMAR GHOSAL REGARDING AMENDMENT TO THE CONTRACT LABOUR (REGULATION AND ABOLITION) ACT, 1970 GOVERNING THE WORKING CONDITIONS OF CONTRACT LABOURERS.**

Shri Sapan Kumar Ghosal, General Secretary, Jharkhand Asangatith Mazdoor Union submitted a Representation, dated 20 July, 2014 regarding amendment to the Contract Labour (Regulation & Abolition) Act, 1970 by which the working conditions of Contract Labourers are governed for the present.

2. The Petitioner, in his Representation, *inter-alia* stated that 80% workers are Contract Labourers engaged in Factories, Mining, Financial & Educational Institutions, Commercial Establishments, Hospitals, Railways, Postal and Telecommunications, including Central and State Government Offices. There is a disparity in wages paid to the permanent Labourers and the Contract Labourers for the similar work. Moreover, the Contract Labourers have no legal entitlement for earned leave, casual leave, holiday on National and religious festivals and are also deprived of social security, viz., Gratuity, etc. A Contract Labour working on a place continuously for 20-25 years have no job security and could be removed from the job by the Contractor - resulting in living a fearful life for her/him and the other family members. He had also submitted that at present, five lakh Contract Labourers are working in the Railways and are in receipt of different wages as compared to the regular workers. Thus, lakhs of Contract Labourers are being exploited. He further submitted that the Hon'ble Supreme Court in the Civil Appeal Case No. 2585/2006 had given a decision in this context that *"In order to avoid their liability under various labour statutes, employers are very often resorting to subterfuge by trying to show that their employees are, in fact, the employees of a Contractor. It is high time that this subterfuge must come to an end.* The Petitioner, therefore, requested to make appropriate amendments in the Contract Labour (Regulation & Abolition) Act, 1970 or to repeal the same in order to protect the rights of Contract Labourers and their families from being continuously exploited.

3 The Committee on Petitions took up the Representation for examination under Direction 95 of the Directions by the Speaker, Lok Sabha and the Representation was forwarded to the Ministry of Labour & Employment for furnishing their comments on the issues raised in the Representation.

4 The Ministry of Labour & Employment vide their communication dated 7 April, 2015, submitted the following reply:-

*"The Contract Labour (Regulation & Abolition) Act, 1970 aims at regulating employment of Contract Labour so as to place it at par with labourers employed directly, with regard to the working conditions and certain other benefits. Contract Labour refers to the workers engaged by a Contractor for the user Enterprises. These workers are generally engaged in Agricultural Operations, Plantations, Construction Industry, Ports & Docks, Oil-Fields, Factories, Railways, Shipping, Airlines, Road Transport, etc.*

*The interests of Contract Workers are protected in terms of wages, hours of work, welfare, health and social security. The amenities to be provided to Contract Labour include canteen, rest rooms, first aid facilities and other basic necessities at the work place like drinking water, etc. The liability to ensure payment of wages and other benefits is primarily that of the Contractor, and in case of default, that of the Principal Employer.*

*The Act is implemented both by the Centre and the State Governments. The Central Government has jurisdiction over all Central Government Public Sector Undertakings like railways, banks, mines, etc. and the State Governments have jurisdiction over the Units located in that State. In the Central sphere, the Central Industrial Relations Machinery (CIRM) headed by Chief Labour Commissioner (Central) and his officers have been entrusted with the responsibility of enforcing the provisions of the Act and the rules made thereunder.*

*Apart from the regulatory measures provided under the Act for the benefit of the Contract Labour, the 'Appropriate Government' under the Act is authorised, as the case may be, to prohibit, by Notification in the Official Gazette, employment of Contract Labour in any establishment in any process, operation or other work.*

*To safeguard the interest of Contract Workers further in terms of wages and social security, a proposal for amendment to the Contract Labour (Regulation & Abolition) Act, 1970 is under consideration of the Government.*

### **Important Provisions in the Act**

#### Objective of the Act

*To regulate the employment of Contract labour in certain establishments and to provide for its abolition in certain circumstances and for matters connected therewith.*

## Important Sections/Rules

### Section1 - Applicability of the Act

*It is applicable to every establishment and Contractor who employs 20 or more workers on any day of preceding 12 months. It does not apply to establishment in which work is of intermittent or casual nature, i.e., if it is performed for 120 days in a year and if the establishment is of seasonal character, then the period is 60 days.*

### Section 3 - Central Advisory Board

*The Central Government and the State Governments are required to set up Central Advisory Board and State Advisory Boards, which are authorised to constitute Committees as deemed proper. The functions of the Boards are advisory, on matters arising out of the administration of Act, as are referred to them. The Central Advisory Board - a Tripartite Body consists of a Chairman to be appointed by the Central Government, CLS(C) as ex-officio and 17 Members from various Ministries and Workers' Representatives. The Board was last re-constituted on 2 April, 2013. The term of non-official members of the Board is three years. Eighty Five meetings of the Central advisory Contract Labour Board (CACL B) have been held since inception. The last meeting was held on 30 & 31 October, 2014 at Kolkata. The existing Central Advisory Contract Labour Board has so far held three meetings and considered various issues relating to abolition of Contract labour system in certain establishments. Proposals for amendment to the Act and International Labour Organisation convention on Contract labour were also considered.*

### Section 7 - Registration of Establishment employing Contract Labour

*The establishments employing 20 or more Contract Workers is required to register in field offices of CLC.*

### Section10 - Prohibition of Employment of Contract Labour

*Section10(1) of the Act authorises the appropriate Government to prohibit employment of Contract labour in any process, operation or other work in any establishment after consulting the Central Advisory Contract Labour Board (CACL B)/State Advisory Contract Labour Board (SACL B). Before issuing Notification for Prohibition, 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 is to say, it is of sufficient duration having regard to 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; and*
- (d) whether it is sufficient to employ considerable number of whole time workmen;*

*The Central Government, on the recommendations of the Central Advisory Contract Labour Board, have prohibited employment of Contract Labour in various operations/category of jobs in various establishments. So far, 87 Notifications have been issued since inception of the Act.*

#### *Sections 11 to 14 - Licensing of Contractors*

*Contractors employing 20 Contract Workers is to obtain licence from concerned field offices of CLC(C).*

#### *Sections 16 to 21 - The provisions to protect the interest of Contract workers*

*The interest of Contract workers is protected in terms of wages, hours of work, welfare, health and social security. The amenities to be provided to Contract Labour include canteen, rest rooms, first aid facilities and other basic necessities at the work place such as drinking water, etc. The liability to ensure payment of wages and other benefits is primarily that of the Contractor and, in case of default, that of the Principal Employer. As per one of the licencing conditions of Contractors, where Contract Workers perform same/ similar work as the regular Worker, the wage rates, etc., of the Contract Worker will be the same as of the regular Worker. In other cases, the rates of wages shall not be less than the prescribed rates under Minimum Wages Act, 1948.*

### Sections 23 to 24 - Penal Provisions under the Act

*For contravention of the provisions of the Act or any Rules made thereunder, the punishment is imprisonment for a maximum term upto 3 months and a fine upto a maximum of Rs.1000/- or both.*

### Section 28 - Position of the Enforcement of the Contract Labour (Regulation and Abolition) Act, 1970

*In the Central Sphere, the Central Industrial Relations Machinery (CIRM) has been entrusted with the responsibility of enforcing the provisions of the Act and Rules made thereunder, through Inspectors, licensing Officers, Registering Officers and Appellate Authorities appointed under the Act. The enforcement data in the Central Sphere under the Act is as under:-*

Sl.No.	Particulars	2010-11	2011-12	2012-13	2013-14
1.	No. of inspections conducted	7327	7268	8146	6990
2.	No. of irregularities/violations	148731	192418	148838	145451
3.	No. of prosecution launched	4908	4962	4671	4084
4.	No. of convictions	3643	4962	2871	3270

### Section 31 - Power to exempt in Special Case

*The Appropriate Government may, in the case of an emergency, exempt for specific period subject to such conditions and restrictions, if any, from any of the provisions of this Act. Notifications granting exemption to 18 establishments in exercise of this power in the Central Sphere have been issued."*

5. Clarifying on the issues raised in the representation such as equal wages, incentives like leave, social security, etc., to the Contract Labourers as received by the regular workers, the Ministry, in their written reply, submitted:-

- (i) *There has been a constant demand to re-visit the provisions of the Contract Labour (Regulation & Abolition) Act, 1970 and make it more effective. The issues relating to Contract Workers have been discussed in various fora including the Parliament, the State Labour Ministers Conference, and the Labour Minister's Conference. The State Labour Ministers Conference held on 22 January, 2010 unanimously agreed to amend the Act and incorporate the provision of Rule 25(2)(v)(a)&(b) as a new section in the main body of the Act to make it more effective. This aspect was also considered during the*

*43rd Indian Labour Conference held on 23 & 24 November, 2010, wherein it was also supported by the representatives of the Trade Unions and the State Governments but was opposed by the Employers' representatives.*

- (ii) In view of the aforementioned deliberations, it was felt that there is an emergent need to amend the Contract Labour (Regulation & Abolition) Act, 1970 to ensure equal wages and social security to the Contract Workers at par with the regular workers of the Principal Employers for the same and similar work. It was also considered necessary to carry-out an amendment in the Contract Labour (Regulation & Abolition) Act, 1970 so as to re-define the 'Appropriate Government' under Section 2(1) (a) of the Act due to amendment in the definition of "Appropriate Government" in the Industrial Disputes Act, 1947.*
- (iii) Subsequently, it was decided to assess the impact of proposed amendments on the economy and the financial implications for the Central and State Governments. A study on assessment of economic impact and financial implications of the proposal to amend the Contract Labour (Regulation & Abolition) Act, 1970 was done by V.V. Giri National Labour Institute, Noida on 30.4.2010. As per the Study Report, the proposed amendments will have a very positive impact on the Contract Labourers as well as on the economy of the country. This would achieve the objective of inclusive growth and distributive justice. As per the Study Report of the V.V. Giri National Labour Institute, NOIDA, the overall financial impact of the proposed amendments would be to the tune of Rs.16,691 crore (Rs. 11,019.33 crore for Government/Public Sector plus Rs.5509.67 crore for the Private Sector and Rs.162 crore to the Central Government as additional contribution to EPF). The study has, however, not clearly indicated the impact of increase in the wages of Contract Labourers if 20 or more Contract Labourers are engaged by the Principal Employer through a number of Contractors employing less than 20 Contract Labourers. This could not be done as this data was not readily available. However, the CoS observed that the assessment of economic impact and financial implications done by V.V.Giri National Labour Institute could be an under estimation on account of lack of reliable data and limitations inherent in the methodology on the basis of which the assessment has been made.*
- (iv) A Committee of Secretaries (CoS) was constituted to examine the proposal. The note of CoS was sent on 14.12.2010. The CoS desired to collect information regarding level of enforcement of related legal provisions and also to fine tune projections of financial implications as the same could vary within*

*the range of 15-25%. On reference to the National Labour Institute (NLI), they stated that the same constraints are even now prevailing and to conduct this study by collecting the data with rigor and as per the prescribed statistical procedure from across the country would require sizeable trained manpower, infrastructure and other resources which the VVGNLI is not equipped with. The CoS held meetings on 16 February and 3 December, 2012. In the meeting held on 3.12.2012, the CoS noted that while the proposal was legally sound and was desirable in the interest of Contract Workers, there were other considerations of its impact on productivity and the financial implications. The Committee was of the view that the financial implications assessed by the VVGNLI could be an under estimation on account of lack of reliable data and the limitations inherent in the methodology with which the assessment had been made.*

- (v) *A revised draft Cabinet Note was put up on 7.3.2013. Thereafter, it was decided to consider the proposal from various perspectives. Accordingly, the proposal was reconsidered by Inter-Ministerial Committee. The proposal was considered in the meeting of the Group of Ministers held on 8.1.2014. After detailed discussions, the GoM accorded 'in-principle' approval to the proposal of the Ministry of Labour & Employment to introduce certain amendments in the Contract Labour (Regulation & Abolition) Act, 1970, inter alia, to bring the Rule position in the Statute and advised the Ministry to bring the amendment proposal for consideration of the Cabinet.*

6. The Ministry of Labour & Employment further informed the Committee that the amendments proposed in the Contract Labour (Regulation & Abolition) Act, 1970 *inter alia* on the basis of detailed deliberations held with various stakeholders are given in Annexure-I. The Committee were further informed that subsequently, an Inter-Ministerial Group (IMG) for detailed examination of the proposal for amendment to the Act was constituted in the Ministry. The said Group held its meeting on 6.1.2015. The recommendations of the IMG are presently under examination of the Government.

7. In reply to a query by the Committee regarding State-wise minimum wages fixed for the Contract Labourers, the Ministry of Labour & Employment submitted, in their written reply, that the area-wise rates of minimum wage prescribed for scheduled employment in the Central sphere are given in Annexure-II.

8. On a specific query by the Committee about the Labour Laws framed for the first time and last amended, the Ministry of Labour & Employment submitted, in their written

reply, stated that as per record, the first Labour Law was enacted during British rule in 1923, which is known as the Workmen Compensation Act and this was the only Labour Law of that year. This Act is now renamed as Employees' Compensation Act. There are 44 Central Labour Laws which are amended from time to time.

9. On being enquired by the Committee about the rights of Contract Labourers under the existing Labour Laws, the Ministry of Labour & Employment submitted, in their written reply, that apart from the provisions of the CL(R&A) Act of 1970, the rights of Contract Labourers are protected by provisions of Industrial Disputes Act of 1947, Employees' Compensation Act of 1923, EPF & MP Act of 1952, ESIC Act, 1948, Maternity Benefit Act of 1961, Payment of Wages Act, 1936, Minimum Wages Act 1948, Equal Remuneration Act 1976, Payment of Gratuity Act 1972, Payment of Bonus Act 1965, Mines Act 1952 and Factories Act 1948. The amenities to be provided to Contract labour include canteen, rest rooms, first-aid facilities and other basic necessities at work place like drinking water, urinals, latrines, etc.

10. The Committee, then, specifically wanted to know the reasons for the problems being faced by the Labourers. On this issue, the representatives of the Ministry of Labour & Employment, during the oral evidence, submitted before the Committee that their Ministry was emphasizing on two points i.e., to increase economic activities and to create employment opportunities for Labourers. Over the issue of large scale exploitation of labour in the country, the witness expressed total agreement with the Committee especially in case of those Labourers who belong to Unorganised Sector, and despite schemes like ESIC, EPF and other Labour Laws, large number of work force continue to be exploited either directly or indirectly. The witness further submitted that the Ministry is in the process of examining and amending all the Labour Laws and trying to consolidate 44 laws in a separate 5 codes. The witness further added that they have taken up two laws on priority basis; one is the Child Labour Act and the other one is EPF Act. As on date, any establishment which has got 20 and more than 20 workers, comes under the purview of the EPF Act. There are number of establishments who have 10 or more than 10 workers and they are trying to cover those establishment under this Act.

11. On being asked by the Committee as to whether any the time limit has been fixed to amend and implement the revised Labour Laws, the Ministry of Labour & Employment submitted that amendment initiatives are taken when it is felt that the existing laws have become obsolete so as to address the changing needs of the time. Government of India

has the highest Tripartite Body, namely, the Indian Labour Conference which recommends amendments. Besides, the Ministry of Labour & Employment also takes initiatives for amendment under compelling situations.

12. The Committee when asked about the major points/issues that have been covered in the representations received from FICCI, CII, etc., and their incorporation in the Act, the Ministry of Labour & Employment submitted, in their written reply, that FICCI requested to treat the Contractor as a separate establishment, fully accountable for meeting the provision of the Act as a Principal Employer. CII has requested for abolition of Section 10. The matter is under consideration of the Ministry.

13. The Committee further desired to know as to whether the Ministry has solicited the views of the stakeholders, Labour Unions, etc., before making the draft Laws, the representative of the Ministry submitted before the Committee that whenever they make any changes, or even a small amendment in the existing Labour Law, they hold tripartite consultations with the employees, the employer and the Government.

14. In response to a query by the Committee about the reasons for displacement of regular workers by engaging Contract Labourers for getting the same work done, in the name of globalization and liberalization, the Ministry of Labour & Employment submitted, in their written reply, that displacement of regular worker by Contract labourer at lower rate is not permissible. The Contract Labour (R&A) Act, 1970 provides for abolition of Contract labour system upon recommendation of the Central Advisory Contract Labour Board wherever possible and practicable. In cases where Contract labour system cannot be abolished altogether, the working condition of Contract labour should be regulated so as to ensure payment of decent wage and basic amenities in case no reference wage-structure is available in the regular establishment either of the Contractor or of the Principal Employer.

15. On the question of identification of deficiencies in the existing Labour Laws, the Ministry of Labour & Employment submitted, in their written reply, that the size of the establishment with 20 workmen for the purpose of application of the Act is too large. The ESIC Act covers establishment of 10 workers and more. Hence, there is a case for bringing down the size of establishment.

16. On being specifically asked by the Committee about the reasons for not implementing the uniform payment of Minimum Wages, the witness conceded during

evidence that there are gaps and loopholes both in the legal and administrative frame work that exist for the Contract Labourers for the present. He also admitted to the fact that the Law Enforcement Agency meant to enforce these Laws also does not happen to be strong enough and assured the Committee that in the new proposed law, the Ministry was trying to address all these issues.

17. The Committee when asked about the details of complaints received regarding payment of lower wages than prescribed rate to the Labourers, the Ministry of Labour & Employment submitted, in their written reply, that a well-established statutory mechanism is in place to enforce wage rights of Contract Labourers as stipulated in Contract Labour (Regulation & Abolition) Act, 1970. The country-wide network of the Deputy Chief Labour Commissioners and Regional Labour Commissioners under the control of Chief Labour Commissioner (Central) is mandated to settle the complaints/claims in regard to grievances arising out of non-payment or payment of lower wages. Besides, a grievance redressal mechanism exists in the States/UTs in respect of the grievances pertaining to establishment coming under the State sphere. The data in regard to such complaints/grievances for the year 2015-16 is as follows:-

*A special drive of inspections has been conducted by CLC machinery from 15th November to 15th December focusing on unorganized sector. A total number of 9,595 inspections have been conducted in which 87,857 irregularities could be detected. The claim cases of Minimum wages amounting to Rs.1.87 crore were flagged for settlement. Another special drive is underway to cover about 7,350 more establishments.*

18. In reply to a query by the Committee regarding the outcome of the Inter-Ministerial Group meeting held on 9.12.2014, the Ministry of Labour & Employment submitted, in their written reply, that the meeting of the Inter-Ministerial Group scheduled for 9.12.2014 was re-scheduled and held on 6.01.2015. It, inter-alia, recommended not to abolish Section 10 of the Act. Further, it recommended that it will be the responsibility of the Principal Employer to ensure that the Contract contains all provisions to enforce safeguards for Contract labour and that the Contractor fulfills the terms and conditions of the Contract while executing the work.

## Observations/Recommendations

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

19. The Committee note that the Contract Labour (Regulation and Abolition) Act, 1970 aims at regulating the employment of Contract Labourers so as to place it at par with the Labourers employed directly with regard to the working conditions and certain other benefits. The Committee also note that Contract Labourers are normally engaged in Agricultural Operations, Plantations, Construction Industry, Ports and Docks, Oil-Fields, Railways, Shipping, Airlines, Road Transport, Factories, etc. The Committee further note that the interest of Contract Labourers are protected in terms of wages, hours of work, welfare, health and social security. The amenities to be provided to Contract Labourers include Canteen, Rest Rooms, First-Aid, Drinking Water, etc. The liability to ensure payment of wages and other benefits is primarily that of the Contractor, and in case of default, that of the Principal Employer. The Committee have also been given to understand that with a view to further safeguarding the interest of Contract Labourers in terms of wages and social security, a proposal for amendment to the Contract Labour (Regulation and Abolition) Act, 1970 is under consideration of the Government.

20. The Committee would like to point out that on the issue of Labour Statutes/ Contract Labourers, the Supreme Court of India, in the Civil Appeal No. 2585 of 2006, had *inter alia* observed that in order to avoid their liability under various Labour Statutes, the Employers are very often resorting to subterfuge by trying to show that their employees are, in fact, the employees of a Contractor. It is high time that this subterfuge must come to an end. In nutshell, the Committee would like to point out that the Act *ibid* was enacted more than four decades ago and the Committee had also experienced that in practice, the Contract Labourers have often been discriminated vis-a-vis the regular employees not only in terms of wages and various



other amenities but also on various social security aspects, viz., continuity in employment, etc. The Committee, therefore, appreciate the intention of the Government to finally amend that Contract Labour (Regulation and Abolition) Act, 1970. The Committee, therefore, desire that while finalising the Act *ibid*, the Government would adhere to the principles of fair play to all the stake holders, especially, the Contract Labourers and also to ensure the objective of inclusive growth and distributive justice.

Prolonged deliberations for amendment in the Contract Labour (Regulation and Abolition) Act, 1970

21. The Committee have been informed by the Ministry of Labour & Employment that there has been a constant demand to re-visit the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 and to make it more effective. The issues relating to Contract Workers had been discussed in various fora, including the Parliament, the State Labour Ministers' Conference and the Labour Minister's Conference. The State Labour Ministers' Conference held on 22 January, 2010 unanimously agreed to amend the Act *ibid* to make it more effective. The Committee have also been given to understand that subsequently, it was decided to assess the impact of the proposed amendments on the economy and the financial implications for the Central and State Governments.

22. Since the Committee are examining the instant representation *inter alia* regarding amendment to the Contract Labour (Regulation and Abolition) Act, 1970, some of the chronological sequence of events that have a bearing on the functioning of the Ministry of Labour & Employment *vis-a-vis* the aspect of prolonged deliberations needs recapitulation:-

- ***On 30 April, 2010, study on assessment of economic impact and financial implications of the proposal to amend the Act was done by the V.V. Giri National Labour Institute, Noida.***
- ***As per the study Report, the overall financial impact of the proposed amendments would be to the tune of Rs. 16,691 crore (Rs. 11019.33 crore for Government/ Public Sector, Rs. 5509.67 crore for the Private Sector and Rs. 162 crore to the Central Government as additional contribution to the Employees' Provident Fund).***
- ***The study has, however, not clearly indicated the impact of increase in the wages of Contract Labourers if 20 or more Contract Labourers are engaged by the Principal Employer through a number of Contractors employing less than 20 Contract Labourers. This could not be done as this data was not readily available.***
- ***The Committee of Secretaries (CoS) observed that the assessment of economic impact and financial implications done by the V.V. Giri National Labour Institute could be an under estimation on account of lack of reliable data and limitations inherent in the methodology on the basis of which the assessment had been made.***
- ***A CoS was, accordingly, constituted on 14 December, 2010 to examine the proposal. They desired to collect information regarding the level of enforcement of related legal provisions and also to fine tune projections of financial implications as the same could vary within the range of 15-25%.***
- ***On reference to the V.V. Giri National Labour Institute, the CoS stated that the same constraints are even now prevailing and to conduct this study by collecting the data with rigor and as per the prescribed statistical procedure form across the country would require sizeable trained manpower, infrastructure and other resources which the National Labour Institute is not equipped with.***
- ***The CoS held meetings on 16 February and 3 December, 2012. They noted that while the proposal was legally sound and was desirable in the interest of Contract Workers, there were other considerations of its impact on productivity and the financial implications.***

- *On 7 March, 2013, a revised draft Cabinet Note was put up, wherein it was decided to consider the proposal from various perspectives. Accordingly, the proposal was reconsidered by the Inter-Ministerial Committee.*
- *The proposal was considered in the meeting of the Group of Ministers (GoM) held on 8 January, 2014. After detailed discussions, the GoM accorded 'in-principle' approval to the proposal of the Ministry of Labour & Employment to introduce certain amendments in the Contract Labour (Regulation and Abolition) Act, 1970, inter alia, to bring the Rule position in the Statute and advised the Ministry to bring the amendment proposal for consideration of the Cabinet.*
- *Subsequently, an Inter-Ministerial Group (IMG) was constituted in the Ministry for undertaking detailed examination of the proposal for amendment to the Act. The said Group held its meeting on 6 January, 2015. The recommendations of the IMG are presently under examination of the Government.*

23. The above, *inter alia*, are some of the chronological sequence of events that the Committee have identified in the wake of the detailed examination of the instant representation. After analysing the prolonged deliberations, spreading over six years, the Committee want to emphasise that there is now an urgent need for amendment to the Contract Labour (Regulation and Abolition) Act, 1970, which should be the guiding force for the protection of rights of a huge work force of Contract Labourers in the country in terms of wages, hours of work, holidays and other conditions of service similar to that of regular employees. It is stating the obvious that the country needs not only the urgent redressal of grievances of the Contract Labourers but also making a workable formulation to induce the Contractors and the Principal Employers to adhere to the various provisions of the Act. The Committee, therefore, recommend the Government to finalise all the deliberations relating to amendment of the Contract Labour (Regulation and Abolition) Act, 1970. The Committee expect and trust that self-contained proposals, in the form of a Bill, shall be introduced in the Parliament by the Government during the Budget Session of 2017.

## Amendment of other Labour Laws

24. The Committee find that the first Labour Law was enacted during the British Rule in the year 1923 which was known as Workmen Compensation Act. This Act is now known as Employees' Compensation Act. The Committee also note that apart from the provisions contained in the Contract Labour (Regulation and Abolition) Act, 1970, the rights of Contract Labourers are protected by various Labour Laws, viz., the Industrial Disputes Act of 1947, Employees' Compensation Act of 1923, Employees' Provident Fund and Miscellaneous Provision Act of 1952, Employees State Insurance Act of 1948, Maternity Benefit Act of 1961, Payment of Wages Act of 1936, Minimum Wages Act of 1948, Equal Remuneration Act of 1976, Payment of Gratuity Act of 1972, Payment of Bonus Act of 1965, Mines Act of 1952, Factories Act of 1948, etc. The Committee also find that with the view to protecting the rights of workers - regular and/or on contract basis - these Act are amended from time to time. The Committee take note of the initiative now being taken by the Government to amend the Contract Labour (Regulation and Abolition) Act, 1970. However, the Committee would like to point out that the overall welfare and protection of rights of workers could not be effectively achieved by way of making amendments only to the Contract Labour (Regulation and Abolition) Act, 1970 - in view of the fact that other Labour Laws also deal with various aspects connected with their well being in the form of health, safety and social security. The Committee, therefore, recommend that Government should focus on coalescing all the existing Labour Laws into one unified piece of legislation with specific provisions covering Labour-Management relations, wages, social security, safety at workplace, welfare provisions, terms and condition of employment, recognition of trade unions, provisions regarding collective bargaining, and above all, enforcement of International Labour Standards. Such a comprehensive legislative enactment would also serve as a model for the State Governments. The Committee

would like to be apprised of the final outcome in this regard within three months of presentation of this Report to the House.

**NEW DELHI;**  
**29 November, 2016**  
**8 Agrahayana, 1938 (Saka)**

**BHAGAT SINGH KOSHYARI**  
**Chairperson,**  
**Committee on Petitions**