GOVERNMENT OF INDIA
MINISTRY OF LABOUR AND EMPLOYMENT

RAJYA SABHA

UNSTARRED QUESTION NO. 1387
TO BE ANSWERED ON 09.12.2021

PROHIBITION OF PRIVATE COMPANIES FROM CONVERTING PERMANENT JOBS TO FIXED TERM CONTRACTS

1387. SHRI SHAKTISINH GOHIL:

Will the Minister of Labour and Employment be pleased to state:

(a) whether Government has removed the provision prohibiting private companies in India from converting permanent jobs to fixed term contracts;
(b) if so, the reasons therefor;
(c) whether it is a fact that there is no cap on renewal of the fixed term contracts;
(d) if so, the reasons therefor; and
(e) whether this will affect the retrenchment benefits of employees?

ANSWER

MINISTER OF STATE FOR LABOUR AND EMPLOYMENT
(SHRI RAMESWAR TELI)

(a) & (b): Under the existing provisions under Rule 3(A), which was inserted in the Industrial Employment(Standing Orders) Central Rules, 1946, vide notification dated 16th March, 2018, provides that "No employer of an industrial establishment shall convert the posts of the permanent workmen existing in his industrial establishment on the date of commencement of the Industrial Employment (Standing Orders) Central (Amendment) Rules, 2018 as fixed term employment thereafter."

(c) to (e): In an Industrial establishment on which the Industrial Employment (Standing Orders)Act, 1946 is applicable, and as per the Industrial Employment(Standing Orders) Central Rules, 1946, the workman employed on fixed term employment basis as a result of non-renewal of contract or employment or on the expiry of such contract period without it being renewed, will not be entitled to any notice or pay in lieu thereof, if his services are terminated.