



news flash

January 2017



Contract Labour Act now applicable to 50+ workmen establishments

Amendment

The Government of Maharashtra has on 5 January 2017 notified the Contract Labour (Regulation and Abolition) (Maharashtra Amendment) Act, 2016 (“**Amendment Notification**”) pursuant to which the Contract Labour (Regulation and Abolition) Act, 1970 (“**the Contract Labour Act**”) is now applicable to establishments having 50 or more workmen as against 20 or more workmen in the State of Maharashtra.

Date of notification

The Amendment Notification was published in the Maharashtra Government Gazette on 5 January 2017 after having received the Presidential assent.

Prior to the amendment:

Section 1(4) of the Contract Labour Act read as under:

It applies-

- a) *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;*
- b) *to every contractor who employs or who employed on any day of the preceding twelve months twenty or more workmen:*

Provide that the appropriate government may, after giving not less than two months' notice of its intention so to do, by notification in the Official Gazette, apply the provisions of this Act to any establishment or contractor employing such number of workmen less than twenty as may be specified in the notification.

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The Amendment Notification:

Section 1(4) of the Contract Labour Act has been amended as follows:

- a) in clause (a), for the words “twenty or more workmen” the words “fifty or more workmen” shall be substituted ;*
- b) in clause (b), for the words “twenty or more workmen” the words “fifty or more workmen” shall be substituted ;*
- c) in the proviso, for the words “less than twenty” the words “less than fifty” shall be substituted.*

Pursuant to the Amendment Notification the applicability of the Contract Labour Act has now been narrowed to establishments having 50 or more workmen (as opposed to 20 or more workmen). The Amendment Notification is more beneficial to the employer since the Contract Labour Act will not be applicable to an establishment employing less than 50 workmen. However it shall be noted that this Amendment Notification is only in force in State of Maharashtra.

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For further clarification and details on the above, you may write to the Labour & Employment team comprising of Kruti Desai (Partner) at kdesai@almtlegal.com, and Shruti Tandon (Associate) at standon@almtlegal.com.