

**Performance audit report on Implementation of Industrial Disputes Act, 1947  
and Contract Labour (Regulation and Abolition) Act, 1970**

**Highlights**

**Review of the implementation of the Industrial Disputes Act, 1947 revealed that its impact was limited for the following reasons:**

- **Conciliation as a mechanism of dispute resolution was not effective in Central and State spheres on account of low success rate and chronic delays during disposal as well as referral of cases to the Ministry.**
- **Routine delay in disposal of cases, publication of awards and lack of a mechanism for watching implementation of awards diluted the effectiveness of adjudication.**

**The impact of the Contract Labour (Regulation and Abolition) Act, 1970 was limited for the following reasons:**

- **Enforcement was weak due to failure to independently identify establishments/contractors engaging contract labour in the Central sphere and in Chennai, Delhi and Kolkata in the State sphere and inadequate number of inspections, check inspections, re-inspections vis-à-vis the number of registered establishments and contractors.**
- **There were chronic delays in filing cases in courts of law.**

**Summary of important recommendations**

- **The mechanism of conciliation and adjudication should be streamlined in order to achieve the objective of faster resolution of industrial disputes.**
- **A mechanism for timely implementation of awards should be institutionalized in both Central and State spheres to reduce the hardships faced by workmen.**
- **A mechanism should be established for *suo moto* identification of establishments/contractors employing contract labour to enable identification of violations and corrective action as envisaged in the Contract Labour (Regulation and Abolition) Act, 1970.**
- **The use of inspection as a tool for enforcing the implementation of Contract Labour (Regulation and Abolition) Act, 1970 should be strengthened by setting/revising norms for inspection, conducting check inspection and follow-up inspections.**