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**DELHI COMMITTEE ON
LABOUR & WELFARE
(1995-96)**

TENTH LOK SABHA

**THE APPRENTICES (AMENDMENT)
BILL, 1995**

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NINETEENTH REPORT



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**LOK SABHA SECRETARIAT
NEW DELHI**

November, 1995/Agrahayana, 1917 (Saka)

NINETEENTH REPORT
STANDING COMMITTEE ON
LABOUR AND WELFARE
(1995-96)

(TENTH LOK SABHA)

THE APPRENTICES (AMENDMENT) BILL, 1995

Presented to Lok Sabha on 6 December, 1995

Laid in Rajya Sabha on 4 December, 1995



LOK SABHA SECRETARIAT
NEW DELHI

November, 1995/Agrahayana, 1917 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON
LABOUR AND WELFARE
(1995-96)

Shrimati Chandra Prabha Urs — *Chairperson*

MEMBERS

Lok Sabha

2. Shri Mahendra Baitha
3. Shri Dattatraya Bandaru
4. Shri Ram Narain Berwa
5. Shri Shiv Raj Singh Chauhan
6. Shri Ramesh Chennithala
7. Shri Satyendra Nath Brohomo Choudhury
8. Shri Anadi Charan Das
9. Shri Chandubhai Deshmukh
10. Smt. Sheila F. Irani
11. Smt. Kamala Kumari Karreodula
12. Smt. Padmasree Kudumula
13. Shri Bheru Lal Meena
14. Dr. Chinta Mohan
15. Shri Ajoy Mukhopadhyay
16. Shri Govinda Chandra Munda
17. Shri Rup Chand Murmu
18. Shri D.K. Naikar
19. Shri Siddappa Bhimappa Nyamagouda
20. Shri B. Akbar Pasha
21. Dr. P. Vallal Peruman
22. Shri K. Pradhani
23. Prof. Rasa Singh Rawat
24. Shri Ram Sagar
25. Shri A. Prathap Sai
26. Shri Vishwa Nath Shastri
27. Dr. R. Sridharan

(iv)

28. Shri Swami Sureshanand
29. Shri S. B. Thorat
30. Shri Yaima Singh Yumnam

Rajya Sabha

31. Maulana Obaidulla Khan Azmi
32. Shri Sushil Barongpa
33. Smt. Vidya Beniwal
34. Shri B.K. Hariprasad
35. Shri Mohinder Singh Kalyan
36. Shri Kanak Mal Katara
37. Shri Gundappa Korwar
38. Shri Muthu Mani
39. Shri Mool Chand Meena
40. Shri Kameshwar Paswan
41. Shri Ram Ratan Ram
42. Shri Vayalar Ravi
43. Shri Jibon Roy
44. Shri Joyanta Roy

SECRETARIAT

1. Shri S.N. Mishra — *Additional Secretary*
2. Shri G.C. Malhotra — *Joint Secretary*
3. Shri O.P. Ghai — *Deputy Secretary*
4. Shri R.S. Misra — *Under Secretary*

INTRODUCTION

I, the Chairperson of the Standing Committee on Labour and Welfare (1995-96) having been authorised by the Committee to submit the Report on their behalf, present this Nineteenth Report on The Apprentices (Amendment) Bill, 1995 of the Ministry of Labour.

2. The Bill was referred to the Committee by Hon'ble Speaker, Lok Sabha on 5 September, 1995 under Rule 331 E(b) of the Rules of Procedure and Conduct of Business in Lok Sabha for examination and Report.

3. The Committee considered the Bill clause by clause at their Sittings held on 5 and 6 October, 1995. The Report was considered and adopted by the Committee on 27 November 1995.

4. The Committee wish to express their thanks to the officers of the Ministry of Labour for placing before them detailed written notes on the subject and for furnishing the information the Committee desired in connection with the examination of the Bill.

NEW DELHI;
27 November, 1995

6 Agrahayana, 1917 (Saka)

CHANDRA PRABHA URS,
Chairperson,
Standing Committee on Labour & Welfare

CHAPTER I

INTRODUCTORY

The Apprentices Act, 1961 was enacted to regulate the programme of training of apprentices in the industry so as to conform to the prescribed syllabi, period of training etc. as laid down by the Central Apprenticeship Council and to utilise fully the facilities available in the industry for imparting practical training with a view to meet the requirements of skilled workers in the industries.

2. The Act makes it obligatory for employers in specified industries to engage apprentices in designated trades. The training programme consists of basic training followed by an on-the-job training or shop floor training with related instructions throughout the training period. At the end of the training the apprentices are to appear in a trade test conducted by National Council for Vocational Training and those successful in the trade test are awarded the National Apprenticeship Certificate. Freshers as well as passed out ITI students are engaged as apprentices.

3. The Act was amended in 1973 and 1986 to bring the training of Graduates, Diploma Holders in Engineering and Technology and students passing out from (10 + 2) vocational stream respectively as Graduates, Technician and Technician (Vocational) apprentices.

4. The process of amending the existing provisions of Apprentices Act, 1961 was initiated after the assurance given by Labour Minister in the 139th session of Rajya Sabha in reply to question raised by Shri Shri Jagdambi Prasad Yadav M.P. on 20 August, 1986. A number of suggestions have been received from various Central/State Governments, establishments, employers and employees representatives to undertake review of the entire Act framed thereunder in the light of technological developments. The Central Apprenticeship Council, an apex statutory body in its various meetings considered these suggestions and constituted two working Groups and Task force from amongst its members.

5. The Central Apprenticeship Council (CAC), advises the Central Government in all policy matters for implementing the Apprenticeship Training Scheme. The CAC in its 22nd meeting had accepted the recommendations of working groups and Task force pertaining to the

amendments to be incorporated in the Act. Keeping in view the recommendations made by CAC, the apprentices (Amendment) Bill, 1995 was introduced in Rajya Sabha on 25 August, 1995. The Additional Secretary, Ministry of Labour apprised the Committee. "The purpose of this amendment is basically to make it more effective, to make it adjustable to the changes in technology and try and get the industry bear the recurring cost of training."

6. The Ministry of Labour has informed the Committee that the amendments proposed in the Bill are mainly with a view to provide for the following, namely:

- (i) In order to seek financial benefits from the Government, certain employers treat various departments of their establishments as separate establishments. It is proposed to amend clause (g) of Section 2 to amplify the definition of "establishment" in this regard.
- (ii) The expression 'workers' has not been defined in the Act which has caused confusion in matter of determination of the strength of workers. A new clause (r) in Section 2 is being provided for the purpose.
- (iii) In case, where the contract of the apprenticeship has been terminated before the expiry of the period of apprenticeship and a fresh contract of apprenticeship has been entered into with a new employer and the contract of the apprenticeship could not be completed with the previous employer because of lapse on the part of such employer, it is proposed to provide that the period of apprenticeship training undergone with the previous employer shall be deemed to be included in the period of apprenticeship training to be undertaken with the new employer. A new sub-section (4) is being inserted in Section 7 for the purpose.
- (iv) Sub-section (3) of section 8 is being amended with a view to provide some measures of flexibility in the engagement of apprentices keeping in view the potentiality and availability of training facilities with individual employers.
- (v) Since industry is the ultimate beneficiary of the training through apprentices, it is proposed to amend sub-section (8) of Section 9 to provide that industry should increasingly bear training cost of apprentices.

- (vi) In order to improve the quality of apprenticeship training section 11 is proposed to be amended with a view to provide that the qualifications of the instructional staff shall be as may be prescribed.
- (vii) Section 31 is proposed to be amended with a view to enhance the amount of penalty which may be imposed.
- (viii) Section 33 is proposed to be amended to provide that an officer of the rank of the Deputy Apprenticeship Adviser or above shall be competent to make a complaint before the Court about an offence.

7. The observations of the Committee in regard to changes recommended in the Bill are detailed in succeeding paragraphs.

CHAPTER II

REPORT

Clause 7 of the Bill.

Clause 7 of the Apprentices (Amendment) Bill, 1995 provides that in Section 31 of the Apprentices Act, 1961.

'for the words "which may extend to five hundred rupees" the words "which shall not be less than one thousand rupees but may extend to three thousand rupees" shall be substituted.'

2.2 Under the Act, it is obligatory on the part of the employer to engage apprentices in their establishments but some employer do not engage the Apprentices in their establishments. They not only contravene the provisions of the Act but also deprive students from availing themselves the training facilities.

2.3 The Members of the Committee were of the view that penalty should be equivalent to the offence. In order to save money an employer would prefer to pay penalty than to engage apprentice and save a considerable amount of expenses as stipend and other expenses which he would have incurred on training of apprentices.

2.4 The Committee, therefore, recommend that Section 31 of the Apprentices Act, 1961 may read as under:—

'for the words, "which may extend to five hundred rupees", the words "which shall not be less than three thousand rupees but may extend to six thousand rupees" shall be substituted.'

2.5 The members of the Committee were also critical in regard to the implementation of the provisions of the Act of 1961 in letter and spirit. They were of the firm view that strict monitoring of the implementation of the apprenticeship training scheme should be done by the Ministry of Labour for both Central as well as State Sectors. Some monitoring mechanism is also required at the State and District level. DGET (H.Q.) should itself monitor the utilisation of seats earmarked for apprentices in various industries/establishments. The Committee further felt that there was a need to monitor cases where violation took place by adopting suitable measures and impose penalty for violations.

2.6 The Committee further viewed that after the period of apprenticeship was over, the trainees might be absorbed in the jobs

available. In the public sector, jobs were provided to some of them, but in the private sector companies did not take even a single person. They were used as labourers, extract everything from them and then throw them out.

2.7 The Committee, therefore desire that remedial measures need be taken in this direction and some jobs might also be kept reserved for apprentices as well.

2.8 In the matter of reservation of vacancies for persons belonging to Scheduled Castes and Schedules Tribes, the Secretary, Ministry of Labour apprised the Committee as follows:—

“In every designated trade, the number of vacancies reserved for the Scheduled Castes and Scheduled Tribes are such having regard to the population of SC and ST in the States concerned.”

2.9 While discussing reservation of seats for Scheduled Castes and Scheduled Tribes, the Members of the Committee suggested that the reservations for Scheduled Castes and Schedules Tribes candidates should be done as per respective State Government norms.

2.10 The Committee, therefore, recommend that the Ministry of Labour should devise suitable mechanism to monitor the scheme periodically if the State Governments were taking adequate steps to ensure that the vacancies for Scheduled Castes and Scheduled Tribes are filled by the persons belonging to them and some responsibility should be fixed on erring officials.

2.11 The Committee also recommend that curriculam of the existing trades may be revised regularly on the basis of feedback drawn from the industry. New Trades should also be added depending upon the needs of the industries.

2.12 The Committee are also of the opinion that the State Apprenticeship Adviser should be advised to submit the implementation reports and return to Director of Apprenticeship Training, Directorate General, Employment and Training, Ministry of Labour regularly and Ministry of Labour should take serious note of any delay in sending the above reports.

2.13 The Committee agreed with the rest of the amendments in the Bill.

NEW DELHI;
27 November, 1995

6 Agraphayana, 1917 (Saka)

CHANDRA PRABHA URS,
Chairperson,
Standing Committee on Labour and Welfare.

ANNEXURE I

MINUTES OF THE FIFTEENTH SITTING OF THE STANDING COMMITTEE ON LABOUR AND WELFARE HELD ON 5.10.1995

The Committee met from 15.00 hrs. to 17.00 hrs. in Committee Room 'E', Parliament House Annexe.

PRESENT

Smt. Chandra Prabha Urs — Chairperson

MEMBERS

Lok Sabha

2. Shri Mahendra Baitha
3. Shri Dattatraya Bandaru
4. Shri Ram Narain Berwa
5. Shri Anadi Charan Das
6. Shri Bheru Lal Meena
7. Shri Ajoy Mukhopadhyay
8. Shri Govinda Chandra Munda
9. Shri D.K. Naikar
10. Prof. Rasa Singh Rawat
11. Dr. R. Sridharan
12. Swami Sureshanand
13. Shri S.B. Thorat

Rajya Sabha

14. Maulana Obaidulla Khan Azmi
15. Shri Mohinder Singh Kalyan
16. Shri Kameshwar Paswan
17. Shri Ram Ratan Ram

SECRETARIAT

1. Shri G.C. Malhotra — *Joint Secretary*
2. Shri R.S. Mishra — *Under Secretary*

REPRESENTATIVES OF THE MINISTRY OF LABOUR

1. Shri M.N. Buch — *Additional Secretary*
2. Shri S.I. Siddiqui — *Director, Apprenticeship Training*

At the outset, Chairperson welcomed the representatives of the Ministry of Labour. The representative of the Ministry informed the Committee that the Apprentices Act, 1961 provides for regulation and control of training of apprentices. The Act, makes it obligatory for employers in specified industries to engage apprentices in designated trades. The training programme consists of basic training followed by on-the-job training or shop floor training with related instructions throughout the training period. At the end of the training the apprentices are to appear at a trade test conducted by National Council for Vocational Training and those qualify in the trade test are awarded the National Apprenticeship Certificate.

Clause 2 of the Bill

The representative of the Ministry stated during discussion that the aim of the proposed amendment is, to make the Apprentices Act, 1961 more effective, to make it adjustable to the changes in technology and try to get the industry bear the cost of training. Elaborating the point further the representative said the appropriate Government is sharing the recurring cost of training (including the cost of stipend) upto the limit of Rs. 580/- with the employer on equal basis if the employer employs less than 500 workers. In order to avail the financial benefits from the Government, certain employers treat various departments of their establishments as separate establishments. In the proposed amendment to Section 2 Clause (g) of the Apprentices Act, 1961 definition of establishments has been amplified to curb the above practice. In the Bill under consideration it has been laid down that where the different departments or branches of the same company are situated at different places, it would be treated as one unit.

Clause 3 of the Bill

The Committee were further informed that a new provision has been made in Bill *vide* Sub-section 4 of Section 7 of the Apprenticeship Act, 1961. As per the provision where an apprentice had been unable to complete his apprenticeship training with an employer because of any reason due to which the employer is unable to fulfil the obligation under the contract, the apprenticeship training undergone by the apprentice with the previous employer shall be deemed to be included in the period of apprenticeship training to be undertaken with the new employer. Formerly there was no such provision in the Act with the result it proved to be very harsh for the apprentices.

Clause 5 of the Bill

Under clause 5 of the Apprentices (Amendment) Bill, 1995 Section 9, Sub-section 8 of the Apprenticeship Act, 1961 has been amended to provide that the industry should bear the increasing cost of training of apprentices as the industry is the ultimate beneficiary of the training through apprentices. The proposed amendments reduces the limit of workers from 500 to 250 for the purpose of sharing the recurring cost as practical training including basic training.

The Members of the Committee were also critical in regard to the implementation of the provisions of the Act of 1961 in letter and spirit. They were of the firm view that strict monitoring of the implementation of the apprenticeship Training scheme should be done by the Ministry of Labour for both Central as well as State Sectors. DGET (H.Q.) should itself monitor the utilisation of seats earmarked for apprentices in various industries/establishments. The Committee further felt that there was a need to monitor cases where violation took places by adopting suitable measures and impose penalty for violations.

The Committee further viewed that after the period of apprenticeship was over, the trainees might be absorbed in the jobs available. In the public sector, jobs were provided to some of them, but in the private sector companies did not take even a single person. They were used as labourers, extract everything from them and then throw them out. The Committee desired that remedial measures need be taken in this direction.

While discussing reservation of seats for Scheduled Castes and Scheduled Tribes, members of the Committee suggested that the reservations of SC, ST candidates should be done as per the respective State Government norms. In case of non fulfilment of instructions regarding SC/ST reservations, responsibility should be fixed on the erring officials by the respective Governments.

The Committee suggested that curriculam of the existing trades are to be revised regularly on the basis of feedback drawn from the industry. New trades should also be added depending upon the needs of the industries.

The Committee further desired that the State Apprenticeship Adviser should be advised to submit the Implementation reports and return to Directorate of Apprenticeship Training, DGET, Ministry of Labour regularly and Ministry of Labour should take serious note of any delay in sending the above reports.

The Committee then adjourned.

ANNEXURE II

MINUTES OF THE SEVENTEENTH SITTING OF THE STANDING COMMITTEE ON LABOUR AND WELFARE HELD ON 6.10.1995

The Committee met from 12.30 hrs. to 13.30 hrs. in Committee Room 'E', Parliament House Annexe.

PRESENT

Smt. Chandra Prabha Urs — *Chairperson*

MEMBERS

Lok Sabha

2. Shri Mahendra Baitha
3. Shri Ram Narain Berwa
4. Shri Anadi Charan Das
5. Shri Bheru Lal Meena
6. Shri Govinda Chandra Munda
7. Shri K. Pradhani
8. Prof. Rasa Singh Rawat
9. Swami Sureshanand

Rajya Sabha

10. Smt. Vidya Beniwal
11. Shri Mohinder Singh Kalyan
12. Shri Kameshwar Paswan
13. Shri Ram Ratan Ram
14. Shri Vayalar Ravi
15. Shri Jibon Roy

SECRETARIAT

1. Shri G.C. Malhotra — *Joint Secretary*
2. Shri R.S. Mishra — *Under Secretary*

REPRESENTATIVES OF THE MINISTRY OF LABOUR

1. Shri M.N. Buch — *Additional Secretary*
2. Shri S.I. Siddiqui — *Director, Apprenticeship Training*

Clause 7 of the Bill

Clause 7 of the Apprentices (Amendment) Bill, 1995 provides that in Section 31 of the Apprentices Act, 1961 for the words, "which may extend to five hundred rupees" the words "which shall not be less than one thousand rupees but may extend to three thousand rupees" shall be substituted.

Members of the Committee were of the view that penalty should be equivalent to the offence. In order to save money an employer would prefer to pay fine than to engage apprentice and save considerable amount of expenses as stipend and other expenses which he would have incurred on training of apprentices. The Committee, suggested that Section 31 of the Principal Act may be amended as 'for the words "which may extend to five hundred rupees", the words "which shall not be less than three thousand rupees but may extend to six thousand rupees", shall be substituted'.

The Committee then adjourned.

ANNEXURE III

MINUTES OF THE SEVENTEENTH SITTING OF THE STANDING COMMITTEE ON LABOUR AND WELFARE HELD ON 27.11.1995

The Committee met from 15.00 hrs. to 17.20 hrs. in Committee Room 'E', Parliament House Annexe.

PRESENT

Smt. Chandra Prabha Urs — *Chairperson*

MEMBERS

Lok Sabha

2. Shri Mahendra Baitha
3. Shri Dattatraya Bandaru
4. Shri Ram Narain Berwa
5. Shri Anadi Charan Das
6. Shri Chandubhai Deshmukh
7. Shri Bheru Lal Meena
8. Shri Ajoy Mukhopadhyay
9. Shri Rup Chand Murmu
10. Shri B. Akbar Pasha
11. Prof. Rasa Singh Rawat
12. Shri Yaima Singh Yumnam

Rajya Sabha

13. Shri Vayalar Ravi
14. Shri Jibon Roy
15. Shri Joyanta Roy

SECRETARIAT

1. Shri G.C. Malhotra — *Joint Secretary*
2. Shri O.P. Ghai — *Deputy Secretary*
3. Shri R.S. Mishra — *Under Secretary*

REPRESENTATIVES OF THE MINISTRY OF LABOUR

1. Shri M.N. Buch — *Additional Secretary*
2. Shri R.S. Saini — *Director General/Joint Secretary*
3. Shri S.I. Siddiqui — *Director of Apprenticeship Training*

REPRESENTATIVES OF THE MINISTRY OF LAW AND COMPANY AFFAIRS
(LEGISLATIVE DEPARTMENT)

Shri T.K. Vishwanathan — *Joint Secretary, & LC*

* * * * *

2. The Representatives of the Ministry of Welfare than withdrew and the Committee took up for consideration the draft Nineteenth Report on "The Apprentices (Amendment) Bill, 1995" and adopted it without any change/modification.

3. The Committee authorised the Chairperson to finalise the Reports in the light of aforesaid amendments and present the same to the Parliament.

The Committee then adjourned

APPENDIX

SUMMARY OF RECOMMENDATIONS/CONCLUSIONS

S.No.	Para No.	Summary of Recommendations/Conclusions
1	2	3
1.	2.4	<p>The Committee recommend that Section 31 of the Apprentices Act, 1961 may read as under:</p> <p>'for the words, "which may extend to five hundred rupees", the words "which shall not be less than three thousand rupees but may extend to six thousand rupees" shall be substituted'.</p>
2.	2.5	<p>The Members of the Committee were critical in regard to the implementation of the provisions of the Act of 1961 in letter and spirit. They were of the firm view that strict monitoring of the implementation of the apprenticeship training scheme should be done by the Ministry of Labour for both Central as well as State Sectors. Some monitoring mechanism is also required at the State and District level. DGET (H.Q.) should itself monitor the utilisation of seats earmarked for apprentices in various industries/establishments. The Committee further felt that there was a need to monitor cases where violation took place by adopting suitable measures and impose penalty for violations.</p>
3.	2.7	<p>The Committee desire that remedial measures need be taken in this direction and some jobs might also be kept reserved for apprentices as well.</p>
4.	2.9	<p>While discussing reservation of seats for Scheduled Castes and Scheduled Tribes, the Members of the Committee suggested that the reservations for Scheduled Castes and Scheduled Tribes candidates should be done as per respective State Government norms.</p>

1	2	3
5.	2.10	The Committee recommend that the Ministry of Labour should devise suitable mechanism to monitor the scheme periodically if the State Governments were taking adequate steps to ensure that the vacancies for Scheduled Castes and Scheduled Tribes are filled by the persons belonging to them and some responsibility should be fixed on erring officials.
6.	2.11	The Committee recommend that curriculam of the existing trades may be revised regularly on the basis of feedback drawn from the industry. New trades should also be added depending upon the needs of the industries.
7.	2.12	The Committee are of the opinion that the State Apprenticeship Adviser should be advised to submit the implementation reports and return to Director of Apprenticeship Training, Directorate General, Employment and Training, Ministry of Labour regularly and Ministry of Labour should take serious note of any delay in sending the above reports.
