

SEVENTH REPORT  
STANDING COMMITTEE ON  
LABOUR & WELFARE  
(1994-95)

(TENTH LOK SABHA)

MINISTRY OF LABOUR  
WELFARE OF BEEDI WORKERS



*Presented to Lok Sabha on...* 20 DEC 94  
*Laid in Rajya Sabha on...* 20 DEC 94

LOK SABHA SECRETARIAT  
NEW DELHI

*November, 1994/Agrahayana, 1916 (Saka)*

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COMPOSITION OF THE STANDING COMMITTEE  
ON LABOUR & WELFARE  
(1994-95)

Shrinati Chandra Prabha Urs— *Chairperson*

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\* Expired on 22.11.1994.

(iv)

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1. Shri G.C. Malhotra—*Joint Secretary*
2. Shri Satish Loomba—*Deputy Secretary*
3. Shri R.S. Misra—*Assistant Director*

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\*\* Expired on 16.7.1994.

£ Nominated to the Committee w.e.f. 16.11.1994.

## INTRODUCTION

I, the Chairperson of the Standing Committee on Labour and Welfare (1994-95) having been authorised by the Committee to submit the Report on their behalf, present this Seventh Report on the Ministry of Labour—Welfare of Beedi Workers.

2. The Committee took the evidence of the representatives of the Ministry of Labour on 28 June, 1994. The Committee wish to express their thanks to the representatives of the Ministry of Labour for placing before them the detailed written notes on the subject and for furnishing the information the Committee desired in connection with the examination of the subject.

3. The Report was considered and adopted by the Committee on 30 November, 1994.

4. A summary of conclusions/recommendations contained in the Report is appended (Appendix-III).

NEW DELHI;  
30 November, 1994  
9 Agrahayana, 1916 (Suka)

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

## **CHAPTER I**

### **INTRODUCTORY**

1.1 The Beedi Industry is primarily a rural based labour intensive unorganised industry. Owing to peculiar conditions of employment prevalent in this industry, most of the workers are below the poverty line. The usual practice in beedi industry is that the workers collect the raw-materials (beedi leaves, tobacco etc.) from the nearby depots of the employers for rolling beedies. The majority of the Beedi workers happen to be home workers who roll beedies in their respective dwelling units and a few of them work in the factory sites. The workers carry the finished products to the appointed places and collect their wages once a week.

1.2 The Beedi Workers are governed by:

1. The Beedi and Cigar Workers (Conditions of Employment) Act, 1966.
2. Minimum Wages Act, 1948.
3. Employees Provident Fund Scheme, 1952.
4. Maternity Benefit Act, 1961.

1.3 As per the provisions of the Beedi and Cigar Workers (Conditions of Employment) Act, 1966, the 'Home Workers' are also treated as workers and the employers are required to obtain licences from the competent authority. The Act stipulates providing welfare facilities, such as Urinals, Ventilation, Drinking Water, Washing facilities, Creches etc. for the welfare of Workers.

1.4 The Beedi and Cigar Industry, is mainly concentrated in the States of Andhra Pradesh, Bihar, Gujarat, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal. The Secretary, Ministry of Labour informed the Committee during evidence that the total number of Beedi Workers are 44,72,800, who are spread in 17,408 Beedi Manufacturers units all over the country. Out of them 23,76,724 workers have been identified as card holders and nearly 20 lakhs are yet to be identified.

#### **Welfare Facilities**

1.5 With a view to uplift the living conditions of the Beedi workers employed in the beedi industry, the Central Govt. has set up a separate machinery called as Labour Welfare Organisation for providing welfare facilities for the workers

employed in beedi industry under the Beedi Workers Welfare Fund which was constituted in the enactment of Beedi Workers Welfare Cess Act, 1976, and the Rules framed thereunder. The Beedi Workers Welfare Fund Act came into force w.e.f. 15.2.1977. Initially the cess was on the issue of tobacco from the Central warehouse. The rate of cess was 25 paise per kilogram of tobacco issued to any person from the warehouse for any purpose in connection with the manufacture of beedies. This system was given up and a new system was introduced which provides for levy of cess on manufactured beedies at a rate not exceeding 50 paise and not less than 10 paise per 1000 manufactured beedies w.e.f. 1.1.1982. The present rate of cess is 30 paise per 1000 manufactured beedies. No cess is leviable on manufacture of unbranded beedies upto 20 lakhs per annum. The proceeds of the cess are utilised for the improvement of the living conditions of the beedi workers in the spheres of medical, housing, educational and recreational facilities.

1.6 The major schemes which are being extended for the benefit of beedi workers are as under:—

#### *Education*

1. Award of Scholarships to the children of beedi workers.
2. Financial assistance to the school going children of beedi workers studying in I to IV standards.

#### *Housing*

3. Build your own House Scheme.
4. Housing Scheme for economically weaker section of workers engaged in Beedi Industry.
5. Financial assistance to Beedi Workers Co-op. Societies Worksheds/ Godowns.

#### *Medical*

1.7 Apart from the above, financial assistance is also provided to the beedi workers and their dependents for treatment of Cancer, Heart Disease, Kidney Transplantation, Mental Disease, TB and Leprosy. Subsistence allowance at the rate of Rs. 200/- to Rs. 250/- per month is also paid to the beedi workers suffering from the above diseases. However, in case of Beedi Workers suffering from Leprosy, the subsistence allowance payable is at the rate of Rs. 100/- to Rs. 150/- per month. In case of mental illness, the amount payable is Rs. 50/- per month.

#### *Social Security*

1.8 The Central Govt. has also introduced a Group Insurance Scheme for



Beedi Workers which has come into force w.e.f. 1.4.1992. The Beedi Workers under the age group of 18-60 years who are not subscribers to Employees Provident Fund are covered under this scheme and insurance covered is Rs. 3,000/- for normal death and Rs. 6,000/- in case of accidental death. The annual premium payable is Rs. 27/- per member out of which 50% is paid by the Labour Welfare Organisation and balance 50% is paid by the Life Insurance Corporation of India. No premium is collected from beedi workers.

#### *Identity Cards*

1.9 Identification of Beedi Workers is one of the grave problems which is a hindrance in extending the above welfare schemes to the beedi workers. As per rule, the onus of issuing identity cards to the beedi workers vests with the employee/contractor. Only very few beedi managements/contractors are issuing identity cards to the beedi workers and extending all the benefits. However, it has been noticed that most of the "Gharkhata" Beedi Workers are not being issued Identity Cards by the owner for various reasons, on account of which the beedi workers are being deprived of the benefits being extended by the Beedi Workers Welfare Fund. The Ministry of Labour, Govt. of India had, therefore, authorised the Welfare Commissioners, Medical Officers of Beedi Workers Welfare Fund Dispensaries, Asstt. Welfare Commissioner and Welfare Administrators to issue identity cards after ascertaining full particulars of the workers and after getting the cards countersigned by the employer/contractor concerned wherever possible.

1.10 The details of the problems being faced by the Beedi Workers in the country and the welfare measures taken by the Central and State Governments to improve their living conditions are given in Chapter-II of the Report.

## CHAPTER II

### WELFARE OF BEEDI WORKERS

#### (a). Survey/Identification of Beedi Workers

2.1 The Secretary, Ministry of Labour informed the Committee during evidence:

“According to the information that has been collected from the various States, the total number of Beedi Workers in 14 States is 44.72 lakhs. The exact figure is 44,72,800.

He further informed the Committee:

“23,76,724 Workers have been identified as card holders and nearly 20 lakhs are to be identified.”

2.2 Asked whether the Ministry of Labour has any authenticated figure of the persons in Beedi Industry as per the 1991 census, the Ministry has replied that the information based on 1991 census is not available at present.

2.3 Asked whether any survey has been conducted by the Government for the identification of Beedi Workers in the country, the Ministry has replied that under the Beedi and Cigar Workers (Conditions of Employment) Act, 1966, the State Governments are the competent Authority for implementation of various provisions of the Act. The State Govts. have been conducting surveys for the identification of Beedi Workers from time to time in their States and furnish the figures to the Central Government for finalisation of various welfare schemes for the Beedi Workers under the Beedi Workers Welfare Fund Act, 1976. Surveys of Beedi Workers have been conducted by the following State Governments:

- |                    |            |
|--------------------|------------|
| (1) Madhya Pradesh | (1984)     |
| (2) Uttar Pradesh  | (1989-90)  |
| (3) Gujarat        | (Proposed) |
| (4) Assam          | (Proposed) |
| (5) Karnataka      | (Proposed) |

2.4 The Ministry has further informed the Committee that the details in respect of survey reports from the States of Madhya Pradesh and Uttar Pradesh are being collected from them. As regards, the conduct of surveys on Beedi Workers by the remaining States, these are yet to be received; A State-wise break-up of both identified and unidentified Beedi Workers is given in Annexure-I.

2.5 A Study Group of Parliamentary Standing Committee on Labour and Welfare visited Karnataka in January, 1994 and held discussions with the Chief Secretary of the State. The Study Group was informed that according to an assessment of the Labour Department of the Government of Karnataka, the strength of Beedi Workers in the State was 2,19,562 whereas the Trade Union Leaders claimed that the strength of Beedi Workers in Karnataka State was about 6 lakhs.

2.6 Asked whether the Ministry have ever discussed the matter with the Karnataka Government regarding number of Beedi Workers in the State, the Ministry in a written note furnished to the Committee has stated that as per the information received from the State Labour Department, Government of Karnataka, through the Welfare Commissioner of this Ministry in Karnataka, as on 31st December, 1993, there are 2,34,132 Beedi Workers in Karnataka. However, as per the previous information available with this Ministry, the number of Beedi Workers in the State of Karnataka is 3,55,244. The matter regarding reconciliation of the two figures is under correspondence with the Welfare Commissioner and the State Government.

2.7 Detail in the problems faced by the Government for the identification of the Beedi Workers, the Ministry has stated that the Beedi and Cigar Workers (Conditions of Employment) Act, 1966, is implemented by the State Govts. The Beedi Workers Welfare Fund Rules, 1978 provide for the owner of an establishment, factory or contractor engaged in the manufacture of Beedi to maintain a register in Form 'D' as prescribed under Rule 41 of the said Rules. Identity Cards are to be issued by the owner of an establishment/factory or contractor engaged in the manufacture of beedies in the prescribed Form 'E' on which a photograph of the worker has also to be affixed. However, in practice, it has been experienced that most of the 'Ghar Khata' beedi workers are not being issued identity cards by the manufacturers/employers/contractors.

2.8 Asked whether the Government has launched any special drive for identification of Beedi Workers, the Ministry in a written reply has stated that from time to time, the Government have emphasised the importance of issue of Identity Cards to beedi workers and have requested the State Governments and Welfare Commissioners to intensify the work of issue of Identity Card to beedi workers so that all the welfare facilities/benefits under the Beedi Workers Welfare Fund Act, 1976 are made available to the workers. Monthly targets have been fixed for issue of Identity Cards to beedi workers for every medical officer, other field officers of the Labour Welfare Organisation and the same are being monitored closely. The State Government of Madhya Pradesh have undertaken a special drive to issue identity cards to all beedi workers in the State by April, 1995 through the State Government Labour Department machinery with

the assistance of the Welfare Commissioner, Jabalpur. Other State Governments are being requested to take up similar drives in their respective States.

2.9 Asked whether any target has been fixed by the Government for the complete identification of the Beedi Workers, the Ministry has replied that as recommended by the Central Advisory Committee in their meeting held in September, 1993, each hospital/dispensary under the Labour Welfare Organisation has been given a target for issue of 250 identity cards to Beedi workers every month. However, where the Medical officer is not in position in a dispensary/hospital, this target is to be achieved by the Assistant Welfare Commissioner/Welfare Administrator/Assistant Welfare Administrator who has got jurisdiction over such area.

2.10 Summing up, the Secretary, Ministry of Labour stated during evidence:—

“Central Government comes into picture for the purpose of coordination. Welfare Commissioners are authorised to issue identity cards. We have requested the State Governments to follow it up and in many cases, the State Governments did follow up. For issue of identification cards, we have introduced a very elaborate system. For this, even local bodies have been authorised. All the people in charge of dispensaries have been authorised to issue identification cards. This is something on which further improvements can be made.”

2.11 The Committee note with concern that the Ministry of Labour do not have authentic data on Beedi Workers as they are awaiting the 1991 census report. The Committee have been informed by the Ministry that the State Governments have been conducting surveys for the identification of Beedi Workers from time to time in their States and furnish the figures to the Central Government for finalisation of various welfare schemes, for the Beedi Workers under the Beedi Workers Welfare Fund Act, 1976. However, the details of survey reports from the States of Madhya Pradesh and Uttar Pradesh conducted during the years 1984 and 1990 respectively are still not available with the Ministry. The Committee fail to understand the lackadaisical attitude of the Ministry towards the problem. In their view unless the Ministry possess the correct data by carrying out intensive surveys in areas of Beedi Workers concentration in the country, the Government is not in a position to carry out proper planning for the welfare of Beedi Workers. The Committee, therefore, recommend that the Ministry of Labour should conduct a State-wise comprehensive survey in areas of Beedi Workers concentration on a time bound scale.

2.12 The Committee, further recommend that the Government should

ensure that each and every Beedi worker, whether a 'Ghar Khata' Beedi worker or working in a factory is issued an Identity Card at the earliest so that he or she is no longer deprived of the benefit of various welfare schemes being implemented by the Government. Responsibility for issuance of Identity Cards should be fixed on Welfare Commissioners and the Ministry should monitor the programme periodically.

#### (b) Grievances of Beedi Workers

2.13 The Committee have been informed that the basic problems faced by the Beedi Workers are as under:—

- (i) Payment of minimum wages and uniformity in rates of wages;
- (ii) System of engagement of Beedi Workers through Labour contractors;
- (iii) Non-applicability of Employees Provident Fund and State Insurance Schemes;
- (iv) Short supply of raw material; and
- (v) Chhat/Rejection of sub-standard beedies.

#### (i) Payment of Minimum wages and uniformity in rates of wages.

2.14 The Ministry has informed the Committee that under the Minimum Wages Act, 1948, the respective State Governments are the appropriate authority for fixation/revision and implementation of minimum wages for employment in the Beedi Industry taking into consideration different factors which are peculiar to each individual State.

2.15 The Ministry has further informed the Committee that the Central Government have time and again urged upon the State Governments to revise the minimum wages every 2 years/or upon rise of 50 points in the Consumer Price Index Number, whichever is earlier.

2.16 The Ministry of Labour has furnished statement showing the minimum wages in Beedi Industry fixed by different States/UTs under the Minimum Wages Act, 1948. (Annexure-II)

2.17 Asked for the reasons for the wide disparity between minimum wages paid to Beedi Workers in different regions, the Secretary, Ministry of Labour replied during evidence:

"There are existing norms. The norms are followed by the individual States themselves. Under the minimum wage law, they issue notifications either by appointing a Committee or by issuing preliminary notifications. Trade unions and employers are asked to give their responses. A

tripartite committee is also sometimes appointed and representatives of trade unions and employers are there. They visit the establishments and after taking into consideration the local living conditions, these wages are approved.”

2.18 Asked whether some of the Beedi Workers have migrated from one State to another for want of payment of minimum wages, the Ministry of Labour has stated that cases of migration of Beedi Workers from one State to another for want of payment of minimum wages have not come to the notice of the Government. However, complaints have been made in the past that due to wide disparity in the minimum rates of wages in certain employments, including employment in the beedi industry in the neighbouring States, particularly in the southern region, there is a tendency for the industry to shift to States where minimum wages are comparatively low. Complaints have also been received from the Government of Bihar that in respect of employment in Beedi Industry, the Government of Bihar is facing difficulty in implementing the revised rates of wages as wages in neighbouring States are comparatively lower.

2.19 Detailing further the steps taken or proposed to be taken to check the shifting of industry from one State to another thereby leaving workers unemployed the Ministry of Labour has stated that the Beedi Industry being in the State sector, this responsibility lies with the of State Government concerned. However, the decision regarding location including relocation of an industrial unit is taken by the entrepreneur concerned on purely commercial and economic considerations and there is a limit to which the State can intervene in dictating or influencing such economic and commercial decisions. The Government has, however, been exploring the possibilities of reducing the wage differentials which are believed to induce the shifting of the Beedi Industry from one area/State to another on account of its peculiar nature in consultation with the State Governments concerned and towards this end, in pursuance to the decisions of the Labour Ministers' Conference 1992, the Govt. had appointed a Committee headed by State Labour Minister of West Bengal to examine the question and submit its recommendations.

2.20 Asked to state the action initiated by the Government for the faithful implementation of the recommendations contained the report, the Ministry of Labour informed the Committee that the recommendations made by the Committee of State-Labour Ministers under the Chairmanship of the West Bengal Labour Minister appointed pursuant to the decisions arrived at in the Labour Minister's Conference held in 1992 is under examination of the Government.

2.21 Explaining further the steps taken by the Govt. for the implementation of the recommendations made by the Committee, the Secretary Ministry of Labour stated during evidence:

“A Sub-Committee of the minimum wages Advisory Board recommended the following criteria for fixing minimum wages, that for each family of workers we have to take into account for consumption units; 2700 calories per unit containing balanced and nutritious food in conformity with the food habits of the region; per family, per year, 125 metre of cloth should be provided; we have also to take into account house rent as per industrial practice, that is 15% of the amount recovered for food and clothing; “miscellaneous”. Taking all these factors into consideration, minimum wages should be fixed. This is the basic recommendation made and it has been received recently by us. We are further examining it.”

2.22 The Committee note that the respective State Governments are the appropriate authority for the fixation, revision and implementation of minimum wages in employment in the Beedi Industry which has led to wide disparity of minimum wage being paid to Beedi Workers in different regions of the country. The Committee also note that some of the States are facing difficulty in implementing the revised rates of wages as wages in the neighbouring State are comparatively lower. This in turn has led to the shifting of industry from one State to another thereby leaving workers unemployed. The Committee view the situation with concern. In their view the Government should explore possibilities of reducing the wage differentials in consultation with State Governments concerned at the earliest. The Committee are also aware that a Committee of State Labour Ministers under the Chairmanship of West Bengal Labour Minister have gone into this aspect in greater detail and have submitted their report to the Government. The Committee urge upon the Government to consider the recommendations contained in the Report without further loss of time in order to remove wide disparity of minimum wage being paid to Beedi Workers in different regions of the country. The Committee further suggest that the Government should explore the possibility of providing a common legislation regarding minimum wage and related matters, between the Beedi producing States so that Beedi manufacturers cannot easily shift their operations, which is otherwise so easy in this industry, thereby eliminating the harassment and uncertainties Beedi Workers are often subjected to.

(ii) System of engagement of Beedi Workers through labour contractors.

2.23 The Ministry has informed the Committee that the Beedi and Cigar Workers (Conditions of Employment) Act, 1966 provides for contractors to engage contract labour for manufacture of beedies. As about 70% of the Beedi Workers in the country are stated to be home based workers and as a majority of these workers are women, it would be difficult to prohibit contract labour in the

Beedi Industry. However, there are sufficient provisions under the Act and the rules to safeguard the interests of beedi workers with regard to settlement of disputes relating to issue of raw material, rejection of beedi or cigar or both by the employer and non-payment of wages for beedi or cigar or both rejected by the employer etc.

2.24 The Ministry has further informed the Committee that the direction of the Supreme Court to the Central Government to look into the indispensability of the contract labour system in beedi making was examined by the Ministry of Labour and it was decided that it is not feasible to abolish the contract labour system in this industry at present.

2.25 Asked to state the steps taken by the Government for the abolition of contract system in order to protect the beedi workers from the clutches of middlemen, the Secretary stated during evidence :

“It is not feasible for us to straightway abolish the contract system. What should really be done is this. The workers have to organise themselves and start co-operative societies. In Kerala we do not have any problems as far as identification, payment of Provident Fund amounts etc. are concerned. About 25,000 workers are in one co-operative society. Then, there is no difficulty as far as prompt payment of excise duty is concerned. For eliminating contract system, you will have to have co-operatives of workers in this area.”

He further added:

“We had in the earlier years been establishing schemes for giving assistance on share capital contributions to the co-operatives. I think in the course of a few years, it was discontinued.”

2.26 The Committee note that about 70% of beedi workers in the country are home based workers and majority of them are women. The Government is facing difficulty in prohibiting contract labour system prevalent in the industry. To do away with this evil, the Government has suggested that the workers should organise themselves and form co-operative societies. Welcoming the suggestions made by the Government in order to protect the beedi workers from the clutches of middlemen, the Committee strongly urge upon the Ministry to promote co-operative movement among the beedi workers with the help of State Governments by providing assured market outlets for their products.



**(iii) Non-applicability of Employers Provident Fund and Employer's State Insurance Schemes.**

2.27 The Committee have been informed that establishments engaged in the manufacture of beedies were brought under the purview of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 *vide* notification GSR No. 660 dated 17.5.1977. The notification was challenged by a majority of the employers in the beedi industry on the ground of non-existence of relationship of master and servant between employer and the home workers and impracticability of implementation of E.P.F. Act and imposition of unreasonable restrictions on the Fundamental Rights of the petitioners and a stay of the operation of the notification was obtained from the Supreme Court of India. The Supreme Court of India *vide* its order dated 25th September, 1985 upheld the practicability of the Act in respect of beedi industry and negated the contention of the employers and held that there existed a relationship of master-servant between the employer and the home workers and that there was no impracticability in the implementation of the provisions of the Employees Provident Fund Act.

2.28 The Ministry has further informed the Committee that as on 31.3.1993, 12.22 lakh member belonging to beedi industry are subscribing to the Employees Provident Fund.

2.29 Asked to state the steps taken by the Government to cover more workers under the EPF scheme, the Ministry in a written reply has stated that the Employee's Provident Fund Organisation, which is the enforcement machinery has been invigorated to ensure that all coverable establishments are brought within the purview of the EPF and Misc. Provision Act, 1952. The field formations have been advised to ensure that all eligible workers are made member of the EPF and Misc. Provision Act, 1952.

**ESI Scheme**

2.30 The Ministry of Labour has further informed the Committee that out of 23,76,724 identified beedi workers only 21,725 workers have been covered by Employees State Insurance Corporation.

2.31 Asked to state the reasons for less number of beedi workers covered under Employees State Insurance Scheme than Employees Provident Fund, the Ministry in a written note furnished to the Committee has stated that the ESI Act applies geographically area-wise. Since the ESI Scheme provides both cash benefit and medical care, expansion of the scheme is possible only after the creation of infrastructure for medical care for workers and their families in local areas. The Act is extended to a new area only after the State Govt., who are statutorily responsible to provide medical care to the beneficiaries, create neces-

sary infrastructure such as dispensaries and hospital facilities in that area with viable labour concentration. Due to the inability of the State Governments in providing adequate arrangement for medical care, a large number of beedi workers have remained out side the ambit of the ESI Scheme, The Employees Provident Fund and Miscellaneous Provisions Act, 1952 on the other hand is applicable industry-wise and once the Act is made applicable to a particular industry, all the factories under the industry are covered throughout the country.

2.32 Asked to state the steps taken by the Government to cover more beedi workers under ESI Scheme, the Ministry in a written note furnished to the Committee have stated that in view of certain representations received including from some workers organisation and following recommendations of the Central Advisory Committee on Beedi Workers Welfare Fund, the Ministry of Labour had advised the ESI Corporation in 1988 that they were in favour of granting exemption to the Beedi Industry from the purview of the ESI Act and that ESIC need not object to the exemption granted by the State Governments to the Beedi Industry in their States. In view of this direction from the Government, a large number of beedi establishments particularly in Karnataka and Kerala have been exempted from the purview of the ESI Act.

2.33 The Committee note that out of 23,76,724 identified beedi workers in the country, only 12,22 lakhs have been covered under Employees Provident Fund and Misc. Provision Act, 1952. It appears that the Government is not at all serious in the matter. Viewing this situation with great concern, the Committee strongly recommend that all eligible workers should be made members of the EPF and Misc. Provision Act, 1952 without further loss of time.

2.34 The Committee further note that out of 23,76,724 identified workers only 21,725 workers have been covered by the Employees State Insurance Corporation. The reasons behind less number of coverage is the exemption granted by the State Government to the Beedi Industry in their States and inability of the State Government in providing adequate arrangements for medical care. The Committee view this situation with concern. In their view since the ESI Scheme provides both cash benefit and medical care to the workers, maximum number of workers should be covered under it. They, therefore, recommend that the Ministry should take up the issue with the respective State Governments on priority and ensure that all identified beedi workers are covered under the ESI Schemes with proper provisioning for funds.

(iv) Supply of Raw Materials.

2.35 The Ministry has informed the Committee that as per the information

received from the office of Development Commissioner (Small Scale Industries), Ministry of Industry, the major tendu leave producing States are Madhya Pradesh, Maharashtra, Andhra Pradesh and Orissa. The percentage share of these States in the total production of beedi leave is given below:

State	Percentage share of different States in the total production
1. Madhya Pradesh	60%
2. Andhra Pradesh	10%
3. Maharashtra and Orissa	30%

2.36 The Ministry has further informed the Committee that recently some of the tendu leave producing States like M.P. and A.P. have made provisions to regulate the trade of tendu leave by creation of State monopoly in such trade in public interest. A manufacturer or consumer or exporter of tendu leaves, with whom excess quantity of leaves is left over after use, requirement or consumption, cannot resell such excess quantity of tendu leaves except with the permission of the Government. As a result, the beedi manufacturers in non tendu leaving producing States like Tamil Nadu, Karnataka, West Bengal, Kerala, Gujarat, U.P. Bihar etc. are finding it difficult to procure their tendu leave requirement directly. They have now to purchase their requirements through the Govt. agencies identified to deal with this commodity in the respective States. There is, therefore, a need at national level, of an Agency to pool tendu leaves collected in other States and fix rates quality-wise and supply them to beedi manufacturers according to their needs by eliminating beedi leave traders.

2.37 In a written note furnished to the Committee, the Ministry has also informed that it is felt that formation of co-operatives may help in tiding over this difficulty of procuring raw materials. For instance in Kerala, under the aegies of the Dinesh Beedi Cooperatives has been successful in obtaining credit for raw materials, with the help of the State Govt. There was a draft scheme on formation of co-operatives for beedi workers which was circulated to the State Govts., a few years ago. The scheme, however, did not materialise as it met financial assistance from the State Govt. towards share capital. However, after the last Central Advisory Committee meeting held in September 1993, attempts are being made to revive the scheme on a pilot basis.

2.38 Summing up, the Secretary, Ministry of Labour stated during evidence:—

"It is the question of collection by State Agencies. The individual agent may not have any control on the supply from the States. It is a matter which we will take up again with the State Governments."

**(v) Chhat/Rejection of Sub-standard Beedies.**

2.39 The Ministry has further informed the Committee that another important area of exploitation of beedi workers is short supply of raw material and non-payment of wages for rejected beedies or 'chhat'. There are sufficient provisions in the Model Rules framed under the Beedi and Cigar Workers (Conditions of Employment) Act, 1966, as adopted by the State Govts., to protect the workers in the matter of short supply of raw material and rejected sub-standard beedies or "Chhat". The rules provide that the disputes between the employers and employees regarding short supply of raw material and rejection of beedies or chhat may be referred to a Specified Authority who shall, after making enquiry, decide the dispute. Any party aggrieved by the decision may prefer an Appeal within 30 days from the date of the decision. The rules further provide that no employer or contractor shall arbitrarily reject more than 2.5% of beedies as sub-standard beedies or "Chhat". However, rejection of 5% may be done after recording the reasons and making entries in writing to the workers.

2.40 During their Study Tour to Bangalore region, it was brought to the notice of the Committee that the rejection of beedies, sometimes, was as high as 250 per thousand.

2.41 Asked to state the steps taken by the Government for supply of good quality of raw material to the beedi workers, the Committee have been informed that the Government have repeatedly drawn the attention of the State Govts. to this important aspect. Some of the States like M.P. have formed Tripartite Committees at district level to look into the matter concerning standardisation of raw material for beedies. Some other States like Karnataka & Maharashtra have informed that the rules under the Beedi and Cigar Workers (Conditions of Employment) Rules framed by the State Govts. concerned take care of the problems pertaining to disputes on standardisation and rejection of beedies. In some of the States like Kerala, no such problem exists, as reported by the Ministry.

2.42 The Ministry has further informed the Committee that as per information received from the State Governments of Karnataka, M.P., A.P., Maharashtra, Gujarat, Rajasthan, Tripura, Orissa and U.P., the Beedi and Cigar Workers (Conditions of Employment) Rules framed by the respective State Governments contain provisions regarding rejection of not more than 5% of the rolled beedies as sub-standard and "Chhat" and also for payment of 1/2 of the payment on the rejected beedies on grounds other than wilful negligence of the workers. As reported, the problem of chhat does not exist in the State of Kerala. Some of the State Govts. have not mentioned about amending the rules.

2.43 The Committee note that some of the tendu leaves producing States

like Madhya Pradesh and Andhra Pradesh have made provisions to regulate the trade of tendu leaves by creation of State monopoly in such trade in public interest. As a result, the beedi manufacturers in non tendu leaves producing States like Tamil Nadu, Karnataka, West Bengal, Kerala, Gujarat, U.P. and Bihar etc. are finding it difficult to procure their tendu leaves requirement directly. The Committee are of the view that an individual agent should not have any control on the supply of tendu leaves from the States. They are, therefore, of the view that a national level agency should be set up to pool tendu leaves collected in other States to fix rates quality-wise and supply to beedi manufacturers according to their needs by eliminating tendu leaf traders. The Committee would also urge upon the Ministry to activate cooperative movement among the beedi workers which would help them in tiding over the difficulty of procuring raw materials.

2.44 The Committee note that most of the beedi workers are being exploited by the traders with short supply of raw material and non payment of wages for rejected beedies or 'chhat'. In some of the regions of the beedi workers concentration the rejection of beedies was to the extent of 250 per thousand even though the rules framed under the Beedi and Cigar Workers (Conditions of Employment) Act, 1966 provide that no employer or contractor shall arbitrarily reject more than 2.5% of Beedies as sub-standard beedies or 'chhat' and rejection of 5% may be done after recording the reasons and making entries in writing to the workers. The Committee view the situation with great concern and urge upon the Ministry to persuade the State Governments for setting up of Tripartite Committees at district levels to look into the matter concerning standardisation of raw material for beedies. In order to avoid exploitation of beedi workers, the Committee are also of the view that not more than 5% of the rolled beedies should be rejected as 'chhat' and workers should be paid 1/2 of the payment on the rejected beedies. The Committee are of the firm view that under the present dispensation, the workers are being penalised for factors beyond their control and the Committee, therefore, urge upon the Government to ensure that the loss on rejected beedies is shared by the workers and the manufacturers according to the reasons attributable for the rejections.

### (c) Welfare schemes for Beedi Workers

#### (i) Welfare funds for Beedi Workers

2.45 The Committee have been informed that the various welfare activities of the beedi workers are being watched take up the following Central enactments:—

- (i) The Beedi Workers Welfare Cess Act, 1976.

## (ii) The Beedi Workers Welfare Fund Act, 1976.

2.46 It has been stated by the Ministry that the Cess is collected by the Central Excise Collectorates under the Ministry of Finance through its offices situated all over India and subsequently the amount is transferred to the beedi workers Welfare Fund and after deduction of their collection charges. From 1.1.1987, the cess has been levied at the rate of 30 paise per thousand branded beedies. The manufacturers of non-branded beedies are exempted from payment of cess provided their production does not exceed 20 lakh beedies per annum.

2.47 The Ministry of Labour has furnished the following details of Receipt and expenditure under the Beedi Workers Welfare Fund for the last three years:—

*(Rs. in crores)*

Year	Receipt	Expenditure	Closing Balance
1991-92	12.14	10.91	32.17
1992-93	9.73	9.96	31.94
1993-94	13.35	13.48	31.81

2.48 Detailing the criteria for distribution of the Reserve Fund to the States, the Secretary stated during evidence:—

“We spend money on the basis of major schemes that we are operating. One is housing. Scholarship is another. Then, there are health facilities and recreation. For these purposes, Welfare Commissioners are asked to make an estimate of the revenue for a particular year. Based on that, they are expected to incur expenditure in their region.”

2.49 The Committee note that in order to avoid the hardships which a small beedi manufacturer may face on account of levy of cess on beedi, exemption of 20 lakh beedies per annum has been granted for the unbranded beedies. Under this exemption small beedi manufacturers are not required to pay cess under Beedi Workers Welfare Cess Act 1976. The Committee are, however, of the opinion that unscrupulous persons may misuse this exemption by manufacturing or buying the unbranded beedies at low cost. They, therefore, recommend that the exemption available to a small beedi manufacturer, henceforth be done away with, which in turn will also help the beedi workers employed by small manufacturer of unbranded beedies in getting the benefits available under various welfare schemes.

**(ii) Medical Facilities**

2.50 The Committee have been informed that with a view to providing medical care to beedi workers, dispensaries and hospitals have been set up by the Labour Welfare Organisation in the areas of concentration of these workers. During the year 1993-94, a 10-bedded hospital for beedi workers at Gursahaiganj (UP) was set up and a 50-bedded hospital (at present 30-bedded) at Mysore was also inaugurated. Another 50-bedded hospital at Dhulian (WB) is under construction. The details regarding hospitals/dispensaries for beedi workers is given in Annexure-III. In order to provide better medical facilities to these workers, it has also recently been decided to raise the ceiling limit of expenditure towards purchase of medicines from Rs. 2/- to Rs. 4/- per patient per visit in case of Allopathic dispensaries and Rs. 2/- to Rs. 3/- per patient per visit in case of Ayurvedic dispensaries.

2.51 It has been further stated that besides running the dispensaries and hospital for the beedi workers, the following schemes have also been introduced to provide better medical care to the beedi workers:—

- (i) Reservation of beds in T.B. Hospitals.
- (ii) Reimbursement of actual treatment charges to workers suffering from Cancer.
- (iii) Scheme to provide facilities for the treatment of beedi workers suffering from mental diseases.
- (iv) Scheme for supply of spectacles to beedi workers (including Gharkhata Workers) free of cost.
- (v) Scheme for treatment of Heart Diseases.
- (vi) Scheme for Leprosy relief for beedi workers.
- (vii) Domiciliary treatment of beedi workers suffering from T.B.
- (viii) Scheme for reimbursement of expenditure incurred by beedi workers on Kidney Transplantation etc.
- (ix) Maternity Benefit Schemes for female beedi workers.
- (x) Scheme for payment of monetary compensation for sterilization to beedi workers.

2.52 Asked whether there are any proposals pending with Government for establishment of new dispensaries/hospitals to meet the demand of Beedi Workers, the Secretary, Ministry of Labour stated during evidence that to establish a hospital the only constraint was that of funds and added:

"We already have about 155 dispensaries and the proposal for another 62 dispensaries are under consideration. Subject to the availability of funds we will look into it. They are already under consideration and we are in the process of examination.

**2.53** The Committee note with distress that there are only 3 hospitals and 155 dispensaries spread over the country to cater to the needs of more than 43 lakh Beedi workers. A proposal for setting up of 62 dispensaries are under consideration of the Government. The Committee's experience in this regard has not been very good during their visit to areas of Beedi workers concentration at Bangalore, Mysore and Mangalore. The dispensaries running for the welfare of Beedi workers were in a pitiable condition. Since most of the workers suffer from Tuberculosis, Asthma and Cancer, they had to run from pillar to post for their treatment in the absence of hospitals. While reiterating their earlier recommendation that every taluk centres and district headquarters of Beedi workers concentration should have at least 25 beds and 100 beds hospital respectively to facilitate the workers from the treatment of T.B. and Asthma, the Committee urge upon the Government to clear the proposal for setting up of 62 dispensaries at the earliest. The dispensaries running under the scheme should be provided with basic diagnosis facilities like X-ray and Pathology etc. The Committee also recommend that there should be periodical inspection of these dispensaries and hospitals of the respective Welfare Commissioner and the report should be furnished to the Ministry for their monitoring.

*(iii) Housing Facilities*

**2.54** The Committee have been informed that there are a number of Housing Schemes for the welfare of Beedi Workers such as "Group Housing Scheme", Housing Schemes for the Economically weaker sections of Beedi Workers (HSENS) and Build Your Own House Scheme (BYOHS).

**2.55** It has been further stated that under the build your own house scheme, the Beedi worker has to own a plot of land. The scheme provides for loan and a subsidy component. However, as the amount of loan and subsidy is only Rs. 6,000/- there has only been an insufficient response to the scheme. The Scheme under revision for increasing the loan component to Rs. 10,000/- and subsidy component to Rs. 3,000/- so as to make it more attractive.

**2.56** Asked whether the amount of loan and subsidy for dwelling huts have since been increased, the Ministry stated in a written note that clearance from the financial angle is expected shortly for implementing this revised scheme on the highest priority.



2.57 The details regarding number of houses built under the various schemes for the welfare of Beedi Workers are given in Annexure-IV.

2.58 When pointed out that during the course of discussion with the Beedi workers at Chhenapatna (Bangalore) in January, 1994 it was brought to the notice of the Study Group that 95% of Beedi Workers were without their own houses and were living in a small rented houses in most unhygienic conditions, the Ministry has stated that the Labour Welfare Organisation has not received any proposal for construction of houses under the Housing Scheme for economically weaker sections in respect of beedi workers in Chhenapatna area and the proposal will be considered on priority as per rules of scheme as soon as it is received from the State govt. through the Welfare Commissioner, Bangalore. The Ministry added that it had been decided to give the highest priority to housing schemes and during 1993-94, as many as 1306 houses were sanctioned in the Bangalore region.

2.59 On being suggested that under the 'build you own house scheme' the people having their own land should be financially assisted by the Govt. to build their own houses the Secretary, stated during evidence:

"It can be done. If 50 workers come together and form a cooperative, we allow them financial help. We are giving Rs. 6,000/- as subsidy per is not much."

2.60 The Committee were pained to note during their visit to Chhenapatna in Mysore district that 95% of Beedi Workers in the area were without their own houses and were living in small rented houses in most unhygienic conditions. The plea taken by the Ministry for this situation is the non receipt of proposal for construction of houses under the housing schemes. The Committee are not happy with the State of affairs and in their view, the Government should take initiative of their own without awaiting for the proposal from the State governments under the scheme and provide suitable accommodation to Beedi workers. The Committee are also of the view that the Government should persuade and help the Beedi workers to form cooperatives so that more workers having their own land should be financially assisted to build their own houses under 'Build Your Own House Scheme.' In this regard the Committee recommend that the progress of housing proposals, which are held up for some snags at the ground level should be constantly monitored by the Ministry to ensure that end results are not unduly delayed.

*(iv) Educational Facilities*

2.61 The Committee have been informed that no schools are being run by the

Labour Welfare Organisation for the children of Beedi Workers under the Beedi Workers Welfare Fund because the beedi workers are scattered in different areas all over the country and it would not be feasible to run schools exclusively for the children of Beedi Workers. Moreover the financial liability involved in running schools would also be beyond the resources of the Beedi Workers Welfare Fund. Education being mainly a State subject, the workers are already enjoying the facilities provided by the State Governments.

2.62 The Committee have been further informed that as regards the financial assistance provided to the children studying in the schools, the Committee have been informed that incentives from the Beedi Workers Welfare Fund have been provided in the form of Scholarships from class V onwards and schools uniforms upto class IV.

2.63 The Ministry has furnished the following statement showing the Financial assistance provided to children of Beedi workers during the year 1992-93 and the number of students benefited.

Sl. No.	Type of scheme	Financial Assistance Provided	No. of Students Benefitted	Total Amount Disbursed During 1992-93 (in Rs.)
1.	Scholarships for Children of beedi workers studying in class V and above in recognise institutions.	Rs. 15/- Rs. 200/- per head per month	54,191	1,68,12,280
2.	Schools uniforms to the wards of the beedi workers studying upto Class-IV.	Rs. 50/-per head.	22,389	11,19,450

2.64 The Ministry has also furnished the following statement showing the enhanced rates of Scholarships and financial assistance for supply of School uniforms based on the recommendation of Central Advisory Committee for Beedi Workers:

Level of education/course	Present rate	Revised rate
Scholarship to School/College going children of beedi workers studying in Class V and above.	Rs. 180/-p.a.	Rs. 250/-p.a.
Group I - Class V and VI	Rs. 180/- p.a.	Rs. 250/- p.a.
Group II - Class VII & VIII	Rs. 360/- p.a.	Rs. 450/- p.a.
Group III - Class IV and XII/ pre-graduation course.	Rs. 600/- p.a.	Rs. 700/- p.a.
Group IV - Graduation and Post Graduation Courses in Arts, Commerce, Science B.Ed. etc.	Rs. 900/- p.a.	Rs. 1000/- p.a.
Group V - MBBS/Engineering/ B.Sc. (Agr.) Higher Technical research studies.	Rs. 2400/- p.a.	Rs. 3000/- p.a.
Schools Uniform to children of beedi workers	Rs. 50/- per head	

2.65 The Committee note that most of the Beedi Workers are home-based and low rate of literacy makes them vulnerable to various kinds of exploitation. The attitude of Beedi workers towards education, incidence of poverty etc., are some of the main constraints in spreading education amongst them. The economic compulsions prevent workers from sending their children to school. The Committee are, therefore, of the opinion that the Government should provide at least one residential school or ashram school in each area of Beedi Workers concentration. Funds for this purpose can be met from the Beedi Workers Welfare Fund.

2.66 The Committee further note that the Government has increased the amount of scholarship to the school/college going children of Beedi workers but the allowance of school uniform being paid to children is still at Rs. 50 per head. Keeping in view the rise in prices, the Committee are of the opinion that this amount should be raised from Rs. 50 to 150 per head.

NEW DELHI;  
30, November, 1994  
9, Agrahayana 1916 (Saka)

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

## ANNEXURE I

### State-wise break-up of both identified/unidentified Beedi Workers

Sl. No.	Region	No. of workers identified	No. of workers yet to be identified
1.	Bangalore		
	Karnataka	3,25,274	29,970
	Kerala	1,13,611	7,720
2.	Hyderabad		
	Andhra Pradesh	1,85,792	4,14,208
	Tamil Nadu	2,12,919	3,87,081
3.	Karna		
	Bihar	2,14,273	1,77,227
4.	Jabalpur		
	Madhya Pradesh	6,00,000	—
5.	Allahabad		
	Uttar Pradesh	1,42,878	3,07,122
6.	Bhilwara		
	Rajasthan	92,520	1,86,480
	Gujarat	45,593	1,57,407
7.	Calcutta		
	West Bengal	1,68,581	2,81,410
	Assam	2,879	4,846
	Tripura	2,801	2,199
8.	Nagpur		
	Maharashtra	1,61,323	88,677
9.	Bhubaneswar		
	Orissa	1,08,581	51,270
		23,76,724	20,96,076

**ANNEXURE II**

*State wise rates of minimum wages in beedi industry fixed under the minimum wages Act, 1948*

Sl. State/U.T	Minimum wages for rolling 1000 beedies
1. Andhra Pradesh	Rs. 27.35 including basic wage variable DA etc.
2. Assam (From 1.3.1989)	Rs. 25.00
3. Bihar (From 22.8.1989)	(i) Corporation areas: Rs. 19.00 (ii) Distt. H.Q. & Municipal areas: Rs. 17.50 (iii) Other areas: Rs. 16.00
4. Gujarat	Asotari beedies Zone I - Rs. 15.40 Zone II - Rs. 15.20 Single Nakh-beedies Zone I - Rs. 15.15 Zone II - Rs. 15.20 Double Nakh beedies Zone I - Rs. 15.40 Zone II - Rs. 15.20 Beedi Wrappers Zone I - Rs. 15.25 p.d. Rs. 396.50 p.m. Zone II - Rs. 14.90 p.m. Rs. 383.40 p.m. Packers, Labellers etc. Zone I - Rs. 15.25 p.d. Rs. 396.50 p.m. Zone II - Rs. 14.90 p.d. Rs. 387.40 p.m.
5. Karnataka	Beedi rolling Rs. 19.65 + D.A. Rs. 6.66 Bundle making (per 1 lakh beedies) Rs. 42.75
6. Kerala	Dinesh Beedi Rs. 14.50 + D.A. Rs. 19.80 Small establishments Rs. 12.00 + D.A.

Sl. State/U.T	Minimum wages for rolling 1000 beedies
7. Madhya Pradesh (from 14.10.93)	Rs. 22.50
8. Maharashtra	Zone I - Rs. 20.35 + Special allowance Rs. 7.68 p.d.  Zone II - Rs. 16.00 + Special allowance Rs. 7.68 p.d.
9. Orissa (from 1.1.91)  (from 4.12.92)	'Semi-skilled - Rs. 30.00 p.d. 'Skilled - Rs. 35.00 p.d. 'Highly skilled - Rs. 40.00 p.d. 'Un-skilled - Rs. 25.00 p.d.
10. Tamil Nadu	Rs. 23.25 including Basic Wage, D.A. etc.
11. Tripura (from 1.12.90)	Rs. 14.30
12. Uttar Pradesh (from 1.1.94)	Rs. 35.00 (beedi rolling)
13. Rajasthan	(Beedi rolling) - Rs. 18.62 (ordinary) per 1000 beedies  Beedi rolling - Rs.22.00 (special) per 1000 beedies  Beedi sorter - Rs. 720.68 p.m. and Checker  Bundle Racking - Rs.18.62 & packing per 1000 bundles  Snuff packing - Rs. 611.00 p.m. or Rs. 23.50 per day  Tobacco Mixture, - Rs. 22.00 per day Tobacco sorter & others

14. West Bengal	Min. wage per 100 beedi rolled	Wages per day	Wages per month
(i) Calcutta & 24. Parganas	Rs. 45.16	Rs.44.06	Rs.1145.56
(ii) Howrah & Hoogly	Rs. 39.58	Rs. 38.63	Rs. 996.38
(iii) Purulia	Rs. 23.48	Not fixed	Not fixed
(iv) Other Districts	Rs. 36.68	Rs. 35.73	Rs. 928.98

Note: The above data are based on reports received from Welfare Commissioners/  
State Governments.

### ANNEXURE-III

#### *Statement showing the number of hospitals under Beedi Workers Welfare Fund.*

- |                                     |                  |
|-------------------------------------|------------------|
| 1. 50 Bedded Hospital, Mysore       | Bangalore region |
| 2. 50 Bedded T.B. Hospital, Karma   | Karma region     |
| 3. 10 Bedded Hospital, Gursahaiganj | Allahabad region |
- 

Note: A 50-bedded hospital for beedi workers is also under construction in Dhuliyān (WB) in Calcutta Region.

#### *Statement showing the number of dispensaries under Beedi Workers Welfare Fund*

##### State

##### Andhra Pradesh

##### Static-cum-mobile Dispensaries

1. Nizamabad, Distt. Nizamabad.
2. Kamareddy, Distt. Nizamabad.
3. Amarchinta, Distt. Mahaboobnagar.
4. Kothakota, Distt. Mahaboobnagar.
5. Keratla, Distt. Karimnagar.
6. Nallore, Distt. Nillore.
7. Siddipet, Distt. Medak.
8. Srikalahasti, Distt. Chittoor.

##### Static Dispensaries

9. Nirmal, Distt. Adilabad.
10. Kamalpuram, Distt. Cuddapah.

##### Tamilnadu

##### Static-cum-Mobile Dispensaries

1. Vellore, Distt. North Arcot.
2. Melavishram, Distt. North Arcot.
3. Tenkasi, Distt. Tirunelveli.
4. Mukkudal, Distt. Tirunelveli.



5. Alangulam, Distt. Tiruvelveli.
6. Tiruchirapalli, Dist. Tiruchirapalli.
7. Old Washermanpet, Distt. Madras.
8. Gudiyatham, Distt. North Arcot.

#### **Static Dispensary**

9. Melapalayam, Distt. Tirunelveli

#### **Mobile Dispensary**

10. Tirunelveli, Distt. Tirunelveli.

### **Madhya Pradesh**

#### **Static-cum-Mobile Dispensaries**

1. Sihore, Distt. Jabalpur.
2. Jabalpur, Distt. Jabalpur.
3. Garhakotta, Distt. Sagar.
4. Deori, Distt. Sagar.
5. Sagar, Distt. Sagar.
6. Damoh, Distt. Damoh.
7. Hatta, Distt. Damoh.
8. Nohata, Distt. Damoh.
9. Gwalior, Distt. Gwalior.
10. Begamganj, Distt. Raisen.
11. Bhopal, Distt. Bhopal.
12. Sanwad, Distt. Kharagone.
13. Reewa, Distt. Rewa.
14. Dhamtari, Distt. Raipur.
15. Rajnandgaon, Distt. Rajnandgaon.
16. Jarora, Distt. Ratlam.

#### **Static Dispensaries**

17. Indore, Distt. Indore.
18. Katangi, Distt. Jabalpur.
19. Warasioni, Distt. Balaghat.
20. Guna, Distt. Guna.
21. Durhanpur, Distt. Khandawa.

**Mobile Dispensaries**

22. Satna, Distt. Satna.

**Karnataka****Static-cum-mobile Dispensaries**

1. Thumbe, Distt. Mangalore.
2. Moodabidri, Distt. Mangalore.
3. Katipalla, Distt. Mangalore.
4. Putur, Distt. Mangalore.
5. Derlakatta, Distt. Mangalore.
6. Harihar, Distt. Chitradurga.
7. Nipani, Distt. Belgaun.
8. Bangalore, Distt. Bangalore.
9. Kolar, Distt. Kolar.
10. Tumkur, Distt. Tumkur.

**Static Dispensaries**

11. Kaikamba, Distt. Mangalore.
12. Yadgir, Distt. Gulbarga.
13. Channapatna, Ramanagaran Taluk Distt.
14. Gundlupet, Distt. Mysore.
15. Chamarajanagar, Distt. Mysore.
16. Hubli, Distt. Dharwad.
17. Sira Taluk, Distt. Tumkur.

**Mobile Dispensaries**

18. Mysore (attached with hospital).
19. Padil, Distt. Mangalore.

**Kerala****Static-cum-Mobile Dispensaries**

1. Cannanore, Distt. Cannanore.
2. Tellicherry, Distt. Tellichery.
3. Alathur, Distt. Palakkad.
4. Permunna, Distt. Kozhikode.

5. Nileswar, Distt. Kasargod.
6. Kasargod, Distt. Kasargod.

#### Static Dispensaries

7. Kandotty, Distt. Malapuram
8. Chavakkad, Distt. Trissur.

### Gujarat

#### Static-cum-Mobile Dispensaries

1. Patan, Distt. Patan.
2. Vadnagar, Distt. Mehsana.
3. Sarsa, Distt. Kheda.

#### Static Dispensaries

4. Ahmedabad, Distt. Ahmedabad.
5. Dorsad, Distt. Kaira.

#### Ayurvedic Dispensary

6. Palanpur, Distt. Mehsana.

### Rajasthan

#### Static-cum-Mobile Dispensary

1. Sujangarh, Distt. Churu.

#### Static Dispensaries

2. Tonk, Distt. Tonk.
3. Ajmer, Distt. Ajmer.
4. Bewar, Distt. Ajmer.
5. Karoli, Distt. Swaimadhopur

#### Mobile Dispensary

6. Kota, Distt. Kota.

#### Ayurvedic Dispensary

7. Swaimadhopur, Distt. Swaimadhopur
8. Nisarabad, Distt. Ajmer.
9. Baran, Distt. Kota.
10. Bundi, Distt. Bundi.

**Bihar****Static-cum-Mobile Dispensaries**

1. Chakradharpur, Distt. Singhbhum.
2. Biharshraief, Distt. Nalanda.
3. Jhajha, Distt. Jhaja.
4. Madhubani, Distt. Madhubani.
5. Pakur, Distt. Dimka.
6. Dalsinghsarai, Distt. Samstipur.
7. Gaya, Distt. Gaya.
8. Mothiri, Distt. East Champaran.
9. Sitamarhi, Distt. Sitamarhi.
10. Begusarai, Distt. Begusarai.
11. Bhagalpur, Distt. Bhagalpur.
12. Munghyer, Distt. Munghyer.

**Static Dispensaries**

13. Dhaka, Distt. West Champaran.
14. Gopalganj, Distt. Gopalganj.

**Ayurvedic Dispensary**

15. Siwan, Distt. Siwan.

**Uttar Pradesh****Static-cum-Mobile Dispensaries**

1. Jaunpur, Distt. Jaunpur.
2. Allahabad, Distt. Allahabad.
3. Amroha, Distt. Moradabad.
4. Jhansi, Distt. Jhansi.
5. Mirzapur, Distt. Mirzapur.
6. Raibareli, Distt. Raibareli.
7. Rampur, Distt. Rampur.
8. Gazipur, Distt. Gazipur.
9. Sultanpur, Distt. Sultanpur.
10. Varanasi, Distt. Varanasi.

**Mobile Dispensary**

11. Gursahaiganj, Distt. Farrukhabad.

**Orissa****Static-cum-Mobile Dispensaries**

1. Angul, Distt. Dhenkal.
2. Salepur, Distt. Cuttack.
3. Bagedia, Distt. Dhankal.
4. Dasarathpur, Distt. Cuttack.
5. Rengali, Distt. Sambalpur.
6. Parmanpur, Distt. Sambalpur.

**Static Dispensaries**

7. Brahmabarda, Distt. Cuttack.
8. Gholpur, Distt. Cuttack.
9. Baideswar, Distt. Cuttack.
10. Balijhari, Distt. Cuttack.
11. Balasore, Distt. Balasore.

**Mobile Dispensaries**

12. Sambalpur, Distt. Sambalpur.
13. Bhubaneswar, Distt. Bhubaneswar.
14. Gujidarda, Distt. Balasore.

**Maharashtra****Static-cum-Mobile Dispensaries**

1. Tumsar, Distt. Bhandara.
2. Amgaon, Distt. Bhandara.
3. Tirora, Distt. Bhandara.
4. Lakhani, Distt. Bhandara.
5. Bhandara, Distt. Bhandara.
6. Gondia, Distt. Bhandara.
7. Sinner, Distt. Nasik.
8. Ahmednagar, Distt. Ahmednagar.
9. Sangamner, Distt. Ahmednagar.

10. Pune, Distt. Pune.
11. Sangli, Distt. Sangli.
12. Khat, Distt. Nagpur.

#### Static Dispensaries

13. Kamptee, Distt. Nagpur.
14. Sholapur, Distt. Sholapur.
15. Jalna, Distt. Jalna.

#### Ayurvedic Dispensary

16. Nanded, Distt. Nanded.

### West Bengal

#### Static-cum-Mobile Dispensaries

1. Bankura, Distt. Bankura.
2. Cooch-Bihar, Distt. Cooch-Bihar.
3. Magrahat, Distt. 24 Parganas (N).
4. Barasat, Distt. 24 Parganas (N).
5. Jhalda, Distt. Purulia.
6. Krishnagar, Distt. Nadia.
7. Karimpur, Distt. Nadia.
8. Kharagpur, Distt. Midnapur.
9. Kaliachack, Distt. Malda.

#### Mobile Dispensaries

10. Calcutta, Distt. Calcutta.
11. Nimita, Distt. Murshidabad.

#### Chest Clinic

12. Nimita Distt. Murshidabad.

### Assam

#### Static-cum-Mobile Dispensary

1. Gouripur, Distt. Dhubri.

### Tripura

#### Static-cum-Mobile Dispensary

1. Agartala, Distt. Agartala.

### ANNEXURE-IV

**Houses constructed during the last three years under different schemes for Beedi Workers and proposals received during 1994-95 for construction of houses for Beedi Workers**

Region (State)	1991-92			1992-93			1993-94			Proposals for 1994-95		
	EWS Housing	Byoos Group	Group	EWS Housing	Byoos Group	Group	EWS Housing	Byoos Group	Group	EWS Housing	Byoos Group	Group
1. Jabalpur Madhya Pradesh	447	-	-	144	-	-	12	-	-	-	-	-
2. Allahabad Uttar Pradesh	-	1	-	-	-	-	-	28	-	-	176	-
3. Bangalore (i) Karnataka		3	-	400	-	-	1306	1	-	-	-	-
(ii) Kerala	-	274	-	-	299	-	-	540	-	-	-	-
4. Bhubaneswar Orissa	-	116	-	-	92	-	-	85	-	600	100	-
5. Nagpur Maharashtra	-	3	-	-	5	-	-	7	-	-	17	-
6. Hyderabad (i) Andhra Pradesh	-	35	-	3593	58	-	3341	335	-	10,000	-	-
(ii) Tamil Nadu		19	-	-	13	-	-	37	-	-	-	-
7. Karna Bihar	-								-	215	-	-
8. Bhilwara (i) Rajasthan										100	5	-
(ii) Gujarat										320	5	-
9. Calcutta (i) West Bengal	-	117	-		87	-	-	76	-	100	250	-
(ii) Assam	-	-	-	-	-	-	-	30	-	-	-	-

MINUTES OF THE THIRTEENTH SITTING OF THE STANDING  
COMMITTEE ON LABOUR AND WELFARE HELD ON  
29 NOVEMBER, 1994

The Committee met from 15.00 hrs. to 16.30 hrs. in Committee Room 'D',  
Parliament House Annexe, New Delhi.

PRESENT

Smt. Chandra Prabha Urs - *Chairperson*

MEMBERS

*Lok Sabha*

2. Shri S.B. Thorat
3. Shri Bheru Lal Meena
4. Shri K. Pradhani
5. Shri Ram Namin Berwa
6. Shri Ajoy Mukhopadhyay

*Rajya Sabha*

7. Smt. Vidya Beniwal
8. Shri Kameshwar Paswan
9. Shri Ram Ratan Ram
10. Shri Joyanta Roy
11. Shri Mohinder Singh Kalyan
12. Shri Mool Chand Meena

SECRETARIAT

1. Shri G.C. Malhotra — *Joint Secretary*
2. Shri Satish Loomba — *Deputy Secretary*
3. Shri R.S. Misra — *Assistant Director*

At the outset, the Chairperson introduced the new Members of Rajya Sabha nominated to the Standing Committee on Labour and Welfare. Thereafter the



Committee adopted a Condolence Resolution moved by Hon'ble Chairperson on the sudden and sad demise of Shri Gaya Prasad Kori, M.P. who was a Member of the Committee during the years 1993-94 and 1994-95. The Members then stood up in silence for two minutes as a mark of respect to late Shri Gaya Prasad Kori.

After the tea break, the Committee took up for consideration the Draft Seventh Report on the Ministry of Labour regarding the welfare of Beedi Workers. The recommendations contained in the Report were read out but the Committee could not adopt the Report for want of quorum. The Committee, therefore, decided to take up the Report for adoption on 30th November, 1994.

*The Committee then adjourned.*

MINUTES OF THE FOURTEENTH SITTING OF THE STANDING  
COMMITTEE ON LABOUR AND WELFARE HELD ON  
30 NOVEMBER, 1994.

The Committee met from 11.00 hrs. to 12.30 hrs. in Committee Room 'D',  
Parliament House Annex.

PRESENT

Smt. Chandra Prabha Urs - Chairperson

MEMBERS

*Lok Sabha*

2. Shri S.B. Thorat
3. Shri Bheru Lal Meena
4. Shri K. Pradhani
5. Shri Siddappa Bhimappa Nyamagoudar
6. Shri B. Akbar Pasha
7. Shri Ramesh Chennithala
8. Shri Ram Narain Berwa
9. Shri Ajoy Mukhopadhyaya

*Rajya Sabha*

10. Shri Kameshwar Paswan
11. Shri Ram Ratan Ram
12. Shri Joyanta Roy
13. Shri Mohinder Singh Kalyan
14. Shri Mool Chand Meena

SECRETARIAT

1. Shri G.C. Malhotra — *Joint Secretary*
2. Shri Satish Loomba — *Deputy Secretary*
3. Shri R.S. Misra — *Assistant Director*

**REPRESENTATIVES OF THE MINISTRY OF WELFARE**

1. Shri Mata Prasad — Secretary
2. Shri M.S. Pandit — Joint Secretary
3. Shri Shashi Bhushan — Deputy Secretary

The Committee considered the Draft Seventh Report on the Ministry of Labour-Welfare of Beedi Workers and adopted the same with the following modifications:—

Page Nos.	Para	Line	Amendments made
8	2.11	9 from bottom	After the word 'carrying out' <i>insert</i> the word 'intensive'.
18.	2.34	1 from bottom	At the end of para <i>add</i> the words "with proper provision- ing for funds".
23.	2.44	7 from bottom	After the words 'rejected Beedies', <i>delete</i> the words 'on the ground other than wilful negligence'.

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

*The Committee then adjourned.*

### APPENDIX-III

*Summary of Conclusions/recommendations Contained in the Report  
(Vide Para 4 of the introduction)*

Sl No.	Paragraph number	Summary of Conclusions/Recommendations
1	2	3
1	2.11	<p>The Committee note with concern that the Ministry of Labour do not have authentic data on Beedi Workers as they are awaiting the 1991 census report. The Committee have been informed by the Ministry that the State Governments have been conducting surveys for the identification of Beedi Workers from time to time in their States and furnish the figures to the Central Government for finalisation of various welfare schemes, for the Beedi Workers under the Beedi Workers Welfare Fund Act, 1976. However, the details of survey reports from the States of Madhya Pradesh and Uttar Pradesh conducted during the years 1984 and 1990 respectively are still not available with the Ministry. The Committee fail to understand the lackadialical attitude of the Ministry towards the problem. In their view unless the Ministry possess the correct data by carrying out intensive surveys in areas of Beedi workers concentration in the country, the Govt. is not in a position to carry out proper planning for the welfare of Beedi Workers. The Committee, therefore, recommend that the Ministry of Labour should conduct a State-wise comprehensive survey in areas of Beedi Workers Concentration on a time bound scale.</p>
2.	2.12	<p>The Committee, further recommended that the Government should ensure that each and every Beedi worker, whether a 'Ghar Khata'</p>

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Beedi worker or working in a factory is issued an identify card at the earliest so that he or she is no longer deprived of the benefit of various welfare schemes being implemented by the Government. Responsibility for issuance of Identity cards should be fixed on welfare Commissioners and the Ministry should monitor the programme periodically.

3.

2.22

The Committee note that the respective State Governments are the appropriate authority for the fixation, revision and implementation of minimum wages in employment in the Beedi Industry which has led to wide disparity of minimum wage being paid to Beedi Workers in different regions of the country. The Committee also note that some of the States are facing difficulty in implementing the revised rates of wages as wages in the neighbouring State are comparatively lower. This is turn has led to the shifting of industry from one State to another thereby leaving workers unemployed. The Committee view the situation with concern. In their view the Government should explore possibilities of reducing the wage differentials in consultation with State Governments concerned at the earliest. The Committee are also aware that a Committee of State Labour Ministers under the Chairmanship of West Bengal Labour Minister have gone into this aspect in greater detail and have submitted their report to the Government. The Committee urge upon the Government to consider the recommendations contained in the Report without further loss of time in order to remove wide disparity of minimum wage being paid to Beedi Workers in different regions of the country. The Committee further suggest that the Govt.

1	2	3
		should explore the possibility of providing a common legislation regarding minimum wage and related matters, between the Beedi producing States so that Beedi manufacturers cannot easily shift their operations, which is otherwise so easy in this industry, thereby eliminating the harassment and uncertainties Beedi Workers are often subjected to.
4.	2.26	The Committee note that about 70% of Beedi Workers in the country are home based workers and majority of them are women. The Government is facing difficulty in prohibiting contract labour system prevalent in the industry. To do away with this evil, the Government has suggested that the workers should organise themselves and form Cooperative Societies. Welcoming the suggestion made by the Government in order to protect the Beedi Workers from the clutches of middlemen, the Committee strongly urge upon the Ministry to promote Cooperative movement among the Beedi Workers with the help of State Governments by providing assures market outlays for their products.
5.	2.33	The Committee note that out of 23,76,724 identified Beedi Workers in the country, only 12,22 lakhs have been covered under Employees Provident Fund and Misc. Provision Act, 1952. It appears that the Government is not at all serious in the matter. Viewing this situation with great concern, the Committee strongly recommend that all eligible workers should be made members of the EPF and Misc. Provision Act, 1952 without further loss of time.
6.	2.34	The Committee further note that out of 23,76,724 identified workers only 21,725

workers have been covered by the Employees State Insurance Corporation. The reasons behind less number of coverage is the exemption granted by the State Government to the Beedi Industry in their States and inability of the State Government in providing adequate arrangements for medical care. The Committee view this situation with concern. In their view since the ESI scheme provides both cash benefit and medical care to the workers, maximum number of workers should be covered under it. They, therefore, recommend that the Ministry should take up the issue with the respective State Governments on priority and ensure that all identified Beedi Workers are covered under the ESI Schemes with proper provisioning for funds.

2.43

The Committee note that some of the Tendu leaves producing States like Madhya Pradesh and Andhra Pradesh have made provisions to regulate the trade of tendu leaves by creation of State monopoly in such trade in public interest. As a result, the Beedi manufacturers in non tendu leaves producing States like Tamil Nadu, Karnataka, West Bengal, Kerala, Gujarat, U.P. and Bihar etc. are finding it difficult to procure their tendu leaves requirement directly. The Committee are of the view that an individual agent should not have any control on the supply of tendu leaves from the States. They are, therefore, of the view that a national level agency should be set up to pool tendu leaves collected in other States to fix rates quality-wise and supply to Beedi manufacturers according to their needs by eliminating tendu leaves traders. The Committee would also urge upon the Ministry to activate cooperative movement among the

1	2	3
8.	2.44	<p>Beedi Workers which would help them in tiding over the difficulty of procuring raw materials.</p> <p>The Committee note that most of the Beedi Workers are being exploited by the traders with short supply of raw material and non payment of wages for rejected Beedies or 'chhat'. In some of the regions of the Beedi Workers concentration the rejection of Beedies was to the extent of 250 per thousand even though the rules framed under the Beedi and Cigar Workers (Conditions of Employment) Act, 1966 provide that no employer or contractor shall arbitrarily reject more than 2.5% of Beedies as sub-standard Beedies or 'chhat' and rejection of 5% may be done after recording the reasons and making entries in writing to the workers. The Committee view the situation with great concern and urge upon the Ministry to persuade the State Governments for setting up of Tripartite Committees at district levels to look into the matter concerning standardisation of raw material for Beedies. In order to avoid exploitation of Beedi Workers, the Committee are also of the view that not more than 5% of the rolled Beedies should be rejected as 'chhat' and workers should be paid 1/2 of the payment on the rejected Beedies. The Committee are of the firm view that under the present dispensation, the Workers are being penalised for factors beyond their control and the Committee, therefore, urge upon the Government to ensure that the loss on rejected Beedies is shared by the workers and the manufacturers according to the reasons attributable for the rejections.</p>



1	2	3
9.	2.49	<p>The Committee note that in order to avoid the hardships which a small Beedi manufacturer may face on account of levy of cess on Beedi, exemption of 20 lakh Beedies per annum has been granted for the unbranded Beedies. Under this exemption small Beedi manufacturers are not required to pay cess under Beedi Workers Welfare Cess Act 1976. The Committee are, however, of the opinion that unscrupulous persons may misuse this exemption by manufacturing or buying the unbranded Beedies at low cost. They, therefore, recommend that the exemption available to a small Beedi manufacturer, henceforth done away with, which in turn will also help the Beedi workers employed by small manufacturer of unbranded Beedies in getting the benefits available under various welfare schemes.</p>
10.	2.53	<p>The Committee note with distress that there are only 3 hospitals and 155 dispensaries spread over the country to cater to the needs of more than 43 lakh Beedi Workers. A proposal for setting up of 62 dispensaries are under consideration of the Government. The Committee's experience in this regard has not been very good during their visit to areas of Beedi workers concentration at Bangalore, Mysore and Mangalore. The dispensaries running for the welfare of Beedi workers were in a pitiable condition. Since most of the workers suffers from Tuberculosis, Asthma and Cancer, they had to run from pillar to post for their treatment in the absence of hospitals. While reiterating their earlier recommendation that every taluk centres and district headquarters of beedi workers concentration should have at least 25 beds and 100 beds hospital respectively to facilitate the workers</p>

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for the treatment of T.B. and Asthma, the Committee urge upon the Government to clear the proposal for setting up of 62 dispensaries at the earliest. The dispensaries running under the scheme should be provided with basic diagnosis facilities like X-ray and Pathology etc. The Committee also recommend that there should be periodical inspection of these dispensaries and hospitals of the respective Welfare Commissioner and the report should be furnished to the Ministry for their monitoring.

11.

2.60

The Committee were pained to note during their visit to Chhenapatna in Mysore district that 95% of Beedi Workers in the area were without their own houses and were living in small rented houses in most unhygienic conditions. The plea taken by the Ministry for this situation is the non receipt of proposal for construction of houses under the housing schemes. The Committee are not happy with the State of affairs and in their view, the Govt. should take initiative of their own without awaiting for the proposal from the State Governments under the scheme and provide suitable accommodation to Beedi workers. The Committee are also of the view that the Government should persuade and help Beedi workers to form cooperatives so that more workers having their own land should be financially assisted to build their own houses under 'Build Your Own House Scheme'. In this regard the Committee recommend that the progress of housing proposals, which are held up for some snags at the ground level should be constantly monitored by the Ministry to ensure that and results are not unduly delayed.

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1	2	3
12.	2.65	<p>The Committee note that most of the Beedi Workers are home based and low rate of literacy makes them vulnerable to various kinds of exploitation. The attitude of Beedi workers towards education, incidence of poverty etc., are some of the main constraints in spreading education amongst them. The economic compulsions prevent workers from sending their children to school. The Committee are, therefore, of the opinion that the Govt. should provide at least one residential school or ashram school in each area of Beedi Workers concentration. Funds for this purpose can be met from the Beedi Workers Welfare Fund.</p>
13.	2.66	<p>The Committee further note that the Government has increased the amount of scholarship to the school/college going children of Beedi workers but the allowance of school uniform being paid to children is still at Rs. 50 per head. Keeping in view the rise in prices, the Committee are of the opinion that this amount should be raised from Rs. 50 to Rs. 150 per head.</p>

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