

## **Standard Operating Procedure for Manager (Depot) to Act as Principal Employer under various provisions of Contract Labour (Regulation & Abolition), Act 1970**

1. As per existing practice, Divisional Manager is nominated as Principle Employer under the provisions of Contract Labour (R & A) Act, 1970. The matter was examined in consultation with Ld ASG and as advised by him the Competent Authority has decided that instead of registering Divisional Manager as Principle Employer for all the depots under his jurisdiction, the concerned Manger (depot) shall be registered as the Principle Employer as each depot of FCI is a separate establishment under the said Act. The competent authority also directed to prepare SOP indicating the duties of the Manager(Depot) as Principal Employer under CL(R&A) Act, 1970.
2. The Contract Labour (R&A) Act, 1970 and the Contract Labour (R&A) Central Rules, 1971 framed under the Act contains elaborate provisions to spell out the duties to be performed by the Principle Employer. Therefore, all the Managers(Depot) shall fully acquaint themselves with the provisions of the said Act and Rules. The main provisions are highlighted hereunder:

### **(i) Registration of certain establishment -**

- (a)** Firstly, the Manager(Depot) has to be registered as Principle Employer in place of Divisional Manager. The Section 7 of the Contract Labour (R&A) Act, 1970 explains the procedure for registration of the establishment and the same is reproduced as under:

*(1) Every principal employer of an establishment to which this Act applies shall, within such period as the appropriate Government may, by notification in the Official Gazette, fix in this behalf with respect to establishments generally or with respect to any class of them, make an application to the registering office in the prescribed manner for registration of the establishment:*

*Provided that the registering officer may entertain any such application for registration after expiry of the period fixed in this behalf, if the registering officer is satisfied that the applicant was prevented by sufficient cause from making the application in time.*

*(2) If the application for registration is complete in all respects, the registering officer shall register the establishment and issue to the principal employer of the establishment a certificate of registration containing such particulars as may be prescribed.*

**(b)** The procedure for making application for registration of establishments has been set out under Rule 17, which provides that:

*(1) The application referred to in sub-section (1) of Section 7 shall be made in triplicate, in Form I to the registering officer of the area in which the establishment sought to be registered is located.*

*(2) The application referred to in sub-rule (1) shall be accompanied by treasury receipt showing payment of the fees for the registration of the establishment.*

*(3) Every application referred to in sub-rule (1) shall be either personally delivered to the registering officer or sent to him by registered post.*

*(4) On receipt of the application referred to in sub-rule (1), the registering officer shall, after noting thereon the date of receipt by him of the application, grant an acknowledgment to the applicant.*

**(c)** The Rules 18 and 19 provide for issuance of registration certificates and the amendments to be made therein in case of change in particulars mentioned in the certificate.

**(ii) The contractors are required to obtain license:**

**(a) Section 12** of the CL(R&A) Act provides for obtaining license by the contractor without which he cannot undertake the contract work. The Manager(Depot) has to ensure that the contractor possess the necessary license. The said section provides that –

*(1) With effect from such date as the appropriate Government may, by notification in the Official Gazette, appoint, no contractor to whom this Act applies, shall undertake or execute any work through contract labour except under and accordance with a license issued in that behalf by the licensing officer.*

*(2) Subject to the provisions of this Act, a license under sub-section (1) may contain such conditions including, in particular, conditions as to hours or work, fixation of wages and other essential amenities in respect of contract labour as the appropriate Government may deem fit to impose in accordance with the rules, if any, made under Section 35 and shall be issued on payment of such fees and on the deposit of such sum, if any, as security for the due performance of the conditions as may be prescribed.*

**(b)** Rules 21 to 29 lays down the procedure for obtaining license, its terms and conditions, validity, amendment, renewal etc.

- (c)** The Manger (Depot) shall ensure that contract workers are not engaged in the depot for doing the same work as being done by regular workers to avoid violation of Rule 25(2)(v)(a) which reads as under:

*In cases where the workmen employed by the contractor perform the same or similar kind of work as the workmen directly employed by the principal employer of the establishment, the wage rates, holidays, hours of work and other condition of service of the workmen of the contractor shall be the same as applicable to the workmen directly employed by the principal employer of the establishment on the same or similar kind of work.*

*Provided that in the case of any disagreement with regard to the type of work the same shall be decided by the Chief Labour Commissioner (Central)*

**(iii) Liabilities of principal employer in certain cases -**

- (a)** Section 20 of the Act explains the liability of the Principal Employer in case of failure on the part of the Contractor towards providing Welfare and Health related benefits to the contract workers. The said section is reproduced as under:

*(1) If any amenity required to be provided under Section 16, Section 17, Section 18 or Section 19 for the benefit of the contract labour employed in an establishment is not provided by the contractor within the time prescribed therefore, such amenity shall be provided by the principal employer within such time as may be prescribed.*

*(2) All expenses incurred by the principal employer in providing the amenity may be recovered by the principal employer from the contractor either by deduction from any amount payable to the contractor under any contract or as a debt payable by the contractor.*

- (b)** The Rules 40 to 62 sets out the specific amenities required to be provided by the Principle Employer for welfare and health of contract workers at the depot.

**(iv) Responsibility for payment of wages -**

- (a)** Section 21 of the Act elucidates the responsibility of Principal Employer with regard to payment of wages to the contract workers and the same is reproduced as under:

*(1) A contractor shall be responsible for payment of wages to each worker employed by him as contract labour and such wages shall be paid before the expiry of such period as may be prescribed.*

*(2) Every principal employer shall nominate a representative duly authorised by him to be present at the time of disbursement of wages by the contractor and it shall be the duty of such representative to certify the amounts paid as wages in such manner as may be prescribed.*

*(3) It shall be the duty of the contractor to ensure the disbursement of wages in the presence of the authorised representative of the principal employer.*

*(4) In case the contractor fails to make payment of wages within the prescribed period or makes short payment, then the principal employer shall be liable to make payment of wages in full or the unpaid balance due, as the case may be, to the contract labour employed by the contractor and recover the amount so paid from the contractor either by deduction from any amount payable to the contractor any contract as a debt payable by the contractor.*

**(b) The Rules 63 to 73** contains detailed provisions regarding payment of wages to contract workers as indicated below:

- The contractor shall fix wage periods in respect of which wages shall be payable.
- No wage period shall exceed one month.
- The wages of every person employed as contract labour in an establishment or by a contractor where less than one thousand such persons are employed shall be paid before the expiry of the seventh day and in other cases before the expiry of tenth day after the last day of the wage period in respect of which the wages are payable.
- Where the employment of any worker is terminated by or on behalf of the contractor the wages earned by him shall be paid before the expiry of the second working day from the day on which his employment is terminated.
- All payments of wages shall be made on a working day of the work premises and during the working time and on a date notified in advance and in case the work is completed before the expiry of the wage period, final payment shall be made within 48 hours of the last working day.
- Wages due to every worker shall be paid to him direct or to other person authorized by him in this behalf.
- All wages shall be paid in current coin or currency or in both.
- Wages shall be paid without any deductions or any kind except those specified by the Central Government by general or special order in this behalf or permissible under the Payment of Wages Act, 1936 (4 of 1936).

- A notice showing the wage-period and the place and/time of disbursement of wages shall be displayed at the place of work and a copy
- The principal employer shall ensure the presence of his authorized representative at the place and time of disbursement of wages by the contractor to workmen and it shall be the duty of the contractor to ensure the disbursement of wages in the presence of such authorized representative.
- The authorized representative of the principal employer shall record under his signature a certificate at the end of the entries in the Register of Wages or the <sup>13</sup>[Register of Wage-cum-Muster Roll], as the case may be, in the following form:  
Certified that the amount shown in column No has been paid to the workman concerned in my presence on ... at.....

**(v) Registers and other records to be maintained by the Principal Employer**

**(a)** As per Section 29, the Principal Employer is required to maintain certain Registers and Records in respect of the Contract Labour. The said section is reproduced as under:

*(1) Every principal employer and every contractor shall maintain such registers and records giving such particulars of contract labour employed, the nature of work performed by the contract labour, the rates of wages paid to the contract labour and such other particulars in such form as may be prescribed.*

*(2) Every principal employer and every contractor shall keep exhibited in such manner as may be prescribed within the premises of the establishment where the contract labour is employed, notices in the prescribed form containing particulars about the hours of work, nature of duty and such other information as may be prescribed.*

**(b)** Rules 74 to 82 provides for maintenance of records and filing of returns by the principle employer and contractors as indicated below:

- *Every principal employer shall maintain in respect of each registered establishment a register of contractors in Form XII.*
- *Every contractor shall maintain in respect of each registered establishment where he employs contract labour a register in Form XIII.*
- *Every contractor shall issue an employment card in Form XIV to each worker within three days of the employment of the worker.*
- *The card shall be maintained up-to-date and any change in the particulars shall be entered therein.*

- *On termination of employment for any reason whatsoever the contractor shall issue to the workman whose services have been terminated a Service Certificate in Form XV.*
- *The contractor shall maintain Muster Roll, Wages Register, Deduction Register and Overtime Register in the manner as provided under Rule 78.*
- *Every contractor shall send half yearly return in Form XXIV (in duplicate) so as to reach the Licensing Officer concerned not later than 30 days from the close of the half year.*
- *Every principal employer of a registered establishment shall send annually a return in Form XXV (in duplicate) so as to reach the Registering Officer concerned not later than the 15th February following the end of the year to which it relates.*

### **3. Compliance of the provisions of the Model Tender Form of Handling & Transport Contract**

As FCI appoints Handling & Transport Contractor through tendering process, Model Tender Form of H&TC is the document which controls the relationship between FCI and Contractor and defines/contains various obligations required to be fulfilled under CL(R&A) Act 1970 by the Contractor towards workers engaged by him. Manager (Depot)/Depot officer shall ensure that the Contractor complies with all the provisions related to the Contract workers as stated in the Model Tender Form of H&TC.

4. The Manager (Depot), whether in the capacity of Principle Employer under CL(R&A) Act, 1970 or being in charge of the depot shall duly ensure that the legal provisions under the various labour laws are duly complied with.
5. The concerned Regional Office and District Office shall provide necessary guidance to Manager(Depot) and closely monitor the progress of implementation of instructions.

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