

**ESTIMATES COMMITTEE  
1959-60**

**NINETIETH REPORT  
(SECOND LOK SABHA)**

**MINISTRY OF LABOUR & EMPLOYMENT**

**PART III**

**Social Security Schemes and Miscellaneous**



**LOK SABHA SECRETARIAT  
NEW DELHI**

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1959-60

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(vi)

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30. Shri Jagan Nath Prasad Pahadia\*.

SECRETARIAT

Shri H. N. Trivedi—*Deputy Secretary.*  
Shri K. Ranganadham—*Under Secretary.*

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\*Elected w.e.f. 19th December, 1959 *vice* Shri Mathuradas Mathur resigned.

## INTRODUCTION

I, the Chairman, Estimates Committee, having been authorised by the Committee to submit the report on their behalf, present this Ninetieth Report on the Ministry of Labour and Employment—Part III (Social Security Schemes and Miscellaneous).

2. A statement showing an analysis of the recommendations contained in this Report is also appended to the Report (Appendix XIX).

3. The Committee wish to express their thanks to the Secretary of the Ministry of Labour and Employment and other officers of the Ministry for placing before them the material and information that they wanted in connection with the examination of the estimates.

H. C. DASAPPA,  
*Chairman,*  
*Estimates Committee.*

NEW DELHI-1;  
*The* April 21, 1960.  
Vaisakha 1, 1882 (S).

## I INTRODUCTORY

### A. Introduction

Social Security is one of the dynamic concepts of the modern age which influences social as well as economic policy. It is the security that the State furnishes against the risks, which an individual of small means cannot today stand up to by himself or even in combination with his fellow beings.

2. In the present day economy, the majority of the people depend on their capacity to put in daily labour for meeting their needs. Sickness, accident, old age, death and maternity are some of the contingencies which interrupt their income and create want. Social security schemes are designed to prevent this want. Such schemes may be financed from general revenues (Social assistance) or may be contributory in character (Social insurance).

3. All such schemes, however, have one common feature; they recognise the social justice of pooling risks and resources, so that all those exposed to the same risk finance the scheme, though the benefits are made available only to those who actually need them. Under the social assistance approach, the benefits are derived from general revenues and this is justified only when they can be granted to all citizens who are in want. In under-developed countries with limited resources, a beginning can only be made to cover selected sectors of the population and so the social insurance approach is more practicable.

4. The Committee agree that initially social insurance can be extended only to selected sectors of the population like workers etc. They, however, feel that comprehensive coverage of all citizens ensuring the welfare of the common man should be the ultimate objective. Article 41 of the Constitution provides that "State shall within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement and in other cases of undeserved want." The Committee were informed that no perspective plan had been drawn up by the Ministry of Labour and Employment for extending social security to the whole population as envisaged in this Article. *The Committee are doubtless aware of the stupendous nature of the problem in the present context of the low level of the country's economy*

Definition  
of Social  
Security.

Social insur-  
ance and  
social assis-  
tance.

Social secu-  
rity to cover  
the whole  
population.

*and it will not be possible to implement such a social insurance over the whole of the country within the near future. Nevertheless they suggest that a comprehensive study of the problem may be made on the basis of which a perspective plan may be attempted which will permit progressive extension of such a scheme to cover the whole population.*

### B. Social Security Schemes

Pre-Independence period.

5. Broadly speaking, insurance schemes in the field of social security are those which protect the worker in the event of loss of earning power through employment injury or sickness. The earliest step in this direction was the passing of the Workmen's Compensation Act in 1923. Under this Act liability was placed upon the employers to provide compensation in respect of injury suffered owing to accident occurring to, or industrial disease contracted by, their employees in the course of their employment. Various attempts were made from 1927 onwards to provide a wider coverage against the various risks normally dealt with in social insurance schemes. Maternity Acts have been in force in several States earlier than 1947. Social security legislation till Independence merely touched the fringe without coming to grips with the problem itself. In the main it was left to employers to provide social security measures and not many of them took sufficient interest in the matter.

Post-Independence period.

6. The most important piece of legislation has been the Employees' State Insurance Act, 1948. The other main schemes are the Coal Mines Provident Fund and Bonus Scheme, 1948 and the Employees' Provident Fund Scheme, 1952. The following other Central Acts also provide for some form of social security or social insurance:—

1. The Plantations Labour Act, 1951.
2. The Coal Mines Labour Welfare Fund Act, 1947.
3. The Mica Mines Labour Welfare Fund Act, 1946.
4. The Workmen's Compensation Act, 1923.
5. The Mines Maternity Benefit Act, 1941.
6. The Industrial Disputes Act, 1947.

The Committee will deal with the working of important schemes of social security in the subsequent chapters.

Progressive legislation.

7. *Incidentally, the Committee would like to observe that considerable leeway has been made during the last decade or so in enacting progressive labour legislation, not*

*only in the field of social security, but also in other cognate matters. As a matter of fact, the labour laws which have been placed on the statute book would do credit to any modern welfare State. However, enactment of legislation is not an end in itself but only a means. Considerable efforts will be necessary to gear up the administrative machinery in various fields to ensure that the benefits contemplated in the various labour laws are actually made available to those for whom they are intended. The Committee hope that these measures will have a salutary effect on the efficiency of labour and lead to increased production.*

### C. Overall Social Security Scheme

8. In the Second Plan it was stated that the possibility of combining the different social security provisions at present in force into an overall social security scheme was being explored. A unified scheme would have the advantage of reducing overhead costs savings from which could be utilised for providing more benefits to the workers. Decentralisation of the administration of such a unified scheme would prove advantageous to its beneficiaries.

9. The Committee learnt that in pursuance of this recommendation in the Second Plan the Government of India set up a Study Group on Social Security in August 1957 to study how the existing social security schemes and any other privileges given to workers could be combined in a comprehensive scheme. The Group submitted its report in December 1958. It recommended the setting up of a single organisation which should as a first step assume administrative responsibility for the following enactments:—

- (a) The Employees' State Insurance Act, 1948.
- (b) (i) The Employees' Provident Fund Act.
- (ii) Coal Mines Provident Fund and Bonus Schemes Act.
- (iii) Assam Tea Plantations Provident Fund Scheme Act.

It was envisaged that in respect of workers covered by both the Employees' State Insurance Act and one of the Provident Fund Acts, employers were to pay to the integrated organisation to be set up in one single payment, the contributions due under both. Although coverage under (a) and (b) was not identical, the Group laid down that the aim should be to make the coverage identical as far as practicable and in stages by a prescribed target date. The Group

**Second Five-Year Plan.**

**The Study Group on Social Security.**

suggested that till uniform coverage for all benefits under the Integrated Scheme was possible, three separate scales of contribution might be laid down as a transitional arrangement for the following three categories of workers:—

- (i) Those covered by one of the Provident Fund Acts mentioned in (b) above.
- (ii) Those covered by the ESI Act only.
- (iii) Those covered by one of the Provident Fund Acts mentioned in (b) above and the ESI Act.

Action on  
the recom-  
mendations  
of the Study  
group.

10. The Committee were informed that the recommendations of the Study Group had been circulated to the State Governments and industrial and labour organisations. A tripartite conference was to be convened to take a decision in the matter. It was stated that the integrated scheme recommended by the Study Group would probably fructify only during the Third Plan period. *The Committee consider that such integration would lead to twofold advantages of laying the foundation of a comprehensive social security scheme and reducing the overhead costs of the individual schemes and suggest its inclusion in the Third Plan.*

## II

# EMPLOYEES' STATE INSURANCE SCHEME

### A. Introduction

11. The idea of a general Health Insurance Scheme for workers originated in 1927 as a result of a convention to that effect adopted by the International Labour Organisation. Later the Royal Commission on Labour reported in 1931 in favour of such a scheme. No action was, however, taken. In 1941 the Bombay Textile Labour Enquiry Committee suggested such a scheme for the textile workers. In 1943 in pursuance of the recommendations of the Labour Ministers' Conference, the Government of India appointed Prof. B. P. Adarkar to evolve a suitable scheme. As a result of his report, which was submitted in 1944 and with the general advice of two officials from the International Labour Office a scheme was drawn up which in due course became the basis of the Employees' State Insurance Act, 1948.

12. The Act applies to all non-seasonal factories using power wherein twenty or more persons work. It covers all employees who are employed directly or through a contractor on any work of the factory, whether in a manual or non-manual capacity, on a remuneration not exceeding Rs. 400 per month. It can be extended to any other establishment, industrial, commercial, agricultural or otherwise. It is stated that the present coverage is a nucleus of social insurance and after consolidating what has been attempted, this can gradually be extended to wider sections of the population.

### B. Corporation

13. The responsibility for administering the ESI Act has been vested in a statutory Corporation called Employees' State Insurance Corporation. It consists of 35 members including 5 representatives each of employers and employees. The other members represent the Central Government, the State Governments, medical profession and Parliament. The Union Minister for Labour and Employment is the Chairman of the Corporation and the Union Minister of Health is its Vice-Chairman. A Standing Committee of 13 of its members including two representatives each of employers and employees and representatives of the

Historical  
Background..

Scope of the  
ESI Act.

State Governments, has been set up to administer the affairs of the Corporation, subject to the general superintendence and control of the Corporation. The Director General is the Chief executive officer of the Corporation and he is assisted by four principal officers in Insurance, Medical Accounts and Actuarial matters.

**Medical Benefit Council.** 14. A Medical Benefit Council has also been constituted to advise the Corporation and the Standing Committee in regard to the constitution, setting up, duties and powers of the Regional and Local Medical Benefit Councils and on any matter relating to the professional conduct of any medical practitioner employed for the purpose of providing medical benefit under the Act. The Medical Benefit Council also make recommendations to the Corporation in regard to:—

- (i) the scale and nature of medical benefit provided at hospitals, dispensaries, clinics and other institutions etc.;
- (ii) the medical formulary for use in connection with the medical benefit;
- (iii) medical certification, returns, registers and other medical records;
- (iv) measures undertaken for the improvement of health and welfare of insured persons, and the rehabilitation and reemployment of insured persons, disabled or injured.

According to the rules, the Medical Council should meet 4 times in a year, but it did not hold any meeting during the year 1957-58 and met only once during each of the years 1956-57 and 1958-59. It was explained that there was not enough work for them. *It is obvious that by meeting only once a year or by not meeting at all, the Council cannot discharge its functions properly. The Committee suggest that as agreed to by the Director General, ESIC during evidence the Council should meet more often.*

**Regional Boards and Local Committees.**

15. The regulations of the scheme provide for constitution of Regional Boards and Local Committees. They are tripartite advisory bodies, representatives of employers and employees being associated with administration. They review the working of the scheme in their respective areas. It was stated that since the members belonged to the locality in which benefits were being granted they were well placed

to have a first hand knowledge of the reactions of the insured persons and the difficulties if any which they found in getting their benefits.

16. The Committee were informed that Regional Boards were set up in all the States except Assam and Mysore. *They suggest that efforts should be made to have them set up in these two States also without further delay.* Regional Boards.

17. The Committee understand that Regional Boards are not required by the regulations to hold a particular number of meetings during a year. During the year 1958-59, West Bengal Regional Board held 4 meetings while three other Regional Boards held only one meeting each and the others did not meet at all. *The Committee are of the view that Regional Boards should meet at least twice a year so that they can perform the duties entrusted to them satisfactorily.*

18. Local Committees have so far been formed only in 8 States at 27 centres. These Committees are set up by the Regional Boards and the number of such Committees is stated to be gradually increasing. *The Committee feel that for the successful working of the scheme, association of employers and employees with the administration is desirable and this can be secured by setting up Local Committees at all the centres. This is all the more necessary as it is stated that such committees have been successful in 'thrashing out all the troubles'. The Committee therefore recommend that Local Committees should be formed at all the centres early.*

19. At present, in the Annual Report of the Corporation for a particular year, the Income and Expenditure Account of that year is included but the Balance Sheet given is as at the end of the previous year. It is stated that the Accounts of the Corporation are not audited when the Annual Report is prepared and it is not desirable to publish the Balance Sheet before it is audited by the Accountant General Central Revenues, the auditor of the Corporation appointed by the Government. The Income and Expenditure Account is also not audited by the time of preparing the Annual Report. Nevertheless it is included in the Annual Report for the information of the Corporation and its Standing Committee.

20. The Committee were given to understand that the Central Government had laid down that the audit report on the annual accounts should be submitted by the 15th August after the close of the year. It had not been possible for the AGCR to furnish the audit report by this date. The

following table indicates the position regarding compilation of accounts and auditing thereof:—

| Year    | Date of compilation of accounts by the ESIC | Date on which audit report receivd by the ESIC from the AGCR |
|---------|---------------------------------------------|--------------------------------------------------------------|
| 1954-55 | 31-5-55                                     | 31-1-56                                                      |
| 1955-56 | 31-5-56                                     | 29-3-57                                                      |
| 1956-57 | 31-5-57                                     | 15-4-58                                                      |
| 1957-58 | 31-5-58                                     | 6-12-58                                                      |
| 1958-59 | 31-5-59                                     | Audit Report not yet received.*                              |

21. The Committee were informed that the question of completing the audit expeditiously had been taken up with the Comptroller and Auditor General and that a proposal to decentralise the audit was under consideration. *The Committee hope that these measures would result in early auditing of accounts, thereby enabling the Balance Sheet of the same year to be included in the annual Report of the Corporation, which will then give a full picture of its financial conditions at one place. They would like the Corporation to include in the annual reports, complete annual accounts and not parts of accounts pertaining to two different years as at present.*

### C. Administration

22. The Committee were given to understand that the Employees State Insurance Scheme was to be implemented in all the areas with an insurable population of 1,500 or above by the end of the Second Plan period. There were about 263 Centres (areas with a concentration of 1,500 employees or more) in the country having an insurable population of about 22 lakhs. The scheme was phased to be implemented in two stages. First, the bigger industrial centres in a State were taken up followed by other centres with an insurable population of 5,000 and above. In the second phase, areas with insurable population between 1,500 and 5,000 were taken. The Scheme had so far been implemented in 84 centres covering about 14.34 lakhs of employees in 12 States and the Union Territory of Delhi. A list of areas where the Scheme could not be implemented in accordance with the phased programme together with the reasons thereof, as furnished by the Ministry is enclosed as Appendix I.

\*The Audit of the accounts of the Corporation for the year 1958-59 has since been completed by the AGCR who has informed the ESIC on 22-2-60 that the audit report will be forwarded shortly.

23. The representative of the Ministry stated during the evidence that it was not possible to cover 263 centres under the Scheme during the Second Plan as originally proposed due to shortage of medical and other ancillary staff, shortage of accommodation etc. He added that the pay scales for the doctors under the Scheme were too low to attract qualified medical doctors. Under the Act the responsibility for the provision of medical facilities was placed on the State Governments while that for the rest of the work devolved on the Corporation, and as such the latter was not in a position to revise the pay scales. *The fact that the provision of medical facilities has not made the desired progress seems to indicate that the dual responsibility cast in the administration of the Scheme has not worked satisfactorily. The Committee suggest that the whole problem should be examined so as to remove such hurdles in the way of efficient working of the Scheme. The Act may be amended if necessary.*

24. The Committee understand that the Valuer appointed to report on the resources of the Corporation had commented on the working of the Scheme as follows:—

“The statutory provision with respect to the eligibility for the various benefits, the manner in which the rate of benefit has to be calculated, etc. leave an impression that all these tend to make the administrative working somewhat intricate. . . . . it would not be disputed that the experience gathered upto now is extensive enough to permit an examination as to in what direction the Scheme could be simplified, without in any way relaxing the protection sought in the imposition of the various conditions, rules etc. Every simplification would have the advantage that, on the one hand, the beneficiary, viz. the employee would be capable of a clearer understanding of his own rights under the Scheme and, on the other, there would be a simplification in Administration which would cut down administrative costs.”

25. The representative of the Ministry admitted that simplification of the Scheme as suggested by the Valuer would cut down administrative costs and would result in great convenience to the insured persons. Certain measures possible within the framework of the Act were stated to have already been adopted. Further simplification required amendments to the Act, which were under preparation. *The Committee recommend that necessary amendments to the Act should be made early and simplification of the Scheme expedited.*

Dual responsibility prevailing in Administra-

Cutting down of Administrative Costs.

### D. Contributions

Raising of the levy of contributions from the employers. • 26. The first schedule under Section 39 of the Act prescribes the rates of contributions payable by employers and the employees on the basis of the daily wages. It is seen there that the employers' contribution is not less than double that of the employee. The employees' contribution comes up to about  $2\frac{1}{4}$  per cent of the total wage bill, while that of the employers would amount to about 5 per cent of the wage bill. This ratio must have been fixed on a close examination of the relative capacity of the workers and employers. About 3 years after the Act there were amendments incorporating certain transitory provisions in Section 73A modifying the effect of Section 39 in favour of the employers. That section provided for the employers contribution being such percentage not exceeding 5 per cent as the Government notified from time to time. Under this provision at present the employers' special contribution amounts only to  $1\frac{1}{4}$  per cent of the wage bill in the implemented areas and  $\frac{1}{2}$  per cent in the non-implemented areas. The result is that instead of the employers' contribution being twice as much as that of the worker as under Section 39, the reverse is the case and the employers pay only half of what the employees pay in implemented areas.

27. In this respect the following warning had been given by the Valuer in his final report on the first valuation of the Corporation for the period 1949-54:—

“Any attempt to extend medical care to families of insured persons without at the same time raising the contribution income from the employers to the required level or in other words without raising the rates of the employers' contribution, is bound to make an encroachment on the funds accumulated by the Corporation upto now and thus come in the way of the Corporation's development plans including its programme for building hospitals in the various States”.

Inspite of this warning given by the valuer, the Corporation had decided not to increase the rates of employers' special contribution so long as the expenditure could be met from the current revenues. The Committee were informed that the Corporation was keeping the matter under constant review and it was expected that the employers' contribution would be increased by the end of the year 1960-61. The Committee do not see why the matter should be put off till the end of the year.

28. In this connection, the Committee would like to refer to the following observations of the Study Group on Social Security set up by the Ministry of Labour and Employment :—

“We are frankly disturbed by a suggestion from some quarters that there should be no increase in the levy on employers till the existing surpluses available are all spent up. As already indicated, unless the future resources are clearly settled, the Corporation will not be able to plan on certain determined standards, and also, the present savings will be required for partially meeting future liabilities. Apart from all this, a question even arises of the equity of such a suggestion. Hitherto, owing to some fortuitous circumstances, the employers, even in the areas to which the Act has been extended, have been contributing on behalf of each worker only about half of what the worker himself has been contributing. This disparity is difficult to justify as the reverse would have been more equitable and is what the Act actually provides. It will perhaps be agreed, as facts abundantly show, that the surpluses have arisen mainly because the workers have not, so far, received benefits commensurate with their contributions, though they have been contributing at the maximum rates prescribed under the Act. On merits, it would be more equitable to hold that the savings which have arisen owing to the workers being on ‘short-rations’ during the last six years or so should be spent rather on giving them extra rations in future. In any case, we are of the view that to retain the employers’ contribution at about a fourth of the statutory maximum till all the existing surpluses are spent up, is a proposition that will be almost impossible to defend.”

*The Committee are in entire agreement with the above views and urge that the levy of contributions from the employers should be raised immediately as suggested above, and steps be taken to do away with the transitory provisions of the Act within a reasonable period of time.*

29. The Committee learnt that the total amount of arrears of contributions due for a period over six months to the Corporation ever since the inception of the Employees State Insurance Scheme amounted to Rs. 84,83,000 on 30th

Arrears of  
Contribu-  
tions.

September, 1959. This comprised both the employers' special contribution and the employees' contribution. The Committee were surprised to learn that out of these arrears, an amount of Rs. 30,23,000 was due from Government and quasi-Government factories. Out of the arrears of Rs. 84,83,000 an amount equivalent to Rs. 4,64,000 had become time barred. The responsibility for collecting the employees' contribution is on the employers. The responsibility therefore for non-payment must rest on the employers. This sum consists also of the dues of the employers to the tune of Rs. 24,000 by the privately owned factories and Rs. 1,38,000 by the Government and quasi-Government factories. In order to pursue vigorously the work of inspection as well as the recoveries of arrears of contributions due to the Corporation, a separate Officer has been designated as Assistant Regional Director (Inspection) in each of the four bigger Regions of Bombay, Calcutta, Madras and Kanpur. *The Committee hope that as a result of such special measures adopted, the arrears due to the Corporation will diminish considerably and that no arrears will be allowed to become time-barred.*

### E. Medical and Domiciliary Services

#### Medical Care.

30. The medical care provided under the Employees' State Insurance Scheme consists of:—

- (i) Out-door treatment;
- (ii) All necessary drugs including the latest ones and dressings;
- (iii) Pathological and X-ray investigations;
- (iv) Domiciliary visits;
- (v) Ambulance Service;
- (vi) In-patient treatment;
- (vii) Specialist care;
- (viii) Ante-natal care, confinement and post-natal care, for insured women employees;
- (ix) Emergency treatment.

At present all these facilities are not provided everywhere specially in sparsely populated areas. *The Committee recommend that a plan should be drawn up expeditiously to give facilities mentioned above to all the members who are entitled to them under the Scheme.*

**Supply of Dentures, spectacles and hearing aids.** 31. As regards preventive care provided to the workers under the Scheme, the Committee were informed that preventive inoculations were given to the workers. The Scheme, however, did not provide for dental care (except artificial dentures in case of employment injury) and supply

of spectacles. It is needless to say that spectacles constitute the primary need of a person with defective sight and in the case of such a worker spectacles will determine his capacity to perform his work safely and efficiently. Periodical examination of teeth is equally necessary since dental disorder often leads to other diseases. *The Committee therefore recommend that more up-to-date amenities in the nature of preventive care such as care of teeth and supply of spectacles and hearing aids should be provided either free or at least at subsidised rates to the workers wherever necessary.*

32. Out-door medical care is provided either through special dispensaries with full time salaried doctors set up at convenient places (service system) or through mobile dispensaries or through private medical practitioners (panel system). It was stated that the panel system had not worked satisfactorily in certain areas. In a few places this system had to be replaced by service system due to gross malpractices noticed. In 1955 and again in 1959 the Standing Committee of the ESIC had appointed sub-Committees to study the working of the medical and cash benefits under the scheme. Some of the glaring malpractices noticed by these sub-Committees under the panel system are enclosed as Appendix II. In a few places the system had however worked satisfactorily. The Committee were informed that the matter was discussed in the Labour Ministers' Conference held about two years ago and it was decided that the State Governments would consult the labour unions and take into consideration their views as to which system they preferred. An assessment of the working of these two systems had also been included in the terms of reference of the one man (Mudaliar) Committee. *The Committee suggest that the recommendations of that Committee may be awaited before taking decision in favour of one system or the other. In the meantime, the Committee consider that ways should be found for overcoming the difficulties of the panel system but their existence should not by themselves be allowed to vitiate the case for that system which has its own advantages from the point of view of patient-doctor relationship.*

33. The Committee were given to understand that except in emergency cases persons other than those entitled are not treated in the hospitals constructed under the Employees' State Insurance Scheme. It is contended that these hospitals are financed mainly by contribution from workers and employers and therefore it would not be proper to allow other persons in such hospitals. *The Committee suggest that while giving priority to the workers, the question of throwing open surplus beds in a hospital to the general*

Out-door  
Medical  
Care.

Hospitals  
constructed  
under the  
ESI Scheme.

*public may be examined. The State Governments may however be asked to make a bigger contribution when general public is also allowed access to the hospitals of the Corporation. This is particularly important from the point of view of making available specialist services to all living in a particular area.*

**Complaint/  
Suggestion  
Books**

34. The Committee further suggest that complaint/suggestion books should be kept in the hospitals and ESI dispensaries and clinics of panel doctors and procedure should be worked out to ensure proper action on the complaints/suggestions recorded. The feasibility of appointing advisory committees for each of the hospitals and dispensaries etc. on which representation may be given to the beneficiaries may also be examined. The complaint/suggestion books should be produced before such committees and the action taken thereon indicated.

**Practice of  
obtaining  
false certifi-  
cates.**

35. The Committee understand that at times workers use pressure on the doctors for the issue of certificates for obtaining sickness benefit even when the latter do not consider it necessary. The representative of the Ministry stated that the workers resort to this practice, because from the time the Scheme came into being the employers refuse to grant casual leave to their workers. This, in effect, transfers to the Scheme the liability of the employer for wage payment for the period. *In view of the fact that resort to the practice of obtaining false certificates of sickness seems to be not uncommon the Committee suggest that firm effective steps should be taken to remedy the situation.*

**Extension of  
Medical  
Care to the  
families of  
insured per-  
sons.**

36. The Committee learnt that by the end of the year 1958-59, medical benefit had been extended to families of insured persons in the States of Andhra Pradesh, Assam, Bihar, Mysore, Madhya Pradesh, Punjab and Rajasthan. A State-wise statement giving number of employees and family units covered under the Scheme by the end of 1958-59 is enclosed as Appendix III. From the statement it is seen that out of 14,13,500 employees covered, medical benefit had been extended to only 2,23,500 family units.

37. The Committee were informed that the main hurdles in the way of family coverage were lack of resources with the State Governments and absence of agreement with the medical profession in regard to the capitation fee for provision of medical care of families in panel areas. It was stated that all these difficulties had since been solved. The Corporation had agreed to reduce the State Governments' share in the cost of medical care to 1/8th on inclusion of families. The Corporation had further agreed to bear the

entire capital cost of construction of hospitals|annexes| dispensaries under the Scheme. A settlement in regard to the capitation fee for family medical care had also been arrived at with the medical profession. It was further stated that the matter was being pursued with the State Governments and it was expected that family medical care would be extended in all the implemented areas by the end of the Second Plan period. *The Committee hope that this expectation will not be belied in practice.*

38. According to the Annual Report of the Corporation Family Planning. 1958-59 there are no arrangements under the Employees State Insurance Scheme for family planning advice. The Committee were however informed during evidence that family planning advice was given in those areas wherever the Scheme had been extended to the families. *Since the workers generally have large families, the Committee consider that provision of family planning advice and guidance should be an important function of the Corporation and suggest that it should be provided to all workers as well as families covered by the Scheme. In this connection the Committee would like to invite attention to para. 9 of their 88th Report where the matter of family planning has been dealt with at greater length.*

#### F. Cash Benefits

39. The following cash benefits are payable to an insured person under the Scheme: Various cash Benefits.

1. Sickness Benefit.
2. Maternity Benefit.
3. Disablement Benefit.
4. Dependants' Benefit.

Brief details of these benefits are enclosed as Appendix IV. In addition to these statutory benefits, some other benefits are also provided. For example, a regular employee suffering from tuberculosis is entitled to extended cash benefit for 18 weeks, at a reduced rate, after he had exhausted his right to ordinary sickness cash benefit.

40. The Committee learnt that with a view to avoiding delays in payments of sickness benefit a new procedure of keeping the contribution cards at the local offices was tried on an experimental basis in Madhya Pradesh and at Nagpur, Akola and Hinghanghat in Bombay region. The procedure was stated to have worked satisfactorily and since then had been extended to all local offices situated in towns other than the regional headquarters. Where there were local and regional offices in the same place the cards had not

Keeping of  
Contribution Cards  
at Local  
Offices.

been transferred to the local offices due to shortage of accommodation in the local offices. It was also stated that for transferring the cards to local offices, it was necessary to attach all the workers of a particular factory to a particular local office whereas at present in places like Bombay and Calcutta employees were attached with local offices of their own choice. To mitigate these difficulties specific factories were being attached to specific local offices and new local offices were being opened to relieve the pressure on the existing ones. *The Committee suggest that this process should be expedited so that contribution cards are transferred to the respective local offices at an early date.*

**Payment of  
Cash Bene-  
fits by Mo-  
ney Order**

41. The Committee were given to understand that at the request of the insured persons cash benefits could be remitted by money order irrespective of the amount involved at the cost of the Corporation. This facility had not been availed of by insured persons to a very great extent. On an average only 5 per cent. of the workers had taken advantage of this facility. It was stated to be due to various causes, one of which was the psychological anxiety of insured persons to obtain cash benefit personally at the local offices. *The Committee however feel that the workers may not be aware of this facility and therefore not taking advantage of it. They recommend that the various State Units may be asked to bring this facility pointedly to the notice of the workers.*

#### **G. Extension to Jammu and Kashmir**

42. At present, the Employees' State Insurance Act extends to the whole of India except the State of Jammu and Kashmir. There is no reason why the workers of Jammu and Kashmir should not have the benefit of such a wholesome measure. *The Committee suggest that the question of extending this Act and the Employees' Provident Fund Act to the State of Jammu and Kashmir in consultation with the Government of State may be examined.*

### III

## EMPLOYEES' PROVIDENT FUND SCHEME

### A. Introduction

43. The means of providing for the future of a minor after retirement from gainful employment or for his dependents in the event of death was given shape in 1948 in the Coal Mines Provident Fund Scheme. Its success led to a demand for a similar scheme for other industries. The close of the year 1951 witnessed the promulgation of Employees' Provident Fund Ordinance which was later replaced by the Employees' Provident Fund Act of 1952. It extends to the whole of India except the State of Jammu & Kashmir. The Employees' Provident Fund Scheme 1952 framed under Section 5 of the Act was brought into force by stages and was enforced in its entirety by the 1st November 1952.

Historical Background.

### B. Central Board of Trustees and Regional Committees

44. The control of the Employees' Provident Fund Scheme is vested in the Central Board of Trustees which is a tripartite body consisting of representatives of the Central and State Governments and all-India Employers' and Employees' Organisations. The Joint Secretary to the Government of India in the Ministry of Labour and Employment is the Chairman of the Board and the Central Provident Fund Commissioner is its Secretary. The Committee learnt that the Central Board of Trustees of the Employees' Provident Fund Scheme held only one meeting during each of the last three years. *They suggest that the Board should meet at least twice a year if not more frequently in future to discharge its functions effectively.*

Composition of Central Board of Trustees.

45. The Regional Committees which are also tripartite bodies have been formed in six States viz., Bombay, West Bengal, Bihar, Madras, Uttar Pradesh and Madhya Pradesh in 1954. These are only advisory bodies and advise the Central Board on such matters as the Central Board may refer to them. The number of meetings of the Regional Committees held during the last three years is given below:

Regional Committees.

#### *Regional Committees for the State of*

|         | Bombay | West Bengal | Bihar | Madras | Uttar Pradesh | Madhya Pradesh |
|---------|--------|-------------|-------|--------|---------------|----------------|
| 1956-57 | I      | I           | *     | 2      | *             | *              |
| 1957-58 | *      | I           | I**   | *      | I             | *              |
| 1958-59 | *      | 2           | *     | 2      | *             | I              |

\*No meeting was held.

\*\*The meeting was adjourned for want of quorum.

**Regional  
Committees.  
Committees.**

From the above it would be observed that a number of Regional Committees had not met even once during a year. The scheme has laid down that the Chairman of the Committee should fix the place and time of the meeting. *The Committee are of the view that the Regional Committees should meet at regular intervals if they are to discharge the functions entrusted to them properly. They suggest that a provision should be made in the scheme that the Regional Provident Fund Commissioner who acts as Secretary of the Committee may also arrange to call a meeting after consulting the Chairman and that the meetings of each Regional Committee should invariably be convened at least twice a year.*

**Considera-  
tion of im-  
portant mat-  
ters by the  
Regional  
Committees.**

46. It has been laid down in the Scheme that the Regional Committee shall advise the Central Board on such matters as the Board may refer to it. The representative of the Ministry stated that no matter had so far been referred by the Board to the Committees since 1933. The Chairman of the Regional Committees had been informed in the meetings of the Central Board of Trustees that they should not be guided by the precise language of the regulations but that they might advise the Board on any matter which they considered important. *The Committee suggest that suitable amendment to the rules should be made so as to enlarge the scope of the Regional Committees. Normally, all important matters may be referred to the Regional Committees whose advice would be useful.*

**Formation  
of Regional  
Committees  
in other  
States.**

47. As stated earlier, the Regional Committees had been formed in six States only. The representative of the Ministry informed the Committee that the question as to whether Regional Committees should be formed in the remaining States was considered at the meeting of the Central Board of Trustees held on 24th March, 1958 and they were of the view that while the existing Committees might continue, new ones need not be formed. He added that the decision was necessitated by the fact that the existing committees were not functioning efficiently. *The Committee are of the view that no serious attempt has been made to see that the Regional Committees function effectively. As these Committees are required to be constituted under sub-para (1) of paragraph 4 of the Employees' Provident Fund Scheme 1952 they suggest that the Regional Committees should be formed in the remaining States also. The Committee hope that these bodies would be helpful in explaining the benefits of the Scheme to the workers and in ensuring prompt payment to the beneficiaries.*

48. The representative informed the Committee that the administration of the Fund had already been decentralised to a large extent by delegation of powers to the State Governments and to their Regional Commissioners in respect of prosecutions, recovery of arrears and other day-to-day responsibilities. The representative promised to examine whether some of these delegated powers could be entrusted to the Regional Committees. *The Committee are of the opinion that the step taken towards decentralising the administration and greater delegation of powers, is a move in the right direction and would be useful in popularising the scheme amongst the workers.*

### C. Scope and Extent of Coverage

49. Originally the Employees' Provident Fund Act, 1952 <sup>Industries covered.</sup> was applied to six major industries, viz., Cement, Cigarettes, Electrical, Mechanical or General Engineering Products, Iron and Steel, Paper and Textiles. Subsequently 33 more industries have been covered. A notification has been issued extending the scheme to mica mines and mica industry w.e.f. 31st May, 1960. About 25,000 workers in this industry are expected to be covered. A list of 39 industries now covered under the Act is given in Appendix V. The Act applies to all establishments engaged in any of the scheduled industries employing 50 or more persons (20 or more in the case of newspaper establishments) and having completed three years of their existence. In the beginning, the Act was not applicable to establishments owned by Government or a local authority. By an amendment of the Act, these establishments have also been covered with effect from the 18th May, 1958.

50. A statement showing the progressive increase in the <sup>Second Plan-target.</sup> factories (exempted and non-exempted) and subscribers year-wise covered under the Scheme from 1st November, 1952 to 31st March, 1959 is given in Appendix VI. On 31st March, 1959, 25.44 lakh subscribers had been covered by the Scheme. In accordance with Government's policy in the matter, industries having larger number of workers had been covered first. The Committee understand that 52 industries were yet to be covered with about 4.140 establishments employing about 6 lakhs of workers. *In view of the large number of workers who are yet to be covered the Committee consider that the tempo of work should be increased if the expectations are to be fulfilled.*

Indian Labour Conference Recommendations.

•

51. The employment benefits have been made available to workers in industrial establishments employing more than 50 persons and in plantations. The Indian Labour Conference in their meeting held on 19/20th May, 1958 recommended that the present employment of 50 persons or more prescribed under sub-section (3) of Section 1 of the Employees' Provident Fund Act 1952 should be reduced to 20 persons or more. They also recommended that the employees in commercial establishments should be covered. The proposal was referred to the State Governments, employers' and workers' organisations and Ministries concerned but a point was raised that the proposal would affect the development of small scale industries. The Committee learnt that the matter was being examined further in consultation with the concerned Ministries and other interests. *The Committee are broadly of the view that it would be advisable to extend the benefits of the Scheme to as wide a section of the population as possible. They also suggest that the employees in commercial establishments should be covered gradually.*

#### D. Contributions

Rate of Contribution.

52. Under para 29 of the Employees' Provident Fund Scheme the employer contributes @  $6\frac{1}{4}$  per cent of the basic wages and dearness allowance (including the cash value of any food concession) payable to each employee covered under the Scheme and each employee also contributes an equal amount. A statement showing the totals of the Provident Fund contributions received year-wise from 1952 to May 1959 is enclosed as Appendix VII.

53. From 1st November 1956 the Scheme enables a member of the Fund to voluntarily contribute to the Fund as his own share at a rate not exceeding  $8\frac{1}{3}$  per cent of his basic wages and dearness allowance including cash value of any food concessions. The employers' contribution, however, still remains at  $6\frac{1}{4}$  per cent. The proposal to increase the rate of employers' contribution from  $6\frac{1}{4}$  per cent to  $8\frac{1}{3}$  has been held in abeyance for the present by the Central Government pending an assessment of their capacity to pay. *The Committee recommend that the decision on the question should be expedited. There is no need to fix any maximum limit for the employees' contribution. They should be enabled to save as much as possible on a voluntary basis.*

#### E. Administrative Set-up

Central Provident Fund Commissioner.

54. The Central Provident Fund Commissioner is the Chief Executive Officer of the Fund. He is appointed by the Central Government and is subject to its general control

and superintendence. He is assisted by 14 Regional Provident Fund Commissioners—one in each State. The Regional Provident Fund Commissioners at Calcutta, Bombay, Madras, Trivandrum and Bangalore are whole-time officers, while the rest are part-time officers who are mostly Labour Commissioners of the respective State Governments. The Regional Provident Fund Commissioners are assisted by Accounts Officers and Provident Fund Inspectors.

55. The expenses of the Employees' Provident Fund Organisation are met from the levies of the administrative and inspection charges from the employers of non-exempted and exempted factories at the rate of 3 per cent. and  $\frac{3}{4}$  per cent. respectively of the total amount of Provident Fund contributions collected each month. A statement showing the income and expenditure of the Employees' Provident Fund Organisation from 1952-53 to 1958-59 is enclosed as Appendix VIII.

56. The Annual Report on the working of the Employees' Provident Fund Scheme for the year 1957-58 shows that the administration of the scheme on a uniform basis in various States was not possible as divergent rulings had been given on certain matters by different High Courts. During evidence the representative of the Ministry stated that these related mainly to two points, (i) whether an establishment continued to remain under the scheme if its strength went below the prescribed limit and (ii) whether the prescribed limit of 50 should be taken for the entire establishment where it was composite even though the number of workers in the particular branch of the industry was less. He added that in the former case different rulings had been given by the Punjab and Bombay High Courts, while in the latter a particular case was going to the Supreme Court. *The Committee suggest that if there is any lacuna in the Act, it should be made up by bringing forward a suitable amendment to the Act. The Committee are of the view that once the employees are brought under the scheme, they should not normally be deprived of that advantage subsequently.*

#### F. Staff Matters

57. Generally the Central scales of pay are applicable to the Central Office and those obtaining in the respective States apply to the regional offices. The Committee were informed that it was proposed to introduce Central scales of pay in the regional offices also. The representative of the Ministry stated that the matter was held up at the

Levy of  
Administrative and  
Inspection  
Charges.

Administration  
on a  
uniform  
basis.

instance of Government pending decision on Pay Commission's Report. *Now that the Report is out the Committee suggest that a decision on the scales of pay and gratuity for the staff of the Regional Offices should be taken early. They also recommend that the service regulations for the officers and staff of the organisation should be finalised early.*

### G. Advances, Final payments & Refunds

#### Reasons for delay in payments.

58. The Committee were informed that a regular procedure was laid down in the Accounts Manual for the prompt payment of advances, refunds and final payments and that the procedure was working satisfactorily. In about 10 per cent. of cases delays did occur in the payment of refunds and final withdrawals, the main reasons for which were:—

- (i) Non-payment of Provident Fund Contribution by the employers;
- (ii) Non-submission of returns by the employers;
- (iii) Non-transfer of past accumulations to the fund;
- (iv) Submission of incomplete claims by the claimants;
- (v) After submitting a claim, the claimant does not intimate the change of address with the result that the money order sent is returned with the remark "addressee not traceable" necessitating further tracing of the individual;
- (vi) Disputed title of the claimants etc.

*The Committee are of the opinion that strict vigilance over the delays is called for. They consider that the Regional Committees could be usefully entrusted with reviews of cases of delays.*

#### Final Payment in one lump sum.

59. A statement showing the number and percentage of cases in which payment of provident fund accumulations was not made in one lump sum but in instalments during 1956-57 to 1958-59 is enclosed as Appendix IX. From this it is seen that in a large number of cases final payments to workers were not made in one lump sum, but were made in two or three instalments. The representative of the Ministry stated that a scheme was already under examination to have a Special Reserve Fund for making lump sum payments. It was proposed to reduce the interest rate by a small margin to build up the necessary funds. It would then be possible to pay the workers half of the final amount

straightaway *i.e.*, at least the workers' own contribution, and the balance when recovered from the employers, as resources for outright payment of the entire amount would not be available. It was further feared that the institution of the Special Reserve Fund might tend to reduce the moral pressure on the employers and reduce the urge for speedy recovery by Revenue Officers on the ground that the workers had been paid any way. *The Committee are of the opinion that refunds and final payments to the members of the Provident Fund in instalments would defeat the very purpose of the Scheme.* They consider that the fact of payment to the workers is not related to the recovery of contribution due from the employer which remained a debt due to the Provident Fund and they see no reason why it should lead to relaxation of effort to recover this debt. *They recommend that the final payment to the members should be made in one lump sum, by drawing on the Forfeiture or Special Reserve fund of the Scheme, which may be recouped from the respective Provident Funds of the individuals after recovery from the employers. Early steps should be taken to constitute the proposed special Reserve Fund.*

60. The Committee were informed that withdrawals by members from their own accumulations were provided, not more than once in every six months, for paying life insurance premia. The members were also granted loans from the Fund to pay expenses incurred in connection with the serious or prolonged illness of the member or a member of his family actually dependent on him. The grant of loans to members for meeting the expenses in connection with the marriages of their sons and daughters was stated to be under examination. *The Committee suggest that a decision in the matter providing for such advances, with such restrictions as are considered necessary should be taken at an early date.* It was also stated that an amendment to the Employees' Provident Fund Scheme was under consideration to provide for advances for house building particularly through the co-operatives. *The Committee consider this a step in the right direction.*

#### H. Inspection

61. It is essential for the implementation of the scheme that the establishments covered by it should be inspected periodically. According to the standing instructions on the subject, exempted and non-exempted establishments are required to be inspected twice and four times in a year respectively. The inspectors have also to visit other establishments to see that they do not escape applicability of the

Act as required in sub-section (2) of Section 13 of the Employees' Provident Fund Act (No. 19) of 1952.

62. The Committee were informed that at present the exempted establishments were inspected at least once a year, and that as a large number of industries were covered during the last three years, the covered factories and establishments could not be inspected according to the schedule laid down on account of shortage of inspectors. *The Committee recommend that necessary steps should be taken to have the full complement of the Inspectors simultaneously with the extension of the scheme to an industry so that the schedule of inspections laid down may be adhered to.*

### I. Investment Policy

63. Provident fund contributions are invested exclusively in Central Government Securities four or five times in a month through the Reserve Bank of India, Bombay. The pattern of investment has changed twice since the inception of the scheme. The following pattern of investment has been introduced with effect from August 1959:—

|                                             |     |
|---------------------------------------------|-----|
| (i) National Savings Certificates           | 10% |
| (ii) Medium-dated Securities                | 10% |
| (iii) Treasury Savings Deposit Certificates | 10% |
| (iv) Long-dated Securities                  | 70% |

All other banking arrangements have been assigned to the State Bank of India.

*The Committee suggest that the investment policy of the Provident fund contributions should be kept reviewed periodically so that the subscribers might derive the full benefits of the investments of the fund contributions.*

### J. Publicity

Translation  
in Regional  
Languages.

64. The need for vigorous and sustained publicity for a scheme of compulsory contributory provident fund affecting several lakhs of illiterate or semi-literate workers in various industries cannot be over-emphasised. As regards the translation of the Employees' Provident Fund Act and the Scheme, the representative of the Ministry stated that the translation of the Act into Hindi had been completed and that some of the State Governments were getting it translated into the regional languages also. *The Committee recommend that arrangements should be made to get the Act and the Scheme translated into all the regional languages concerned at an early date and copies thereof supplied to the concerned persons, trade unions etc.*

65. Publicity given for the Schemes amongst those entitled would fetch its own reward since workers would be made conscious of their rights and thereby facilitate the work of the Organisation. *The Committee suggest that a pamphlet giving in simple language the salient features of the Act and the Scheme may be brought out for educating the workers about its benefits. They also recommend that arrangements should be made for giving publicity to the benefits derived under the Scheme in exhibitions, fairs, etc. held by the Government of India and the State Governments. The observations made above in regard to publicity apply with equal force to some other schemes and activities of the Ministry of which workers are unable to take full advantage at present for want of adequate knowledge of the same.*

Pamphlets and Exhibitions.

#### K. Miscellaneous

66. The Committee were informed that the interest recovered from a worker on loans advanced to him was credited to the Interest Suspense Account and not to the member's account because the interest recovered was slightly higher than the normal rate of interest which was paid to the workers on their accumulations. This was done to serve as a check on the workers drawing upon the fund even when the need was not urgent. *The Committee consider that ways other than these should be found to discourage frequent inroads being made into the accumulations small as they are. In any case, they are unable to endorse the inequitable practice of denying the workers the credit of interest on advances from their own accumulations and suggest that the rules may be reviewed and revised to secure equity without sacrificing the long-range protection underlying the scheme.*

Credit of Recovery of interest on loans.

67. Under the Scheme the members of the Fund are paid in full their employers' contribution provided certain conditions are satisfied. In other cases, a part of whole of the contribution is forfeited and credited to the Reserve Account. This amount is utilised for the following purposes in accordance with the instructions of the Government:—

- (i) Payment of money order commission on remittance of provident fund accumulations to outgoing members of the Fund or to their nominees etc.;
- (ii) Grant of financial assistance in emergent cases where no deposits have been made or deposits made are inadequate to outgoing members of the Fund or their nominee etc. up to a limit of 25 per cent of the opening balance

Framing of rules for the utilisation of Forfeited Contribution.

in Reserve Account of the Fund provided that the amount so advanced in any individual case shall not exceed 25 per cent of the members' own contribution to the Fund.

68. It was stated that the amount forfeited out of employers' contributions in respect of exempted factories were being used in various ways. No rules had so far been framed for their disposal. *The Committee recommend that standard rules should be framed for utilisation of such amounts by all exempted factories on the lines of the scheme under examination by the Fund in respect of non-exempted establishments.*

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## COAL MINES PROVIDENT FUND AND BONUS SCHEMES

### A. Coal Mines Provident Fund Scheme

#### (a) *Introduction*

69. The Royal Commission on Labour recommended Origin of the Scheme. for the first time in 1931 the provision of either old age pension or introduction of provident funds for industrial workers. The Labour Investigation Committee recommended in 1946 the provision of medical facilities, provident fund and old age pension. Subsequently in 1947, the Board of Conciliation appointed to go into disputes in collieries in West Bengal and Bihar as well as the Fact Finding Committee which examined the question of the grant of monetary benefits to colliery workers in Madhya Pradesh recommended the grant of bonus equivalent to four months basic wages and the institution of compulsory provident fund for colliery workers. This recommendation formed the basis of the Coal Mines Provident Fund and Bonus Scheme Ordinance, 1948 which was replaced by the Coal Mines Provident Fund and Bonus Scheme Act in December 1948. The Fund is administered by a Board of Trustees constituted by the Central Government. It consists of representatives of workers, employers and State and Central Governments.

#### (b) *Scope and extent of coverage*

70. The Coal Mines Provident Fund Scheme has now been applied to all the coal mines in India (with the exception of very small collieries in the tribal areas of Assam and Indo-Pakistan border of Assam).

71. In order to become a member of the Fund an employer working in a colliery must earn a bonus by working for the prescribed minimum number of days in a quarter. The enforcement of the Bonus Scheme is under the control of the Industrial Relations Machinery of which the Chief Labour Commissioner is the head. Delays have occurred in the implementation of the Coal Mines Provident Fund Scheme due to its being linked up with the Bonus Scheme.

The following recommendation was therefore made to the Government in this regard by the Board of Trustees:—

“Since the earning of bonus makes an employee eligible for membership of the fund, it has to depend upon the Industrial Relations Machinery for a decision whether a particular class of the workers is entitled to bonus. This not only delays in implementation of the Coal Mines Provident Fund Scheme but also makes realisation of arrears difficult. The Board recommend that the Coal Mines Provident Fund Scheme might be delinked from the Coal Mines Bonus Scheme and the provision regarding non-contributory membership deleted”.

**Delinking of the Bonus Scheme from Provident Fund.**

72. The representative of the Ministry informed the Committee that the recommendation of the Board had been examined and a decision taken to delink the Bonus Scheme from the Coal Mines Provident Fund Scheme. *The Committee suggest that the decision should be implemented early.*

(c) *Administration of the Fund*

**Total staff.**

73. The day to day administration of the Fund is carried on by the Central Office at Dhanbad under the direction of the Coal Mines Provident Fund Commissioner. The Organisation of the Coal Mines Provident Fund consists of three officers, 221 ministerial staff and 26 Class IV staff.

74. The expenses of the administration are met by a separate levy from the employers, amounting to 3 per cent. of the combined contributions of employers and employees. A statement showing the income on account of administrative charges and the expenditure from the inception of the Fund is given in Appendix X. It would be seen therefrom that the balance of the account at the close of the year 1957-58 was Rs. 10,96,006. The Committee were informed that a good portion of the amount was intended to be utilised on construction of office building which had been sanctioned and of quarters for the staff at Dhanbad. The question of the construction of the latter had not been finally decided. *The Committee trust that an early decision will be taken in the matter and that suitable provision for staff quarters made.*

(d) *Arrears of Contributions*

75. In regard to the legal and other action taken against the employers defaulting in the payment of Provident Fund contributions and submission of returns, the Committee

learnt that contravention of any provision of the Coal Mines Provident Fund Scheme was penal. The policy followed by the organisation was however always to have contraventions set right by persuasion, legal action being resorted to when unavoidable. In cases where amounts were heavy, certificate cases were also instituted simultaneously with prosecution in order to realise the amounts as arrears of land revenue. The position regarding legal action taken against the defaulting employers, certificate cases filed and amounts to be recovered as on 31st July, 1959 have been shown in Appendices XI, XII and XIII.

76. It will be seen from Appendix XIII that the <sup>Heavy Bal-  
ances to be  
recovered.</sup> balance to be realised through certificate cases stood at Rs. 34,48,700.42 in July 1959. Out of this, a sum of Rs. 6,25,595.56 was stated to have been recovered from August to December 1959. The Committee consider this position as unsatisfactory. The representative of the Ministry informed the Committee that the recovery proceedings in accordance with the various rules laid down in the different States took time though the contributions were recovered as arrears of land revenue. The district authorities were contacted to make an expeditious recovery. The Committee find that the amount realised in a year fell short of the amount involved in the cases filed during that year with the result that the total balance at the end of each year was continuously on the increase. *They feel that the present unsatisfactory position requires investigation and prompt handling, since older the arrears, less are the chances of realisation. The Committee suggest that the State Governments should be requested to direct the District Collectors to assist the Coal Mines Provident Fund authorities to realise the amounts which are recoverable as arrears of land revenue.*

77. The Committee were informed that although there was no provision in the rules or the Act, interest at present at the rate of  $6\frac{1}{4}$  per cent. was added to all the outstanding dues from the employers on principles of equity and that it was proposed to amend the Act suitably for the purpose. *The Committee suggest that the necessary amendment to the Act and the rules may be made at an early date.*

## B. Coal Mines Bonus Scheme

### (a) *Introduction*

78. The Coal Mines Bonus Scheme, 1948 was introduced mainly with the object of building up a stable labour force, contented and efficient by helping the mine worker to meet his unforeseen expenditure. The Scheme requires payment <sup>Object of the  
Scheme.</sup>

of quarterly bonus to the employees in addition to their normal wages, provided they put in the minimum qualifying attendance and do not participate in illegal strike in the quarter. It is applicable to employees in coal mines whose basic earnings do not exceed Rs. 300 per month.

(b) *Administration*

79. The Administration of the Coal Mines Bonus Scheme was the responsibility of the Coal Mines Provident Fund Commissioner upto August 1952. In order to avoid duplication of work between two sets of inspectors under the Coal Mines Provident Fund Commissioner and the Industrial Relations Machinery, a scheme of co-ordination was devised according to which the enforcement of the Bonus Scheme was entrusted to the Industrial Relations Machinery under the control of the Chief Labour Commissioner from August 1952.

**Dual control.**

80. The representative of the Ministry during evidence informed the Committee that this system of co-ordination of inspection work was not working satisfactorily due to the divided responsibility and control inherent in such a system. Further the changed circumstances in which the industrial relations machinery was charged with inspection work relating to various labour laws since enforced, called for their being divested of their functions under this scheme. The Board of Trustees had also urged that the Provident Fund Inspectors should look to the provident fund work only and the Inspectors of the Industrial Relations Machinery to the labour laws only. The representative further stated that this bifurcation would require only four additional inspectors. *The Committee are of the view that a decision on the question should be taken early since continued uncertainty in the matter would only make for less systematic enforcement of the scheme.*

(c) *Payment of Bonus and Inspection*

81. At the end of the year 1957-58 the scheme was applicable to 806 working Coal Mines in India with a labour force of approximately 4,34,000.

82. The following statement shows the percentage of bonus earning workers during the last four years:—

| States           | Percentage of workers who qualified for bonus |         |         |         |
|------------------|-----------------------------------------------|---------|---------|---------|
|                  | 1954-55                                       | 1955-56 | 1956-57 | 1957-58 |
| Bihar            | 56                                            | 59      | 58.5    | 51.4    |
| West Bengal .    | 41                                            | 44      | 51.4    | 51.3    |
| Orissa . .       | 64                                            | 65      | 56.0    | 60.5    |
| Madhya Pradesh   | 63                                            | 62      | 69.0    | 74.9    |
| Andhra Pradesh . | 89                                            | 88      | 89.0    | 87.3    |
| Rajasthan        | 68                                            | 72      | 85.0    | 67.6    |
| Assam .          | Nil                                           | 90      | 95.0    | 88.5    |
| Bombay . .       |                                               |         | 72.0    | 73.5    |

The representative of the Ministry informed the Committee that illegal strikes, poor attendance as also the use of unfair means by the employers in far flung areas were some of the reasons for the fall in the percentage of workers who qualified for bonus in some States. He added that it was proposed to have a weekly bonus for the daily rated workers and a monthly bonus for monthly rated workers in place of the quarterly bonus. It was also proposed to give a pay docket to each worker to have a correct record of his attendance and for this purpose it was proposed to amend the Payment of Wages Act, 1936 suitably. *The Committee are of the view that the inspection machinery of the Bonus Scheme should be tightened up to ensure that bonus legitimately due is not denied by the employers by taking recourse to manipulation in attendance records and other unfair means. They consider that these irregularities would be minimised if every worker gets such a pay docket at the time of payment of wages containing an account of the wages payable to him, the wage period and the particulars of fines and deductions. The proposed amendment to the Payment of Wages Act, 1936 for this purpose should be expedited.*

83. The Committee are glad to note that the average amount of bonus earned by a worker has been on the

increase during the years 1956-57, 1957-58 and 1958-59 as seen from the table given below:—

| Year    | No. of workers | Amount of Bonus paid (in lakhs) | Average earning of a worker |     |
|---------|----------------|---------------------------------|-----------------------------|-----|
|         |                |                                 | Rs.                         | Rs. |
| 1956-57 | 2,32,283       | 51,30,730                       | 22.1                        |     |
| 1957-58 | 2,50,751       | 62,97,958.34                    | 25.1                        |     |
| 1958-59 | 2,75,640       | 91,30,762                       | 33.1                        |     |

*While appreciating such efforts of the organisation as have contributed to this result the Committee are of the view that there is scope for further intensification of effort to achieve better results by putting a stop to malpractices on the part of the employers.*

Payment of Bonus in the form of N. S. Certificates.

84. The representative of the Ministry stated that the Director, Labour Bureau, who was requested to study and furnish a report as to 'whether a part of bonus can go into investment', in the form of National Savings Certificates had recently submitted a report which was under consideration of the Government.

85. The Committee were informed that such a practice had been enabled in Bombay by an amendment of the statute and in Assam plantations by agreement and that the trade unions were favourably inclined to the suggestion. The question had also been discussed by the Indian Labour Conference in their sixteenth session. *As the proposal is in the interest of the workers as well as the country, the Committee recommend that practice should be adopted to the extent possible.*

(d) *Merger of Coal Mines Provident Fund Scheme with the Employees' Provident Fund Scheme*

86. The Committee have already discussed the question of merger of the Employees' State Insurance, Employees' Provident Fund and Coal Mines Provident Fund and Bonus Schemes in para 9 of this Report. In any case, since the provision of Coal Mines Provident Fund Scheme and Employees' Provident Fund Scheme are mostly similar, they do not foresee any major difficulty in merging these two Schemes. The representative of the Ministry also stated that it was the intention to merge the two Schemes. *The Committee suggest that this may be done early. Special provisions may be made to prevent forfeiture of any of the existing benefit by the merger.*

## COAL AND MICA MINES LABOUR WELFARE ORGANISATIONS

### A. Introduction

#### *(a) Coal Mines Labour Welfare Organisation*

87. In 1944 the Government of India promulgated the Coal Mines Labour Welfare Fund Ordinance, 1944 with the object of constituting a fund styled the Coal Mines Labour Welfare Fund for financing the activities undertaken for the welfare of labour employed in the coal mining industry. This Ordinance was replaced by the Coal Mines Labour Welfare Fund Act, 1947. It provides for the setting up of a Fund called the Coal Mines Labour Housing and General Welfare Fund and for maintaining two accounts viz. the Housing Account and the General Welfare Account. The source of revenue of the Fund is the excise duty levied on all coal and coke despatched from collieries in India. At present the cess is levied and collected at the rate of 37.5 nP per ton. The proceeds of the duty are credited to the Coal Mines Labour Housing and General Welfare Fund and apportioned under the two accounts in the ratio of 31 : 6. It is a local fund directly administered by the Ministry of Labour and Employment. The monies in the Housing Account of the Fund are to be applied to defray the kinds of expenditure shown in Appendix XIV. The monies in the General Welfare Account of the Fund may be applied to defray the kinds of expenditure shown in Appendix XV. The Fund is administered by the Central Government in consultation with a tripartite Advisory Committee appointed by them in this behalf. This Committee consists of an equal number of members representing Government, the owners of coal mines and workmen employed in the coal mining industry. The Act provides for the constitution of Coal Mines Labour Housing Board to undertake from the Housing Account activities in regard to the provision of suitable housing accommodation for workers. The Board is also vested with the control of other building operations financed from the General Welfare Account.

#### *(b) Mica Mines Labour Welfare Organisation*

88. The Mica Mines Labour Welfare Fund was created by the Central Government by Act XXII of 1946. It pro-

vides for the raising of a fund by the levy of customs duty on all mica exported from India except from the State of Jammu & Kashmir. The duty is not to exceed 6½ per cent *ad valorem*. The Fund is to be utilised for promoting the welfare of labour employed in the mica mining industry. A list of such items of expenditure is given in Appendix XVI. For the purpose of administration, the Central Government are authorised under the Act to constitute Advisory Committees not exceeding one for each State. These Committees are to include an equal number of members representing mica mine owners and the workmen employed in the industry. Three tripartite Advisory Committees one each in Bihar, Andhra Pradesh and Rajasthan have been constituted.

**Non-availability of welfare facilities to Mica Factory Workers.**

89. The Committee find that the welfare facilities provided by the Mica Mines Labour Welfare Organisation are open to the workers in the mica mining industry but denied to the workers of the Mica Factories although the products, the exports of which are subject to the levy of customs duty, are the result of the joint labour of both the categories of workers. The representative of the Ministry stated during evidence that the question had not been examined by the Government. *The Committee suggest that the question of extending benefits of the welfare schemes under the Mica Mines Labour Welfare Organisation to the mica factory workers also may be sympathetically examined.*

### B. Budget & Expenditure

**Need for better financial scrutiny of budget proposals.**

90. The figures of the budget estimates and actual expenditure of the Coal and Mica Mines Labour Welfare Organisations during each of the last four years are given below:

| Year                                          | Amount transferred to the Fund | Budget Estimates | Actual Expenditure |
|-----------------------------------------------|--------------------------------|------------------|--------------------|
|                                               |                                | Rs.              | Rs.                |
| <i>Coal Mines Labour Welfare Organisation</i> |                                |                  |                    |
| 1956-57                                       | 1,20,40,000                    | 1,47,41,000      | 60,01,894          |
| 1957-58                                       | 1,46,60,000                    | 2,41,13,000      | 66,10,482          |
| 1958-59                                       | 1,62,01,806                    | 2,75,19,000      | 73,59,272          |
| 1959-60                                       | 1,63,13,000*                   | 2,39,00,000      | 1,61,64,500*       |
| <i>Mica Mines Labour Welfare Organisation</i> |                                |                  |                    |
| 1956-57                                       | 32,70,000                      | 15,93,000        | 7,24,923           |
| 1957-58                                       | 21,40,000                      | 19,74,000        | 7,24,551           |
| 1958-59                                       | 22,93,408                      | 14,34,800        | 14,15,889          |
| 1959-60                                       | 25,00,000*                     | 29,58,000        | 18,78,900*         |

\*Revised Estimates

*The Committee observe that there have been heavy shortfalls in the budgeted expenditure of the Organisations for a number of years, though there has been some improvement in expenditure during the last one or two years.* The main reasons for shortfalls in expenditure were stated to be (i) vacancies in the sanctioned strength of staff (ii) non-implementation of schemes and (iii) delay in construction of buildings. The Committee invite attention in this connection to the following observation made by the Public Accounts Committee in their 20th Report (Second Lok Sabha) in April, 1959:—

“....it appears to the sub-Committee that the standard of budgeting in the Coal Mines Labour Welfare Organisation is poor. Large sums of money were provided for in the budget in respect of a number of schemes which had no reasonable prospect of being implemented during the course of the budget year. There was also provision in respect of schemes which were still to be finalised. The sub-Committee desire that the Ministry of Labour and Employment/Coal Mines Labour Welfare Organisation should follow the instructions issued by the Ministry of Finance in August last. Accordingly, no provision should be made in the budget for a scheme unless there is a reasonable prospect of its being implemented during the course of the year and unless all the preliminaries in respect thereof have been gone through.”

The Committee were informed that the suggestions of the Public Accounts Committee were noted by the Coal Mines Welfare Commissioner and the Ministry. The position in regard to the implementation of the schemes of the Coal Mines Labour Welfare Fund is stated to have shown improvement as a result of undertaking the following measures:—

- (i) deputation of a senior officer of the Ministry of Finance to attend the meetings of the Finance sub-Committee and the Advisory Committee for consultation and advice on schemes involving financial implications.
- (ii) arrangement with the PWD for scrutiny of the works estimates of the Organisation by the Superintending Engineer of the Circle.

Besides the steps enumerated above, a separate Committee has been set up by the Advisory Committee of the Fund to review the progress of implementation of various

welfare measures of the Organisation and to pinpoint bottlenecks and administrative difficulties. *The Committee hope that suitable steps will be taken to improve the position in the Mica Mines Labour Welfare Organisation also They recommend that the Financial Adviser to the Ministry of Labour and Employment should be appointed as an ex-officio member on the different Advisory Committees of both these Organisations.*

**Heavy balances—poor amenities.**

91. There have been large accumulated balances lying to the credit of the Organisations due to under-utilisation of the receipts realised from the coal cess. The following statement gives the figures of the provisional closing balances as on the 31st March, 1959:—

| Organisation                                   | Provisional Closing Balance |
|------------------------------------------------|-----------------------------|
|                                                | Rs.                         |
| Coal Mines Labour Welfare Organisation         |                             |
| Welfare Account                                | 2,92,77,819                 |
| Housing Account                                | 5,04,70,132                 |
| Mica Mines Labour Welfare Organisation . . . . | 1,83,25,781                 |

*The Committee regret to note that while on the one hand the amenities provided to the miners are far from adequate, on the other there are large accumulated balances. They invite attention to para 17 of the 20th Report (Second Lok Sabha) of the Public Accounts Committee and trust that the Organisations and the Ministry will take effective steps to ensure maximum utilisation of the funds for the purposes intended in the Acts and give a better account of their performance in near future.*

### C. Housing

#### (a) *Bhuli Township*

92. The Organisation decided in 1947 to construct 2000 quarters at Bhuli, three miles from Dhanbad for providing better housing accommodation to the workers employed in coal mines. Actually only 1566 quarters were constructed at a total cost of Rs. 77,25,898, the first batch of 200 being ready for occupation in April 1950, the second of 220 a year later and the remaining in April 1953. The Study Group of the Committee that visited the township in July 1959 found that it was a well planned township located in healthy natural surroundings. They were informed

that the following amenities were provided in the township:—

- (i) A dispensary with a doctor, compounder, dresser and menial staff;
- (ii) A maternity and child welfare centre with a midwife, ayah, and other staff;
- (iii) Sanitary staff consisting of twenty sweepers and a motor truck;
- (iv) An anti-Malaria Unit;
- (v) Water supply from six wells catering to 1200 quarters;
- (vi) Street lights (there was no provision for electric lights);
- (vii) A middle school, a well equipped training institute (run by the Bihar Government) and a Welfare Personnel Training Institute;
- (viii) Playgrounds, a mobile cinema and a Miners' Institute.

Initially there had been considerable reluctance on the part of miners in occupying the houses constructed in the Bhuli township mainly due to lack of basic amenities such as the provision of water and transport facilities. This reluctance was gradually overcome by providing the amenities indicated above. *Still from the Annual Report of the Coal Mines Labour Welfare Organisation for 1958-59, the Committee find that 228 houses were lying vacant in the township mostly in Block 'C' where there was scarcity of water. The Committee consider this rather unfortunate and hope that the water scarcity would be overcome (if not already done) and that such situations would not be allowed to arise in future.* The Study Group were informed that the provision of good housing facilities in the Bhuli Township had resulted in the reduction of indebtedness, drinking and gambling. According to the Coal Mines Welfare Commissioner the population addicted to alcohol in the township was only about 3.7 per cent as against about 20 to 30 per cent elsewhere. The Committee are glad to learn these facts, which clearly bring out the paramount importance of providing housing facilities and a healthy environment. *One of the ways of checking the evil of drinking would be to make the days of payment of wages dry days. The Committee would suggest the adoption of such a practice in the coalfield areas.*

93. The Study Group however noticed that apart from inadequate water supply the township suffered from a few other shortcomings such as inadequate transport and lack of electricity and marketing facility. *Looking to the fact*

*that these shortcomings relate to some of the basic amenities, the Committee suggest that they may be overcome and necessary amenities provided early.*

**(b) Other Housing Schemes**

**Poor Progress**

94. A Subsidised Housing Scheme was introduced in 1950 under which the colliery owners constructing houses according to approved plans and specifications were allowed subsidy equal to 25 per cent of the cost of a house subject to a ceiling limit of Rs. 750 per house. 1623 houses were constructed under this scheme. A revised and more liberal Subsidised Housing Scheme was formulated in 1954. This scheme provided for the payment of subsidy equal to 25 per cent of the cost of a house subject to a ceiling limit of Rs. 735 per house and a loan equal to 37½ per cent of the cost subject to a maximum of Rs. 1103. Even then only 1804 houses were constructed under this scheme by the end of 1958-59. In view of the unsatisfactory progress of the different housing schemes adopted from time to time, it was decided that the Fund itself should go in for construction of houses. Under the new scheme, houses are to be constructed by the colliery owners on their own sites on behalf of the Organisation who would bear the entire cost of construction. This scheme envisages construction of 30,000 houses at an estimated cost of Rs. 8 crores. As stated by the Ministry itself 'construction of 30,000 houses under the New Housing Scheme will only be touching the fringe of the housing problem in the coalfields'. The Committee are therefore surprised to learn that even an extremely modest target of 30,000 houses for coal miners had to be scaled down to 15,000 houses due to 'delay in the finalisation of the preliminaries such as agreements to be executed by the colliery owners, survey of sites and other difficulties like non-availability of suitable land, lack of co-operation on the part of the colliery owners etc.' At the rate at which the housing plan is progressing, it would take another 100 years to provide houses to the present coal mining population in the country.

**Mica  
Labour  
Housing—  
Even Worse.**

95. The position of housing facility to mica miners is even worse than that of the coal miners as the schemes have not received any response from the mine owners. *The Committee understand that so far not a single house has been constructed for mica miners under any of the schemes of the Mica Mines Labour Welfare Organisation. The question of undertaking construction work departmentally was stated to be under consideration of Government. This may be finalised early so as to make a beginning during the next financial year. The Committee emphasise the*

need to launch a special drive to accelerate the tempo of the housing programmes for coal and mica miners in order that the targets laid down in the Second Plan may be fulfilled. For this purpose they suggest that the financial sanction to the future housing schemes of the Organisation may be obtained sufficiently in advance and their execution according to schedule ensured.

96. The Committee understand that the Ministry had requested the State Governments some years back to make suitable amendments to the bye-laws of the Mine Boards of Health so as to compel the colliery owners to construct houses for the miners, but the bye-laws have not been amended by the State Governments. The representative of the Ministry stated during evidence that the matter was not brought up by the Ministry before the Labour Ministers' Conference. *Looking to the fact that the successive efforts of the Coal and Mica Mines Labour Welfare Organisations for providing minimum housing facilities to miners have not met with the desired response from the mine owners, the Committee have no doubt that suitable amendments to the bye-laws of the Mine Boards of Health by the respective State Governments, which may make it obligatory on the mine owners to provide housing facilities of the prescribed standards to their workers, will have a salutary effect. They therefore suggest that the question may be pursued further with the State Governments and taken up in the State Labour Ministers' Conference, if necessary.*

97. The Committee would like to refer here to the following observations made by the Public Accounts Committee in para 28 of their 20th Report (Second Lok Sabha):—

*"The sub-Committee were distressed to see the appalling conditions in which the coal miners were living. They regret that the successive efforts of the Organisation for providing minimum housing facilities to miners have not met with the desired response. As this is a matter in which the State is vitally interested, the sub-Committee suggest that by suitable legislative provision Government should consider the feasibility of making it obligatory on the owners of collieries to provide housing facilities of prescribed standards to their workers as in the case of plantation labour (c.f. section 15 of the Plantation Labour Act)."*

The representative of the Ministry stated during evidence that it was a matter which needed examination in consultation with the Ministries of Steel, Mines & Fuel, and Commerce & Industry. *The Committee are in entire agreement*

Compelling  
the owners  
to build  
houses for  
workers.

Need for  
making a  
suitable  
provision for  
housing on  
the lines of  
the Plan-  
tation  
Labour Act.

*with the observations of the Public Accounts Committee and suggest that the question may be decided early.*

**Need for undertaking an assessment of the housing requirements.**

98. The Committee were informed that the Coal & Mica Mines Labour Welfare Organisations had not assessed the requirements of houses for miners. It was however estimated at about 80 per cent of the total mining population on the presumption that on an average three members in a miner's family worked in mines. *Unless the requirement of houses for miners is properly assessed, no perspective housing plan could be formulated on a realistic basis. The Committee therefore suggest that a survey may be undertaken by the respective Organisations to determine the reasonable percentage of the miners that ought to be provided with the housing facilities. The Committee also recommend that as model employers, all the collieries in the public sector should provide adequate housing facilities to the miners employed by them.*

#### **D. Water Shortage**

99. The Committee were informed that in the Jharia coalfield in Bihar, supply of water was made by the Jharia Water Board from a reservoir at Topchanchi. The supply had become inadequate due to increase in the population. For augmenting the water supply, the Board prepared the Damodar Water Supply Scheme for which it secured assistance to the extent of Rs. 60 lakhs (Rs. 37.5 lakhs grant and Rs. 22.5 lakhs loan) under the National Water Supply and Sanitation Programme (Rural) Scheme. As the scheme covered only the supply system and did not provide for distribution of water, another scheme costing about Rs. 66 lakhs was prepared and was under consideration of Government. As for the Bokaro coalfield, the National Coal Development Corporation had prepared a scheme for integrated water supply in the coal-field which was under consideration. As regards the coal-fields in West Bengal, the Ministry of Health and the Planning Commission had agreed that the State Government might be offered assistance by way of loan on the pattern of loans granted for urban water supply schemes under the National Water Supply and Sanitation Programme. *The Committee suggest that the provision of adequate water supply to all the coal-fields may be expedited.*

#### **E. General Welfare**

##### **(a) Medical Facilities**

100. The Coal Mines Labour Welfare Organisation is maintaining two Central Hospitals, one at Dhanbad and the

other at Asansol. Both these hospitals provide facilities for modern diagnosis and specialised treatment in various branches of medicine and surgery. The Study Group of the Committee that visited the Central Hospital at Dhanbad were favourably impressed with the way in which the hospital was being run. For treatment of simpler cases requiring hospitalisation, seven regional hospitals with attached maternity and child welfare centres have been set up by the Organisation. The regional hospitals have an in-patient capacity of 30 beds each, except one which has 18 beds. The Mica Mines Labour Welfare Organisation has also set up a Central Hospital at Karma in Bihar which is very popular. Besides, three more hospitals are under construction.

101. The Coal Mines Labour Welfare Organisation is running seven Ayurvedic dispensaries. The Committee are glad to learn that they are very popular. The Committee were informed that the total non-recurring expenditure of an Allopathic dispensary was Rs. 1,14,500 and that of an Ayurvedic dispensary was Rs. 45,100. The recurring expenditure was Rs. 10,870 and Rs. 14,480 respectively. The break-up of recurring expenditure is as under:

| Dispensary | Staff | Medicine | Misc. | Total  |
|------------|-------|----------|-------|--------|
|            | Rs.   | Rs.      | Rs.   | Rs.    |
| Allopathic | 7,140 | 1,730    | 2,000 | 10,870 |
| Ayurvedic  | 4,980 | 9,000    | 500   | 14,480 |

102. 'Prevention of disease' is one of the items on which the Coal and Mica Mines Labour Welfare Organisations could apply their funds. *No scheme of periodical medical check-up of miners has been introduced to detect diseases, occupational or others. The Committee recommend that the Organisations should undertake periodical medical check-up of workers in coal and mica mining industries. They also wish to stress the need to undertake regular medical check-up of the children of miners and to institute a proper school health programme in the children's centres run by the Organisations.*

103. The Committee were informed that adequate facilities for the treatment of T.B. cases in hospitals did not exist and the question of having a T.B. Clinic attached to each of the Fund's Regional Hospitals was under examination. *The Committee suggest that this may be done without loss of time.*

Medical  
check-up of  
workers and  
their  
children.

T.B. Clinic.

**Domiciliary  
Treatment  
for T. B.**

104. The Committee understand that the Coal Mines Labour Welfare Organisation has introduced a pilot scheme for domiciliary treatment to workers suffering from T.B. in coal-fields of Bihar and West Bengal with effect from 1-8-1958. Besides arranging free treatment of the patients at the Centres opened under the scheme a grant-in-aid for special diet up to a maximum of Rs. 50 p.m. per patient and a subsistence allowance not exceeding Rs. 50 p.m. to his dependants if he happened to be the only earning member of the family are paid for a maximum period of six months. The Committee are glad to learn that an assessment of the cases treated under the scheme has revealed encouraging results. *They suggest that the scheme may be extended to all coalfields in India and a similar provision be made for the mica mine workers also.*

**Malaria  
Control**

105. Malaria control operations were started in the coal-fields in the year 1944 by the military authorities and thereafter taken over by the Malaria Institute of India which set up a Coalfields Malaria Organisation. In 1952 the administration of the Coalfields Malaria Organisation was integrated with the Fund itself. Since 1954, the Coalfields Malaria Organisation is treated as a Unit under the National Malaria Control Programme. The Committee are glad to learn that the incidence of malaria which was over 250 per thousand of population at the inception of the operations has come down to about 2.5 per thousand and that the programme has now been switched over to the eradication measures. The Committee were informed that the Coal Mines Labour Welfare Organisation was required to spend Rs. 6.32 lakhs every year on this programme. *Since the Ministry of Health are administering the National Malaria Control Programme and granting financial assistance to that effect, the Committee suggest that the question of recovering the expenditure incurred on the anti-malarial operations by the Coal Mines Labour Welfare Organisation from the Ministry of Health on which it is a legitimate claim may be examined.*

**(b) Pit-head Baths and Creches**

106. The Coal Mines Welfare Commissioner is responsible for the enforcement of the Coal Mines Pithead Bath Rules, 1946, and the Mine Creche Rules, 1946. Under the Coal Mines Pithead Bath Rules, 1946, it is obligatory to provide pithead baths at every Coal Mine whose monthly output during the previous calendar year exceeds 500 tons. The Mines Creche Rules 1946 make it obligatory for every colliery to provide a creche excepting those collieries whose productive capacity is likely to be exhausted within the next three years. The following statement gives figures of the total number of collieries required to make the provision

for pithead baths and creches, and the number fulfilling the requirements:—

|                                                                         | Pithead<br>Baths | Creches |
|-------------------------------------------------------------------------|------------------|---------|
| No. of collieries required to make the provision .                      | 555              | 789     |
| No. of collieries which have fulfilled the required provision . . . . . | 210              | 389     |

*The Committee consider that the progress in regard to the provision of pithead baths and creches is extremely unsatisfactory and calls for sufficiently firm measures to ensure compliance of their obligations by the employers. They also stress the need to ensure that the pithead baths are actually located near the pit heads.*

(c) *Transport*

107. A Study Group of the Committee that visited the Multi-purpose Institute at Giridih found that children were required to come to the Institute from distant places and that their number was small in comparison with the total number of workers residing in and around Giridih. The Creche which was located in the hospital at Giridih was also at fairly long distance both from the collieries and from the workers' residences. It is likely that one of the reasons for the small attendance of children to these centres may be the long distance from their places of residence. *The Committee therefore suggest that the question of providing suitable transport facilities to the children of miners to and from schools, creches etc. may be examined.*

Need for provision of transport facilities to children of miners.

(d) *Refreshments to Miners working under-ground*

108. The Study Group during their visit to a mine in Kodarma noticed that workers remained under-ground continuously for eight hours without any refreshments, beverages etc. *The Committee suggest that the question of devising an arrangement whereby refreshments, beverages, etc. could be provided if not free, at least at subsidised rates, during certain fixed periods to the miners working under-ground may be examined.*

Provision of refreshment facilities to miners working under-ground.

(e) *Multi-purpose Institutes*

109. One of the important activities of the Coal and Mica Mines Labour Welfare Organisations is to provide recreational, social and educational facilities to colliery workers and their dependants. The Organisations have for

Multipur- pose insti- tutes.

this purpose opened Multi-purpose Institutes in Coal and Mica fields throughout the country. These centres generally provide for three main activities; viz. (i) Women Welfare Centres, (ii) Adult Education Centre, and (iii) Recreation Centres. During 1958-59, 49 such Institutes were working under the Coal Mines Labour Welfare Organisation. The total number of Adult Education Centres and Centres for the Welfare of Women and Children was 53 and 52 respectively. Similarly under the Mica Mines Labour Welfare Organisation, there were six such Institutes in Bihar. Besides, there were small community centres in Andhra, Bihar and Rajasthan to provide medical, educational and recreational facilities. An evaluation committee was appointed by the Ministry in 1958 to study the working of the Multi-purpose Institutes under the Coal Mines Labour Welfare Organisation, there were six such Institutes in as to how far the purpose for which they were established was realised'. The summary of main conclusions and recommendations of the Evaluation Committee is given in Appendix XVII. It makes a dismal reading. Some of the important conclusions and recommendations are as under:—

- (i) The Adult Literacy Programme has not achieved the objectives for which it was started, it can hardly be said to be commensurate with the time, energy and money being spent on it by the Organisation.
- (ii) The Evaluation Committee found only one canteen working in one solitary institute though the Coal Mines Welfare Commissioner had claimed in his report that there was a canteen at every Multi-purpose Institute.
- (iii) The general impression of the Evaluation Committee was that women literacy programme had not succeeded.
- (iv) The children section of the Multi-purpose Institutes was also not functioning as successfully as it could.

110. *The Committee consider it unfortunate that various sections of the Multi-purpose Institutes have remained ineffective in carrying out the objectives in view. The Committee hope that their working will be thoroughly over-hauled in the light of the suggestions made by the Evaluation Committee. In this connection, the Committee would like to reiterate the recommendation of the Evaluation Committee that every effort should be made to revive the local committees which were found to be moribund in many places.*

111. *The Committee also suggest that the recommendations of the Evaluation Committee may also be made applicable to the Multi-purpose Institutes under the Mica Mines Labour Welfare Organisation.*

(f) *Welfare Personnel Training Institute, Bhuli*

112. The Welfare Personnel Training Institute, Bhuli was opened on the 2nd August, 1958. Training lasting for six months is imparted at the centre in organising and carrying out welfare and social education activities. The first course of training was completed on the 31st January, 1959 and the second course commenced on the 1st March, 1959 with 47 trainees. As the institute has not yet been given recognition by Government, only a "local institute" certificate is given to successful trainees on completion of the course. The candidates are sponsored by the Central and State Governments and the employers' and workers' organisations from among those doing the welfare work. The cost of training amounts to Rs. 5,000/- per candidate and is borne by the sponsor of the trainees. The Study Group of the Committee that visited the Institute in July 1959 were glad to notice the lively atmosphere and the cosmopolitan character of the institution.

## VI

### MISCELLANEOUS

#### **A. Office of the Controller of Emigrant Labour, Shillong**

113. One of the earliest measures in the labour legislation in India was in connection with workers employed in plantations. During the initial stages of its development, the plantation industry in Assam was confronted with the problem of scarcity of labour. The employers' attempts to secure labour from distant places outside the State created various difficulties. To meet these a series of Acts were passed beginning from 1863. These measures however proved inadequate and finally the Tea Districts Emigrant Labour Act was enacted in 1932 and brought into force in the following year. The office of the Controller of Emigrant Labour, Shillong administers the Tea Districts Emigrant Labour Act, 1932.

**Decline in the number of assisted emigrants.**

114. Expenditure on the organisation of the Controller of Emigrant Labour, is met by levy of a cess, known as the Emigrant Labour cess, on the employing interests at a rate not exceeding Rs. 9/- per assisted emigrant per year to be notified by the Central Government. The rate of cess was gradually raised from Rs. 2/- in 1946 to Rs. 3/- in 1947, Rs. 5/- in 1953 and stands at Rs. 8/- from the 1st October, 1958. The Committee learnt that even though the rate of cess was being raised from time to time, the yield from cess was not showing any corresponding rise because of a decline in the number of assisted emigrants recruited for the Assam gardens. The number of assisted emigrants from the year 1946 to 1957 has been as follows:—

| Year Commencing from the 1st October | Number of Assisted emigrants |
|--------------------------------------|------------------------------|
| 1946                                 | 28,167                       |
| 1947                                 | 26,281                       |
| 1948                                 | 24,136                       |
| 1949                                 | 19,159                       |
| 1950                                 | 26,353                       |
| 1951                                 | 22,122                       |
| 1952                                 | 2,440                        |
| 1953                                 | 238*                         |
| 1954                                 | 19,840                       |
| 1955                                 | 8,663                        |
| 1956                                 | 3,509                        |
| 1957                                 | 5,427                        |

\*The small number is stated to be due to the ban imposed by the Assam Government on recruitment from outside to meet the situation caused by closure of gardens during the slump period and consequent retrenchment of a large number of workers.

115. The Controller of Emigrant Labour has reported that the fall in the number of recruits is not due to reduced demand for labour but because of illicit recruitment to evade liabilities under the Act. To meet the situation the Controller suggested the following amendments in the Tea Districts Emigrant Labour Act in 1957:—

- (i) Garden owners should obtain prior permission of Government before they recruit any labour from outside Assam.
- (ii) Transit camps may be set up along the routes to Assam, which will *inter alia* serve as check posts and provide machinery for the checking arrangements while the workers are in transit.
- (iii) Additional powers may be given to the Controller for the interrogating and detraining of the workers proceeding to Assam for employment in tea estates, as the existing powers are inadequate.

116. The representative of the Ministry informed the Committee that the proposed amendments were being examined in consultation with the Government of Assam and the Ministries concerned. *The Committee regret that no solution has yet been found for the problem of illicit recruitment, though some suggestions in this respect were made by the Controller as early as in 1957. They recommend that an early solution of the problem should be worked out in consultation with the State Government.*

117. The Controller's staff consists of two inspectors Staff. who assist him in the inspection of tea gardens and depots, about a dozen ministerial employees and eight Class IV members. The 8 Class IV members of the office are as follows:

|                  |   |   |   |   |   |   |   |   |   |
|------------------|---|---|---|---|---|---|---|---|---|
| Chowkidar        | . | . | . | . | . | . | . | . | 1 |
| Mali             | . | . | . | . | . | . | . | . | 1 |
| Sweeper          | . | . | . | . | . | . | . | . | 1 |
| Daftry           | . | . | . | . | . | . | . | . | 1 |
| Office orderly   | . | . | . | . | . | . | . | . | 2 |
| Personal Orderly | . | . | . | . | . | . | . | . | 1 |
| Dak Orderly      | . | . | . | . | . | . | . | . | 1 |

8

*The Committee do not consider it justifiable to have 8 Class IV members as against about 15 other members. There is no adequate justification to have separate dak, office and personal orderlies. They recommend that the number of Class IV staff should be substantially reduced.*



122. The Committee were informed that the provisions of a large number of Conventions though not formally ratified had also been embodied in the existing law and executive procedure and practice. *The Committee suggest that steps may be taken to ratify as many conventions as possible by suitable legislative measures.*

123. India's collaboration with the I.L.O. is maintained by the Ministry of Labour and Employment. The Ministry acts as a liaison between the I.L.O. and the All India Organisations of employers and workers. It is also the responsibility of the Ministry to examine the international labour regulations adopted by the I.L.O. and explore the possibilities of their implementation in India. A standing tripartite body known as the Committee on I.L.O. Conventions was set up in 1954 to review continuously the I.L.O. Convention and recommendations and devise measures for their ratification or application. This Committee consists of one representative each of workers and employers with the Labour Secretary as Chairman. The Committee learnt that this Committee on I.L.O. Conventions had held four sessions so far and completed its first round of review and on its recommendations three conventions had already been ratified and the ratification of five more was under examination. *The Committee suggest that more frequent meetings of the Committee on I.L.O. Conventions may be held so that it may follow up its suggestions.*

Procedure of collaboration with the I.L.O.

### C. Tripartite Labour Machinery

124. The International Labour Organisation provides the procedure for the representation of Governments, employers and workers in its different bodies. This has given a lead to the member countries to adopt the system of tripartite principle in all their deliberations. The Royal Commission on Labour in India also recommended in 1931, the creation of a statutory tripartite organisation called the 'Industrial Council' to promote a spirit of co-operation and understanding among those concerned with labour problems.

Historical Background.

125. In 1940, the outbreak of World War II created the need in India for maintaining an adequate and contended labour force in order to maximise production which was so vital to the war effort. The Government of India convened an All India Labour Conference in January, 1940. During that and the succeeding two Conferences held in January, 1941 and January, 1942 only Government representatives from the Centre, Provinces and the then existing States were included. But it was felt that better results could be achieved if representatives of Government, workers and employers

meet on a common platform. Accordingly the fourth labour conference held in August, 1942 included the representatives of employers and workers in addition to officials from the Centre, the Provinces and the States. This was the first tripartite Conference held on an all India basis. It was also decided in this Conference to set up a permanent tripartite machinery consisting of a Plenary Conference and a Standing Labour Committee. The Plenary Conference, which came to be known as the Indian Labour Conference in subsequent years, was based on the model of the International Labour Conference. Since 1942, the Indian Labour Conference has been meeting every year and Standing Labour Committee as and when necessary.

126. The Committee were informed that the Indian Labour Conference had been serving a very useful purpose. All important questions of policy were settled at that level. It was further stated that though there was no statutory obligation to implement the decisions arrived at the Indian Labour Conference and by the Standing Labour Committee, it was a moral obligation on all parties to implement them.\*

127. The Committee understand that the Standing Labour Committee was originally intended to be a Standing Committee of the Indian Labour Conference competent to consider subjects specially referred to it by the main conference. As a matter of practice, however, it has evolved as a parallel body with plenary powers to consider labour subjects in the same way as the Indian Labour Conference itself. The Committee learnt during the evidence that there was practically no difference in the functions of Indian Labour Conference and Standing Labour Committee. More important matters were however put before the Indian Labour Conference as it consisted of a larger number of delegates. *The Committee are of opinion that it is undesirable and wasteful to have two parallel organisations having similar functions and recommend that the feasibility of making the smaller one as the Executive Body of the Indian Labour Conference may be examined.*

H. C. DASAPPA,

NEW DELHI;

Chairman,

April 21, 1960.

Estimates Committee.

The Vaisakha 1, 1882 (S.)

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\*At the time of factual verification the Committee were informed that "the Indian Labour Conference and the Standing Labour Committee have all these years functioned without any clear decision as to the extent to which agreed conclusions reached therein will be binding on the parties. It is recognised that with the growing responsibilities cast on these bodies, the time is appropriate for a more definite understanding. The matter is now under examination."

## APPENDIX I

(Vide para 22)

### LIST OF AREAS WHERE THE EMPLOYEES STATE INSURANCE SCHEME COULD NOT BE IMPLEMENTED IN ACCORDANCE WITH THE PHASED PROGRAMME TOGETHER WITH THE REASONS THEREOF

| Area                                           | Date of implementation as indicated in the phased programme | Date on which the scheme implemented/or the revised date                                           | Reasons                                                      |
|------------------------------------------------|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------|--------------------------------------------------------------|
|                                                |                                                             | 1<br>2<br>3                                                                                        | 4                                                            |
| <i>I. Andhra Pradesh</i>                       |                                                             |                                                                                                    |                                                              |
| (a) Families in all the implemented centres.   | Families with effect from 1-11-1958.                        | Families covered with effect from 26-1-1959.                                                       | Medical arrangements could not be completed.                 |
| (b) 14,500 insured persons at Warangal/Sirpur. | 1-4-1959.                                                   | (i) Scheme implemented at Warangal on 15-11-1959.<br>(ii) No revised date fixed as yet for Sirpur. | Accommodation was not available for the dispensary.<br>Do. • |

**2. Bihar**

Dalmianagar, Banjori, Marhowrah, Hapla, Mugma, Chirkunda, Kumardhubi and Sindri.

1-7-1959

*Revised dates*  
For Dalmianagar, Banjori and Japla December 1959.

Other areas 26-1-1960.

The State Government has to conduct a survey of these areas before fixing date(s) of implementation.

**3. Bombay**

(a) Ahmedabad . . . . . 1-4-1959

During Second Plan Period.

**52**

The State Government intimated their decision to implement the Scheme in Ahmedabad for insured persons and their families during Second Plan Period and expressed their inability to adhere to the phased date. Provisional target date has not yet been fixed as the decision in regard to the system of medical care to be adopted could not be arrived at.

(b) Families of insured persons in Greater Bombay.

1-4-1959

During the Second Plan period.

The State Government has intimated its inability to adhere to the target dates. It is proposed to cover the insured workers and families in Ahmedabad first and

then to cover families in Greater  
Bombay.

|                                                                                                 |           |                            |                                                                                                                                                                                                              |    |
|-------------------------------------------------------------------------------------------------|-----------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| (c) Families of insured persons at Nagpur, Hinghan-<br>ghat and Akola.                          | 1-4-1959  | No revised date yet fixed. | The target date could not be adhered<br>to as arrangements could not be<br>finalised, the main difficulty being<br>suitable accommodation for addi-<br>tional dispensaries.                                  | 63 |
| (d) Sholapur                                                                                    | 1-10-1959 | During Second Plan Period. | The State Government has intima-<br>ted its inability to adhere to the<br>target date.                                                                                                                       |    |
| (e) Jamnagar, Bhavnagar, Raj-<br>kot, Morvi, Porbunder, Su-<br>rendranagar and Aurang-<br>abad. | 1-10-1959 | ..                         | As no provision for the implemen-<br>tation of the scheme in these<br>areas existed in State Plan, the<br>State Government has expressed<br>its inability to implement the<br>scheme during the Second Plan. |    |
| 4. <i>Delhi Administration</i>                                                                  |           |                            | Medical arrangements could not be<br>completed in time.                                                                                                                                                      |    |
| 5. <i>Kerala</i>                                                                                |           |                            |                                                                                                                                                                                                              |    |
| (a) Kozikode and Feroke                                                                         | 1-12-1958 | 12-7-1959                  | Do.                                                                                                                                                                                                          |    |
| (b) Families at all the imple-<br>mented centres.                                               | 1-4-1958  | 26-1-1960                  | State Government communicated<br>their acceptance to the revised<br>date in October 1959.                                                                                                                    |    |

| 1                                                                                                                                                                                                                                                                                                                                             | 2        | 3          | 4                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (c) Cannanore, Kundara, Punalur, Parambavoor, Ballipattam, Tellicherry, Koratti Angadi.                                                                                                                                                                                                                                                       | 1-7-1959 | 26-12-1959 | The State Government has fixed the revised date as indicated after the Scheme has been implemented in Kozhikode and Feroke with effect from 12-7-1959.            |
| (d) Kottayam, Chalakudy, Palakkad, Ottapalam, Ponnani.                                                                                                                                                                                                                                                                                        | 1-7-1959 | ..         | The State Government has not yet decided to implement the Scheme in these areas.                                                                                  |
| <p><b>6. Madhya Pradesh</b></p> <p>(i) Families of insured persons at:—</p> <p>(a) Indore and Jabalpur      1-12-1958      26-1-1959</p> <p>(b) Gwalior and Burhanpur      1-12-1958      15-2-1959</p> <p>(c) Ujjain &amp; Ratlam      1-12-1958      1-3-1959</p> <p>(ii) Rajnandgaon and Kymore 1-7-1959      Implementation deferred.</p> |          |            |                                                                                                                                                                   |
| <p>Medical arrangements could not be completed in time.</p> <p>Medical arrangements could not be completed in time.</p> <p>Medical arrangements could not be completed in time.</p>                                                                                                                                                           |          |            |                                                                                                                                                                   |
|                                                                                                                                                                                                                                                                                                                                               |          |            | The State Government decided to include Nagda and Bhopal in the Programme, in place of Kymore. The implementation of the Scheme at Rajnandgaon has been deferred. |

as the only factory running there has been closed down.

### (iii) Bhopal and Nagda

I-4-1960

27-9-1959

Scheme implemented before the scheduled programme.

7. Madras

(a) Insured persons at 10 remaining centres in Madras.

I-2-1959

## The State Government has so far

(b) Families of insured persons at Colmbatore, Madras, Madurai, Amba mudram and Tutcorin.

1-7-1959

The State Government has decided to extend medical benefit to families of insured persons only after the Scheme has been implemented for insured persons in all the industrial Centres in the State with insurable population of 1500 or above.

(c) Families of insured persons at Mettur, Tiruppur, Udumalpet and Salem.

Do.

1

2

3

4

**8. Mysore**

(a) Hubli and Bhadravati

I-7-1959

During 1959.

(b) Gulbarga, Mysore, Dandeli and Mangalore.

I-7-1959

During 1959.

The State Government has communicated their decision to implement the Scheme in these areas only in November, 1959.

The State Government has decided to consider the implementation of the Scheme at these places during the next year.

**9. Punjab**

(a) Dharial

I-12-1958

29-11-59

Shortage of medical personnel.

(b) Faridabad, Phagwara, Sonepat, Surajpur, Hissar Govindgarh, Kapurthala, Panipat and Kharar.

I-4-1959

During 1959-60

Shortage of accommodation and medical personnel. The State Government has now proposed to implement the Scheme through panel system wherever possible which will be replaced by service system ultimately.

**10. Orissa**

Cuttack, Brang, Chaudhwar, Bajrajanagar, Rajgangpur.

I-1-1959

No final date yet fixed.

Shortage of medical and ancillary staff. Non-availability of accommodation for dispensary at Brajrajnagar and Rajgangpur.

## 11. *Rajasthan*

|                   |   |          |           |                                                  |
|-------------------|---|----------|-----------|--------------------------------------------------|
| (a) Sriganganagar | • | I-4-1959 | 29-3-1959 | } Scheme implemented before scheduled programme. |
| (b) Dholpur       | • | I-6-1960 | 29-3-1959 |                                                  |
| (c) Kishangarh    | • | I-4-1959 | ..        |                                                  |

The State Government decided to defer the implementation of the Scheme at this place for the present.

### (d) *Families of insured persons*

|         |   |          |                            |                                                                                                                                                               |
|---------|---|----------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Lakheri | • | I-7-1959 | No revised date fixed yet. | as The reluctance of the employer to agree to the rate of capitation fee for families for providing medical care to families at their utilisation dispensary. |
|---------|---|----------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|

## 12. *Uttar Pradesh*

|                                                                           |   |           |           |                                                                                 |
|---------------------------------------------------------------------------|---|-----------|-----------|---------------------------------------------------------------------------------|
| (a) Ghaziabad and Modinagar                                               | • | I-3-1959  | 29-3-1959 | Medical arrangements could not be completed in time.                            |
| (b) Mirzapur and Sahjanwa.                                                | • | I-10-1959 | 29-3-1959 | Before scheduled time.                                                          |
| (c) Meerut.                                                               | • | I-3-1959  |           | The State Government has not so far agreed to extend the Scheme to this place.  |
| (d) Firozabad, Harangaon, Churk, Gajipur, Jhansi, Itatnagar, and Roorkee. | • | I-10-1959 | ..        | The State Government has not yet agreed to implement the Scheme in these areas. |

4

1 2 3

(e) Families of insured persons in implemented areas.

1-7-1959 14-11-1959

(a) Medical arrangements could not be completed in time.

(b) Shortage of lady doctors, lady health visitors, midwives and nurses for families.

(c) Non-availability of accommodation for dispensaries.

**13. West Bengal**

(a) Implementation of Scheme in 24 Parganas and Hooghly Districts.

1-6-1959

January 1960.

1. The State Government suggested that adequate hospital facilities are the pre-requisite for the implementation of the Scheme in any new area and the extension of medical care to families in implemented areas and reiterated that as adequate hospital arrangements in the State do not exist even for insured persons, time has not yet come for the extension of medical care to families.

2. Further the State Government is of the view that restricted medical care for families is not permissible under the Act.

Do.  
No date fixed as yet.

(b) Extension of Medical Care to families of insured persons in Calcutta and Howrah.

1-1-1959

## APPENDIX II

(*Vide para 32*)

### EXTRACTS FROM THE REPORTS OF THE SUB-COMMITTEES OF THE STANDING COMMITTEE OF EMPLOYEES' STATE INSURANCE CORPORATION ON THE WORKING OF THE SCHEME AT AMRITSAR (1955) AND AT CALCUTTA AND HOWRAH (1959), CONTAINING MALPRACTICES NOTICED BY THESE SUB-COMMITTEES UNDER THE PANEL SYSTEM

· *Sub-Committee of the Standing Committee on the working of the scheme at Amritsar in the year 1955*

“Following are some types and examples of malpractices taking place:—

- (1) The doctors order injections from the chemists and on their receipt do not utilise the whole lot on the patient for whom it is ordered. They would either inject aqua distillata only, or the drug itself but in a smaller amount i.e. if they order 6 vials of penicillin on three prescriptions, they will use only three or four on the insured person. The rest of the drug would either be used on their private patients or disposed of by their compounders in the black market.
- (2) Costly drugs, tablets (Sulpha drugs) and quinine powders prescribed and obtained from the chemists are also not being utilised in full on the insured person for whom it is prescribed, but only a portion of it is given to him and the rest disposed of as in No. 1.
- (3) The doctors would prescribe medicines, drugs and injections to the members of the family of the insured person but in his name and on his medical card.
- (4) To attract insured persons to their list or with a view to keeping them pleased and retaining them on the list, the doctors would prescribe certain drugs which the insured person fancies to take and which are not on the authorised list of costly medicines or have absolutely no relationship to the disease of the insured person, if any, and they would make up the price of those preparations by writing out prescriptions for those articles which are on the authorised list but which in fact are never issued of a value equivalent to what the insured person obtained.
- (5) Certain doctors would ask the chemists to give them a tin of 500 tablets of sulpha drug and the doctor would assure him that he would make up the cost by sending prescriptions on some insured persons' names.

- (6) Some doctors maintain substandard drugs themselves or at a chemist shop owned by relations or friends; standard preparations dispensed from authorised chemists are utilised to replace these inferior drugs, the insured persons being administered the inferior preparations.
- (7) Some doctors use free samples of injections and tablets etc., which they receive from firms free of charge (doctors' free samples) and in their place would obtain drugs and injections by issuing regular prescriptions to the insured persons retaining these preparations for their private patients.
- (8) Some doctors pay touts and agents to bring insured persons to them for registration and it is understood that the agent would get one rupee for each insured person brought by him and registered with the panel doctor.
- (9) Some doctors would issue a prescription writing the name and insurance number of an insured person leaving the prescription space blank. The insured person would take it to the chemist after signing his name on the back of it. The chemist or the IMP could afterwards write anything on the prescription.
- (10) Instances of malpractices have also been noticed in certification which is either lax or bogus, e.g., an insured person wants to go to his village on a holiday or to attend some marriage or funeral or to plough his fields for two or three days, he approaches his IMP and gets the desired certificate of sickness when leave which has been refused by the employer previously but which now, on production of the Medical Certificate, the employer is bound to give.

"Instances have also come to notice where the chemists indulge in malpractices and they are :—

- (1) Some chemists have been noticed to be doing under-dispensing i.e. if four injections of a particular drug or a certain number of tablets are written on the prescription the chemist will give the insured person less than the number ordered in the prescription but will get the receipt signed by the insured person for the total number of injections or drugs and would tell the insured person to collect the remaining stock later on, which is not given afterwards. Similarly the amount of quinine dispensed by the chemists would be less than the quantity ordered in the prescription.
- (2) Some chemists are dispensing drugs of other brands than those specified in the list because the former are not standard and, therefore, much cheaper than the latter.

"It has also been observed that the insured persons are playing a fraud in certain cases and instances are :

- (1) Some insured person would go to his doctor and report for certain illness which he actually has not got, but someone else in his family has got and would thus get the medicine in his name only to be used on the real patient who is some other member of his family or even a friend.

- (2) In TB patients, large amounts of anti-biotics e.g., 5 tins of 100 grams of PAS and 100 grams of streptomycin are being prescribed in one prescription by some T.B. specialists. The insured person collects them from the chemist but does not use the whole lot but disposes some of it in the black market. If his panel doctor asks him to show that he has actually used the drug, he would show him the empty tins of the PAS.
- (3) Some of the insured persons get prescriptions of the costly medicines from their doctors and go to the chemists and would ask on their own either to give them certain other medicines of equivalent price which they have in their mind or some toilet requisites like soap, face powder, hair oil, etc., or in cash which will enable them to go to the pictures or buy cigarettes, pans, etc."

*Sub-Committee of the Standing Committee on the working of the scheme at Calcutta and Howrah in the year 1959*

"The Sub-Committee visited the clinics of a few panel practitioners during working hours. Most of these clinics were generally ill-equipped and even drugs and equipment of day-to-day use required to be maintained by the panel doctors were not available. The dispensing arrangements were generally poor. Medicines were not being dispensed from the clinics. Generally, insured persons were given prescriptions which were dispensed from the authorised chemists. Even the accommodation was insufficient and little attention was paid to keep the clinics clean and tidy. In view of the unsatisfactory medical services presently available at the hands of panel practitioners, there appeared to be a mounting discontentment among the insured persons.

"The working hours of the clinics are from 6.00 A.M. to 9.00 A.M. and from 6.00 to 9.00 P.M. It was found that some of the panel doctors were not present in their clinics during morning hours. The Sub-Committee was informed that the patients did not generally come to the clinics before 7.30 A.M. We, therefore, feel that the timings should be adjusted to suit the convenience of workers. The relations between the panel doctors and insured persons were otherwise reported to be cordial. The panel doctors, however, complained that at times there was pressure from the workers for the issue of certificates even when they did not consider it necessary and they were often asked to issue back-dated certificates."

\*

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\*

"The Committee saw the record of benefit files of certain insured persons specially those who were about to exhaust their entire benefit. It observed that certain doctors were in the habit of issuing short duration certificates with vague diagnosis at frequent intervals. This was noted in respect of several insured persons attached to the same doctor. Even doctors of long professional standing were issuing lax certificates. It was also brought to the notice of the Sub-Committee that such cases had been reported to the authorities concerned."

### APPENDIX III

*(Vide para 36)*

#### STATEMENT SHOWING STATE-WISE THE NUMBER OF EMPLOYEES AND FAMILY UNITS COVERED UNDER THE EMPLOYEES' STATE INSURANCE SCHEME BY THE END OF 1958-59

| Name of State            | No. of<br>employees cov-<br>ered by<br>1958-59 | No. of<br>family<br>units<br>covered<br>by<br>1958-59 |
|--------------------------|------------------------------------------------|-------------------------------------------------------|
| Andhra Pradesh . . . . . | 33,000                                         | 33,000                                                |
| Assam . . . . .          | 3,000                                          | 3,000                                                 |
| Bihar . . . . .          | 16,500                                         | 16,500                                                |
| Bombay . . . . .         | 5,64,000                                       | --                                                    |
| Delhi . . . . .          | 48,500                                         | --                                                    |
| Kerala . . . . .         | 32,000                                         | --                                                    |
| Madhya Pradesh . . . . . | 67,500                                         | 67,500                                                |
| Madras . . . . .         | 1,55,500                                       | --                                                    |
| Mysore . . . . .         | 48,000                                         | 48,000                                                |
| Punjab . . . . .         | 36,000                                         | 36,000                                                |
| Rajasthan . . . . .      | 24,000                                         | 19,500                                                |
| Uttar Pradesh . . . . .  | 1,29,500                                       | --                                                    |
| West Bengal . . . . .    | 2,56,000                                       | --                                                    |
| <b>TOTAL . . . . .</b>   | <b>14,13,500</b>                               | <b>2,23,500</b>                                       |

## APPENDIX IV

(*Vide para 39*)

### BRIEF DETAILS OF STATUTORY CASH BENEFITS OF THE EMPLOYEES STATE INSURANCE SCHEME

#### (a) *Sickness Benefit*

This is payable to an insured person during periods of certified sickness when he is unable to attend to his work on account of illness, and is payable roughly at a little over half of his average daily wages.

An insured person is entitled to receive sickness cash benefit during the benefit period if he has paid a certain number of contributions in the preceding contribution period, both contribution and benefit periods being of about 6 months' duration with a gap of 3 months between them. He has, therefore, to wait for about 9 months before he is entitled to claim sickness benefit for the first time. Sickness benefit is payable for all the seven days of the week and for a total period of 56 days during any continuous period of 365 days. It is not ordinarily payable for the first two days of a spell of sickness.

#### (b) *Maternity Benefit*

This is payable to insured women workers in the event of their confinement. Payment is made for a period of twelve weeks of which not more than six weeks should precede the expected day of confinement. The benefit is admissible at the rate of 75 nP a day or at twice the rate of sickness benefit, whichever is higher. As in the case of sickness benefit, an insured woman must have paid a certain number of contributions in the past in order to claim maternity benefit. She can, therefore, claim it only some time after she comes within the purview of the scheme.

#### (c) *Disablement Benefit*

Disablement benefit is payable to an insured person suffering from temporary or permanent disablement as a result of an employment injury, *i.e.*, an injury received while working in the factory. Temporary disablement benefit is payable at the rate of roughly half of the average daily wage for so long as such disablement lasts, provided that it lasts more than 7 days. Benefit for permanent disablement is payable in the form of a life pension depending on the extent of disablement, the maximum being for permanent total disablement, at a rate which is equal to the rate of temporary disablement benefit. The extent of disablement is decided by an independent Medical Board with a right of appeal to an Appellate Tribunal.

#### (d) *Dependants' Benefit*

If an employment injury results in the death of an insured person, his dependants, *i.e.*, his widow and/or children receive the dependant benefit.

The benefit to the widow is payable for life or till she re-marries. The son(s) and unmarried daughter(s) are entitled to receive the benefit up to the age of fifteen years or, if they are being educated, upto the age of eighteen years. The widow is entitled to the benefit at the rate of three-fifths of the full rate of temporary disablement benefit, and each of the children at two-fifths of such rate, provided that the total amount of dependants, benefit payable to all the dependants does not exceed the full rate. Otherwise, the rate of each dependant is reduced proportionately so that the total does not exceed the full rate. In the absence of a widow and children, benefit can be paid to the parents or other dependants of the deceased insured persons.

## APPENDIX V

(*Vide* para 49)

### LIST OF FACTORY/NON-FACTORY INDUSTRIES COVERED UNDER EMPLOYEES' PROVIDENT FUNDS ACT, 1952

(*From 1st November, 1952*)

1. Cement.
2. Cigarettes.
3. Electrical, mechanical or general engineering product.
4. Iron and Steel.
5. Paper.
6. Textiles.

(*From 31st July, 1956*)

7. Edible Oils and fats.
8. Sugar.
9. Rubber and rubber products.
10. Electricity including generation, transmission and distribution thereof.
11. Tea except in the State of Assam where the Government of Assam have instituted a separate Provident Fund Scheme for the Industry including plantations.
12. Printing, including the process of composing types for printing, printing by letter press, lithography, photogravure or other similar process or book-binding, but excluding printing presses, covered under "newspaper establishments" to which the Employees' Provident Funds Act has already been extended under Section 15 of the Working Journalists (Conditions of Service) and Miscellaneous Provisions Act, 1955.
13. Stone-ware pipes.
14. Sanitary wares.
15. Electrical porcelain insulators of high and low tension.
16. Refractories.

17. Tiles.

18. Match factories having a production of over 5 lakhs gross boxes of matches a year.

19. Sheet glass factories, glass shell factories; and other glass factories having an installed capacity of over 600 tons per month.

*(From 30th September, 1956)*

20. Heavy and fine chemicals, including –

(i) Fertilizers.

(ii) Turpentine.

(iii) Rosin.

(iv) Medical and pharmaceutical preparations.

(v) Toilet preparations.

(vi) Soaps.

(vii) Inks.

(viii) Intermediate, dyes, colour lakes and toners

(ix) Fatty acids, and

(x) Oxygen, acetylene and carbon-dioxide gases industry.

The Act was actually enforced in this industry with effect from the 31st July, 1957.

21. Indigo.

22. Lac including shellac.

23. Non-edible vegetable and animal oils and fats.

*(From 31st December, 1956)*

24. Newspaper establishments.

*(From 31st January, 1957)*

25. Mineral Oil refining industry.

*(From 30th April, 1957)*

26. Tea plantations (other than the tea plantations in the state of Assam),

27. Coffee plantations,

28. Rubber plantations;

29. Cardamom plantations.

30. Paper plantations.

(*From 30th November, 1957*)

- 31. Iron-ore Mines.
- 32. Lime-stone Mines.
- 33. Manganese Mines.
- 34. Gold Mines.
- 35. Industrial and Power Alcohol Industry.
- 36. Asbestos Cement Sheets Industry.
- 37. Coffee curing establishments.

(*From 30th April, 1958*)

- 38. Biscuit making industry including composite units making biscuits and products such as bread, confectionery and milk and milk powder.

(*From 30th April, 1959*)

- 39. Road Motor Transport Establishments.

APPENDIX VI

**STATEMENT SHOWING THE PROGRESSIVE INCREASE IN THE NUMBER OF FACTORIES (EXEMPTED AND UNEXEMPTED) AND SUBSCRIBERS  
YEAR-WISE COVERED UNDER THE EMPLOYEES' PROVIDENT FUND SCHEME FROM THE 1ST NOVEMBER, 1952 TO THE 31ST MARCH, 1959**

## APPENDIX VII

*(Vide para 52)*

**STATEMENT SHOWING THE ANNUAL PROGRESSIVE TOTALS OF PROVIDENT FUND CONTRIBUTIONS RECEIVED YEAR-WISE FROM 1952 TO END OF MAY, 1959 AND THE AMOUNT REFUNDED DURING THAT YEAR UNDER THE EMPLOYERS' PROVIDENT FUND SCHEME (IN CRORES OF RUPEES)**

**(A) Non-exempted.**

| Year                     | Amount of Provident Fund Contributions received |                                                       |                    |  | Progressive total to end of |
|--------------------------|-------------------------------------------------|-------------------------------------------------------|--------------------|--|-----------------------------|
|                          | In cash                                         | In the shape of securities against past accumulations | Total for the year |  |                             |
| 1952-53                  | 1.47                                            | ..                                                    | 1.47               |  | 1.47                        |
| 1953-54                  | 6.50                                            | 1.05                                                  | 7.55               |  | 9.02                        |
| 1954-55                  | 5.62                                            | 0.36                                                  | 5.98               |  | 15.00                       |
| 1955-56                  | 5.99                                            | 0.95                                                  | 6.94               |  | 21.94                       |
| 1956-57                  | 7.95                                            | 0.89                                                  | 8.84               |  | 30.78                       |
| 1957-58                  | 12.30                                           | 4.50                                                  | 16.80              |  | 47.58                       |
| 1958-59                  | 14.59                                           | 2.57                                                  | 17.16              |  | 64.74                       |
| 1959-60 (upto May, 1959) | 2.50                                            | 0.31                                                  | 2.81               |  | 67.55                       |
| <b>TOTAL</b>             | <b>56.92</b>                                    | <b>10.63</b>                                          | <b>67.55</b>       |  |                             |

**(B) Exempted.\***

(In crores of rupees)

| Year                     | Amount of Provident Fund Contributions received |           |               |  | Progressive total to end of |
|--------------------------|-------------------------------------------------|-----------|---------------|--|-----------------------------|
|                          |                                                 |           |               |  |                             |
| 1952-53                  | 5.58                                            | ..        | 5.58          |  | 5.58                        |
| 1953-54                  | 11.68                                           | ..        | 11.68         |  | 17.26                       |
| 1954-55                  | 13.22                                           | ..        | 13.22         |  | 30.48                       |
| 1955-56                  | 13.42                                           | ..        | 13.42         |  | 43.90                       |
| 1956-57                  | 16.61                                           | ..        | 16.61         |  | 60.51                       |
| 1957-58                  | 18.68                                           | ..        | 18.68         |  | 79.19                       |
| 1958-59                  | 20.66                                           | ..        | 20.66         |  | 99.85                       |
| 1959-60 (upto May, 1959) | 3.71                                            | ..        | 3.71          |  | 103.56                      |
| <b>TOTAL</b>             | <b>..</b>                                       | <b>..</b> | <b>103.56</b> |  |                             |

\*The figures are approximate.

## APPENDIX VIII

(Vide para 55)

STATEMENT SHOWING INCOME AND EXPENDITURE OF THE EMPLOYEES' PROVIDENT FUND ORGANISATION FOR THE PERIOD FROM  
1952-53 TO 1958-59 ( IN LAKHS OF RUPEES )

| Year         | Income                         |                            |                                                                                                     | Expendi-<br>ture | Balance       | Remarks                                     |
|--------------|--------------------------------|----------------------------|-----------------------------------------------------------------------------------------------------|------------------|---------------|---------------------------------------------|
|              | Adminis-<br>trative<br>charges | Inspec-<br>tion<br>charges | Interest<br>received<br>on invest-<br>ment &<br>Penal<br>damages<br>received<br>in Account<br>No. 2 |                  |               |                                             |
| 1952-53      | 4.23*                          | 14.91                      | ..                                                                                                  | 4.23             | 3.57          | 0.66 *Represents the total                  |
| 1953-54      | 15.53                          | 9.33                       | ..                                                                                                  | 30.46            | 15.54         | 14.92 Separate                              |
| 1954-55      | 16.35                          | 9.45                       | ..                                                                                                  | 25.68            | 20.29         | 5.39 receipts.                              |
| 1955-56      | 17.94                          | 10.44                      | 0.61                                                                                                | 28.00            | 19.03         | figures for Adminis-<br>tration and Inspec- |
| 1956-57      | 23.11                          | 11.64                      | 0.94                                                                                                | 34.49            | 20.44         | 8.97                                        |
| 1957-58      | 36.10                          | 12.94                      | 1.58                                                                                                | 49.32            | 24.97         | 14.05                                       |
| 1958-59      | 41.64                          | 2.68                       | 57.26                                                                                               | 29.39            | 27.87         | 24.35 available.                            |
| <b>Total</b> | <b>154.92</b>                  | <b>68.71</b>               | <b>5.81</b>                                                                                         | <b>229.44</b>    | <b>133.23</b> | <b>96.21</b>                                |

## APPENDIX IX

*(Vide para 59)*

STATEMENT SHOWING THE NUMBER AND PERCENTAGE OF CASES IN WHICH THE PAYMENT OF PROVIDENT FUND ACCUMULATIONS WAS NOT MADE IN ONE LUMP SUM, BUT IN INSTALMENTS DURING EACH OF THE LAST THREE YEARS OF THE EMPLOYEES' PROVIDENT FUND SCHEME

|                    | No. of cases |         |         | Percentages |         |         |
|--------------------|--------------|---------|---------|-------------|---------|---------|
|                    | 1956-57      | 1957-58 | 1958-59 | 1956-57     | 1957-58 | 1958-59 |
| 1. West Bengal     | 55           | 3,270   | 670     | 5           | 20      | 59      |
| 2. Kerala          | 54           | 20      | 492     | 12.9        | 2.2     | 14.1    |
| 3. Bihar           | 297          | 197     | 109     | 52.8        | 41.6    | 17.6    |
| 4. Punjab          | 193          | 83      | 1,111   | 9           | 4.5     | 5       |
| 5. Madras          | 21           | 7       | 44      | .6          | ..      | .04     |
| 6. Uttar Pradesh   |              | 37      | 1,079   |             | 2.1     | 23.7    |
| 7. Orissa          | ..           |         | ..      | ..          | ..      | ..      |
| 8. Assam           | ..           |         | ..      | ..          | ..      | ..      |
| 9. Mysore          | ..           |         | 671*    |             |         | 22      |
| 10. Andhra Pradesh |              |         | 96      |             |         | 9.40    |
| 11. Madhya Pradesh |              |         | 873     |             |         | 29.8    |
| 12. Delhi          | ..           | ..      | 20      | ..          | ..      | 3       |
| 13. Bombay         | 1,391        | 2,226   | 2,340   | 9           | 10      | 6       |
| 14. Rajasthan      | 132          | 334     | 325     | 16.94       | 21.78   | 22.47   |

\*Only 50 p.c. of the dues was realised from the employers and paid.

## APPENDIX X

*(Vide para 73)*

### **A STATEMENT SHOWING THE INCOME ON ACCOUNT OF ADMINISTRATIVE CHARGES AND THE EXPENDITURE FROM THE INCEPTION OF THE COAL MINES PROVI- DENT FUND SCHEME**

| Year               | Receipt on<br>a/c of ad-<br>minis-<br>trative char-<br>ges at<br>the rate of<br>5 % and<br>3 % | Expendi-<br>ture | Balance          |
|--------------------|------------------------------------------------------------------------------------------------|------------------|------------------|
|                    | Rs.                                                                                            | Rs.              | Rs.              |
| 12-5-47 to 31-3-50 | 5,15,261                                                                                       | 1,87,407         |                  |
| 1950-51            | 2,45,629                                                                                       | 2,27,945         |                  |
| 1951-52            | 2,92,841                                                                                       | 2,68,929         |                  |
| 1952-53            | 3,16,087                                                                                       | 3,95,570         |                  |
| 1953-54            | 3,31,496                                                                                       | 3,47,689         |                  |
| 1954-55            | 3,27,660                                                                                       | 3,85,324         |                  |
| 1955-56            | 4,76,543                                                                                       | 4,50,346         |                  |
| 1956-57            | 8,17,424                                                                                       | 4,37,203         |                  |
| 1957-58            | 9,92,024                                                                                       | 5,18,546         |                  |
| <b>TOTAL</b>       | <b>43,14,965</b>                                                                               | <b>32,18,959</b> | <b>10,96,006</b> |

## APPENDIX XI

(Vide para 74)

POSITION OF PROSECUTION ETC. IN RESPECT OF  
DEFULTING COLLIERIES AS ON THE 31ST JULY, 1959 OF THE COAL MINES  
PROVIDENT FUND SCHEME.

|                                  | Bihar | West Bengal | Madhya Pradesh | Orissa | Assam | Bombay | Total |
|----------------------------------|-------|-------------|----------------|--------|-------|--------|-------|
| No. of Show Cause Notices issued | 1,893 | 507         | 110            | 8      | 5     | 15     | 2,538 |
| No. of Complaints filed          | 1,080 | 271         | 43             | 7      | ..    | 8      | 1,409 |
| No. of cases disposed of         | 723   | 215         | 36             | 4      | ..    | 3      | 981   |
| Convicted                        | 551   | 163         | 32             | 4      | ..    | 3      | 753   |
| Acquitted                        | 20    | 8           | ..             | ..     | ..    | ..     | 28    |
| Dismissed                        | ..    | 1           | ..             | ..     | ..    | ..     | 1     |
| Withdrawn                        | 114   | 37          | 3              | ..     | ..    | ..     | 154   |
| Proceedings dropped              | 38    | 6           | 1              | ..     | ..    | ..     | 45    |
| Cases pending                    | 357   | 56          | 7              | 3      | ..    | 5      | 428   |

## APPENDIX XII

(*Vide* para 74)

STATEMENT SHOWING THE NUMBER OF CERTIFICATE CASES UPTO 31-7-1959  
OF THE COAL MINES PROVIDENT FUND SCHEME

|                |   |   |   |   |   | No. of<br>cases<br>instituted | No. of<br>cases<br>disposed<br>of |
|----------------|---|---|---|---|---|-------------------------------|-----------------------------------|
| Bihar          | . | . | . | . | . | 477                           | 179                               |
| West Bengal    | . | . | . | . | . | 152                           | 24                                |
| Madhya Pradesh | . | . | . | . | . | 41                            | 17                                |
| Bombay         | . | . | . | . | . | 15                            | 2                                 |
| Orissa         | . | . | . | . | . | 6                             | 1                                 |
| Assam          | . | . | . | . | . | 1                             | ..                                |
| <b>TOTAL</b>   | . | . | . | . | . | <b>692</b>                    | <b>223</b>                        |

## APPENDIX XIII

(Vide Para 74)

## STATEMENT SHOWING REALISATION THROUGH CERTIFICATE CASES OF THE COAL MINES PROVIDENT FUND SCHEME

| Year                                | No. of certificate cases filed during the year | Amount involved in the cases filed during the year | Unrealised balance of the previous year | Total        | Amount realised during the year |              | Balance to be realised at the end of the year |              |
|-------------------------------------|------------------------------------------------|----------------------------------------------------|-----------------------------------------|--------------|---------------------------------|--------------|-----------------------------------------------|--------------|
|                                     |                                                |                                                    |                                         |              | Rs.                             | np.          | Rs.                                           | np.          |
| 1952-53                             | ·                                              | ·                                                  | 50                                      | 83,345·38    | Nil.                            |              | 74,93·56                                      | 75,941·82    |
| 1953-54                             | ·                                              | ·                                                  | 88                                      | 1,59,821·96  | 75,941·82                       | 2,35,763·78  | 57,632·59                                     | 1,78,131·19  |
| 1954-55                             | ·                                              | ·                                                  | 60                                      | 1,93,495·31  | 1,78,131·19                     | 2,81,626·50  | 91,541·36                                     | 1,90,085·14  |
| 1955-56                             | ·                                              | ·                                                  | 36                                      | 1,07,712·94  | 1,90,085·14                     | 2,97,798·08  | 79,014·70                                     | 2,18,783·38  |
| 1956-57                             | ·                                              | ·                                                  | 60                                      | 2,55,799·05  | 2,18,783·38                     | 4,74,582·43  | 98,290·07                                     | 3,76,292·36  |
| 1957-58                             | ·                                              | ·                                                  | 114                                     | 10,00,932·70 | 3,76,292·36                     | 13,77,225·06 | 2,52,949·26                                   | 11,24,275·80 |
| 1958-59                             | ·                                              | ·                                                  | 194                                     | 26,08,331·13 | 11,24,275·80                    | 37,32,606·93 | 8,12,586·23                                   | 29,20,020·70 |
| 1959-60 (April, 1959 to July, 1959) | ·                                              | 90                                                 | 13,21,359·02                            | 29,20,020·70 | 42,41,379·72                    | 7,92,679·30  | 34,48,700·42                                  | •            |
| TOTAL                               | ·                                              | 692                                                |                                         |              |                                 |              |                                               |              |

## APPENDIX XIV

(*Vide* para 86)

### **LIST OF THE ITEMS OF EXPENDITURE DEFRAYED FROM THE MONIES IN THE HOUSING ACCOUNT OF THE COAL MINES LABOUR WELFARE FUND**

1. The cost of erecting, maintaining and repairing housing accommodation for labour employed in the coal mining industry and for providing services and facilities connected therewith;
2. The cost of preparing schemes and of acquiring any land required for the purpose referred to in (1) above;
3. The grant, subject to the previous approval of the Central Government, to a Provincial Government, a local authority or the owner, agent or manager of a coal mine of money in aid of any scheme and approved by the Housing Board for the purposes referred to in (1) and (2) above;
4. The allowances, if any, of members of the Housing Board and the amounts debitible to the cost of administration of the Fund; and
5. Any other expenditure which the Central Government directs to be defrayed out of the monies in the Housing Account of the Fund.

## APPENDIX XV

(*Vide* para 86)

### LIST OF THE ITEMS OF EXPENDITURE DEFRAYED FROM THE GENERAL WELFARE ACCOUNT OF THE COAL MINES LABOUR WELFARE FUND

1. Grants-in-aid to colliery owners for maintaining dispensaries of the prescribed standards.
2. (a) The cost of measures for the benefit of Labour employed in the coal mining industry directed towards
  - (i) the improvement of public health and sanitation, the prevention of disease, the provision of medical facilities and the improvement of existing medical facilities, etc.;
  - (ii) the provision of water supplies and facilities for washing and the improvement of existing supplies and facilities;
  - (iii) the provision and improvement of educational facilities ;
  - (iv) the improvement of standards of living, including nutrition, amelioration of social conditions, and the provision of recreational facilities ;
  - (v) the provision of transports and to and place of work ;
- (b) The grant to a Provincial Government, local authority or the owner, agent or manager of a coal mine of money in aid of any purpose for which monies in the General Welfare Account of the Fund may be utilised;
- (c) The allowances, if any, of the members of the Advisory Committee and the amounts debitible to the cost of administration of the Fund.
- (d) Any other expenditure which the Central Government directs to be defrayed out of the monies in the General Welfare Account of the Fund.

## APPENDIX XVI

(*Vide* para 87)

### LIST OF THE ITEMS OF EXPENDITURE MET FROM THE MICA MINES LABOUR WELFARE ORGANISATION

1. The cost of measures for the benefit of labour employed in the mica mining directed towards :—

- (i) the improvement of public health and sanitation, the prevention of disease, and the provision and improvement of medical facilities;
- (ii) the provision and improvement of water supplies and facilities for washing;
- (iii) the provision and improvement of educational facilities ;
- (iv) the improvement of standards of living, including housing and nutrition, the amelioration of social conditions and the provision of recreational facilities ;
- (v) the provision of transport to and from work.

2. The grant to a Provincial Government, a local authority or the owner, agent or manager of a mica mine, of money in aid of any scheme by the Central Government for any purpose for which the Fund may be utilised.

3. The cost of administering the Fund, including the allowances, if any, of members of the Advisory Committees constituted under the Act, and the salaries and the allowances, if any, of officers appointed under section 5.

4. Any other expenditure which the Central Government may direct to be defrayed from the Fund.

## APPENDIX XVII

(*Vide* para 108)

### SUMMARY OF MAIN CONCLUSIONS AND RECOMMENDATIONS OF THE REPORT OF THE EVALUATION COMMITTEE

#### *Introductory*

The main object of the Multi-Purpose Institutes, run by the Coal Mines Welfare Fund Organisation, is to provide recreational, social and educational facilities to colliery workers and their dependents. The welfare work was first started in 1947 when Women Welfare Centres (KAMIN KALYAN KUTIRS) were opened primarily to rehabilitate women workers thrown out of employment as a result of the ban on their employment underground and during night. The Children's Section and the Adult Recreation Section also started working at the same time. The adult literacy programme for women was started in 1955. Broadly, each Multi-Purpose Institute comprises two sections—one deals with education, welfare and crafts training for women and children's education, the other deals with adult education and recreation for men. The total number of Multi-Purpose Institutes at present is 46 while the total number of adult education centres and of women welfare centres is 52 and 51 respectively—some of the adult education and women welfare centres are being run in buildings other than those of Multi-Purpose Institutes. The total expenditure on all the Institutes in 1957-58 was of the order of Rs. 5 lakhs.

#### *Adult (Men) Education Section*

2. Both on the basis of the statistical data supplied to us and on the basis of what we observed personally we feel that the Adult Literacy Programme has not achieved the objectives for which it was started; it can hardly be said to be commensurate with the time, energy and money being spent on it by the Organisation. If a question is put to us whether this programme, being conducted as at present, should or should not continue, we would think twice before giving an answer in the affirmative.

3. Several reasons are responsible for the unsuccessful working of the Adult Literacy programme. Some of them are inherent, e.g., apathy of the miners, difficult working conditions, lack of incentives, etc. The administrative drawbacks have, however, been very much responsible for the present unsatisfactory state of affairs, the initial choice of the Instructors was rather unhappy; some of them are not even matriculates while a large number of them have had no training in the work entrusted to them. Their teaching methods are thus defective; and not many of them take as much interest as is necessary. Supervision work has been inadequate. Follow-up action has not been given the attention it needs. 'Dhowrah' visits which are meant for persuading workers to come to the Centres as well as to see that neo-literates do not relapse into illiteracy, are not regularly made.

The scant attention paid to the adult literacy work is partly borne out by the fact that whenever an Adult Education Instructor is away on 'dhowrah' visits or is absent on leave, or is busy with some other work, e. g. arranging recreational programmes, the students are looked after by the peon or by the honorary workers, or as it happens sometimes, the literacy section is closed. There has also been too much centralisation in the matter of administration, leaving little scope for initiative on the part of the local staff.

4. If it is decided to continue the adult education work, a thorough overhaul is necessary. The whole work has to be reorganised. It should not be done as an unimportant adjunct to the social education or recreational activities of the Institutes, as it is being done at present. The staff in the Institutes must take more interest in their work. The Adult Education Instructor should only look after the education work; he should not be burdened with recreational and social education activities. Feeder Centres in dhowrahs or near the collieries may be opened to create interest amongst the workers. Dhowrah visits are very important and should be made regular and properly. Adequate supervision is very necessary and the higher authorities of the Organisation should take more interest in this work. The Officer-in-charge of Adult Education should not be tied down with unnecessary administration work at the headquarters. He should be free to devote sufficient time at each-Institute to organise and plan its activities.

#### *Adult recreation and social education programme*

5. The recreation-cum-social education activities of the Multi-Purpose Institutes are serving a useful purpose though they are not as popular and effective as they can be. The idea of social education seems to have receded in the background and the programmes are arranged more for the purpose of providing recreation than for imparting social education. Very few workers take part in indoor and outdoor games which are mostly played by the young children or relatives of the workers. We did not also hear of lectures being given to workers on hygiene, nutritive value of different diets, temperance, labour laws, etc., as reported to us by the Coal Mines Welfare Commissioner. We found only one canteen working at present in one solitary Institute though the Coal Mines Welfare Commissioner had claimed in his report that there was a canteen at every Multi-Purpose Institute. Bhajan and kirtan Programmes are also not being arranged as frequently and as effectively as is claimed.

6. The main reasons for the less popularity of even the recreational activities of the Institutes are lack of proper planning and attention towards this work and shortage of staff. There is no dearth of local talent and if some initiative is taken by the Institute's staff, dramas, folk dances, musical entertainments, kirtans, etc., can be organised more efficiently. To enable the local staff to be able to take initiative there should not be too much centralisation of control on expenditure by the Head Office at Dhanbad. The Recreation Section can be usefully converted into a social club and once the workers are attracted towards it by musical programmes, dramas, entertainments, etc. social education can be imparted effectively through lectures, cinema slides, magic lantern shows, etc. Employers are interested in educating workers in safety in mines and they would be prepared to help the Institutes in whatever way they can in making the workers safety conscious. The whole programme thus needs replanning and re-orientation. The Welfare Inspectorate Officers, who usually reside in the premises of the Institute, should devote more attention to this aspect of work; they should help and guide the Centre's staff in

arranging suitable recreational programmes. The higher authorities of the Organisation should also take more interest in this work of the Institutes. There is need for a separate man at each Centre to arrange and look after recreational programmes.

#### **Women Welfare Section.**

7. Our general impression is that women literacy programme has not succeeded. In the light of the experience the Organisation has had for the last 3 years of conducting literacy classes for women, it would be worthwhile to consider whether this programme should be continued. Perhaps, it would be better to utilise the energy and money being spent at present on this programme on some other useful work. The crafts-training programme is also not working satisfactorily. Apart from the inherent obstacles, e.g., backwardness of women in the area, lack of time at their disposal etc., the administrative drawbacks have been mainly responsible for the present unhappy state of affairs. By and large, the staff is not of the right type. The education of many of the Centre Incharges is only upto primary standard; in some cases their education is upto the middle standard. Many of the Field Workers are also only middle class pass; they have had no practical training and know very little craft themselves. As the C.M.W.C. himself observed, "the qualifications of Field Workers as well as of the Centre Incharge are far below the standard and as such they cannot command respect from females. Their way of approach also, due to educational handicap, is faulty or incorrect." Very few of them have the requisite zeal, enthusiasm, devotion and aptitude for the type of work they are doing. There has been almost complete absence of supervision; we were told that the previous officer Incharge took no interest in her work. Proper selling arrangements for the articles made by women have not been made by the Head Office with the result that large stocks are piled up at these Centres. The system of payment of wages for the work done is not uniformly followed in all the Institutes. In Andhra Pradesh and Madhya Pradesh Institutes, for example, wages are not at all paid as the system has not yet been made applicable there. Even in Jharia and Raniganj Centres, rates of wages have not been prescribed for all types of articles knitted or embroidered by women. In some cases wages had also not been paid for long because of the delay at the Head Office in either intimating the rate or in sanctioning the payment. Though the Field Worker is supposed to do dhowrah visits for three hours in the afternoon, this is seldom done.

8. A complete overhaul of the staff and the method of working of these Centres is necessary. The Field Worker who is better educated should also look after handicraft classes. They should be trained in various crafts and the Centres should be run on the lines of Training-cum-Production Centres of the Community Projects Organisation. Women literacy programme may as well be abandoned till there is a pressing demand for it and there are prospects of its better running. Feeder Centres for running craft classes may be opened near dhowrahs where only women may come to learn the crafts. Better crafts like basket making, tailoring of over-all needed in the collieries, Ambar Charkha, etc., should be introduced. The payment of wages for the work done should not only be adequate but be made promptly and regularly. Organisational reform is of paramount importance. Too much centralisation must be avoided and inspection work should not only be renewed but done earnestly and more frequently. The present unqualified and inefficient staff may either be asked to improve their technical qualifications or may be replaced

by a well qualified staff. It may be useful to appoint a few Honorary Women Workers so that more women are persuaded to come to the Centre. The Officer Incharge Women Welfare Section, should, as far as possible, be made free from her various administrative duties which keep her tied down to the headquarters; she should spend sufficient time in each Centre and organise its activities on right lines.

### *Children Section*

9. The Children Section of the Multi-Purpose Institutes is also not functioning as successfully as it could. There is no set system of educating children in these classes; education is being imparted in a haphazard manner. As the Standing Committee of the Coal Mines Welfare Fund observed, "the education imparted is neither of primary standard nor above it. In fact, it is of no standard." The progress made by the children is obviously very slow which accounts for the reluctance of parents to send their children to these classes. There is no uniformity in the system of distributing free chura, gur, milk, etc., to children in all the Centres. In Andhra Pradesh Centres, UNICEF milk has never been supplied; when we visited, the stocks of chura and gur had also exhausted in these Centres, for some time. In Madhya Pradesh coalfields also, the supply of chura, gur, etc., had not been made for the last 9 to 10 months.

10. Apart from the inmate causes, e.g., backwardness of people, use of children to look after their younger brothers and sisters while their parents are away, their bad habits, e.g., gambling, card playing etc., the administrative lapses have, in this case also, been responsible for the unsatisfactory working of the children Section. Most of the staff have neither the minimum educational qualifications nor the required practical training for teaching the children. There is lack of interest, enthusiasm and the right type of spirit amongst the staff. Enough interest also does not seem to have been taken by the Officer Incharge of the programme. Too much centralisation of administration, e.g., even in the purchase of chura, gur, etc., has led in several cases toordinate delays in arranging their supplies in many Centres, particularly in those situated far off from Dhanbad.

11. Of all the activities of the Multi-purpose Institutes, children's education can bring best results. Perhaps little better service can be done by the Organisation to mine workers than to provide proper education to their children. If this is done systematically and in an effective manner, the Fund in due course might be able to solve, to a considerable extent, the intricate problem of adult literacy. It would be desirable if the Fund takes over complete responsibility for providing education, upto primary standard, to miners' children. It is, however, of prime importance that properly qualified and trained staff should alone be entrusted with the task.

### *Administration*

12. What seems necessary is that somebody at the Institute should be given the overall charge of both the Sections; he/she should be made responsible for the proper functioning of all the activities of the Institutes. The Adult Education Instructor is only of the grade of LDC and it may be difficult to find competent qualified persons on this low pay. The Centre Incharges who have the main responsibility for imparting education and handicrafts training to women are also of the grade of LDC, in their case too it may not

be possible to get the right type of persons on this low pay. It would also be desirable if in place of the Honorary Worker in the Adult Literacy Section, a whole-time person is appointed to look after the recreation work. The Inspectorate staff of the Organisation, to whom some important work of the Institute has been assigned, seems to be more busy with inspection of mines; etc. It should be possible for them to devote more time to the work of the Institute. In many places, local committees are moribund. As they can render great help in improving the work of the Institute, every effort should be made to revive them and to give due consideration to their recommendations.

## APPENDIX XVIII

### STATEMENT SHOWING THE SUMMARY OF CONCLUSIONS/RECOMMENDATIONS OF THE ESTIMATES COMMITTEE CONTAINED IN THE REPORT

| Serial No. | Reference to para No. in the Report | Summary of conclusions/recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I          | 2                                   | 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| I          | 4                                   | The Committee are doubtless aware of the stupendous nature of the problem of extending social security to the whole population as envisaged in Article 41 of the Constitution in the present context of the low level of the country's economy and it will not be possible to implement such a social insurance over the whole of the country within the near future. Nevertheless they recommend that a comprehensive study of the problem may be made on the basis of which a perspective plan may be attempted which will permit progressive extension of such a scheme to cover the whole population.                                                                                                                                                                                                        |
| 2          | 7                                   | The Committee would like to observe that considerable leeway has been made during the last decade or so in enacting progressive labour legislation, not only in the field of social security, but also in other cognate matters. As a matter of fact, the labour laws which have been placed on the statute book would do credit to any modern welfare State. However, enactment of legislation is not an end in itself but only a means. Considerable efforts will be necessary to gear up the administrative machinery in various fields to ensure that the benefits contemplated in the various labour laws are actually made available to those for whom they are intended. The Committee hope that these measures will have a salutary effect on the efficiency of labour and lead to increased production. |
| 3          | 10                                  | The Committee consider that integration of social security schemes as recommended by the Study Group on Social Security would lead to two-fold advantages of laying the foundation of a                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

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comprehensive social security scheme and reducing the overhead costs of the individual schemes and suggest its inclusion in the Third Plan.

4 14 It is obvious that by meeting only once a year or by not meeting at all, the Medical Benefit Council of the Employees' State Insurance Corporation cannot discharge its functions properly. The Committee suggest that as agreed to by the Director General, E.S.I.C. during evidence the Council should meet more often.

5 16 The Committee suggest that efforts should be made to have the Regional Boards of the Corporation set up in Assam and Mysore also without further delay.

6 17 The Committee are of the view that Regional Boards should meet at least twice a year so that they can perform the duties entrusted to them satisfactorily.

7 18 The Committee feel that for the successful working of the Employees' State Insurance Scheme, association of employers and employees with the administration is desirable and this can be secured by setting up Local Committees at all the centres. This is all the more necessary as it is stated that such committees have been successful in 'thrashing out all the troubles'. The Committee therefore recommend that Local Committees should be formed at all the centres early.

8 21 The Committee hope that the measures (mentioned in para 21) would result in early auditing of accounts thereby enabling the balance sheet of the same year to be included in the Annual Report of the Corporation, which will then give a full picture of its financial conditions at one place. They would like the Corporation to include in the annual reports complete annual accounts and not parts of accounts pertaining to two different years as at present.

9 23 The fact that the provision of medical facilities has not made the desired progress seems to indicate that the dual responsibility cast in the administration of the Employees' State Insurance Scheme. i.e. provision of medical facilities being administered by the State Governments and re-

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of the facilities by the Corporation, has not worked satisfactorily. The Committee suggest that the whole problem should be examined so as to remove such hurdles in the way of efficient working of the Scheme. The Act may be amended if necessary.

10 25 The Committee recommend that necessary amendments to the Employees' State Insurance Act should be made early and simplification of the Schemes as recommended by the Valuer expedited.

11 28 The Committee are in entire agreement with the views of the Study Group on Social Security set up by the Ministry of Labour and Employment mentioned in para 28 and urge that the levy of contributions from the employers should be raised immediately as suggested by the Study Group and steps be taken to do away with the transitory provisions of the Act within a reasonable period of time.

12 29 The Committee hope that as a result of special measures adopted the arrears due to the Employees' State Insurance Corporation will diminish considerably and that no arrears will be allowed to become time-barred.

13 30 The Committee recommend that a plan should be drawn up expeditiously to give facilities mentioned in para 30 to all the members who are entitled to them under the Employees' State Insurance Scheme.

14 31 The Committee recommend that more up-to-date amenities in the nature of preventive care such as care of teeth and supply of spectacles and hearing aids should be provided under the Employees' State Insurance Scheme either free or at least at subsidised rates to the workers wherever necessary.

15 32 The Committee suggest that the recommendations of the one man (Mudaliar) committee, whose terms of reference include an assessment of the working of panel and service systems, may be awaited before taking decision in favour of one system or the other. In the meantime the Committee consider that ways should be found for

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overcoming the difficulties of the panel system, but their existence should not by themselves be allowed to vitiate the case for that system which has its own advantages from the point of view of patient doctor relationship.

16            33        The Committee suggest that while giving priority to the workers, the question of throwing open surplus beds in a hospital constructed under the Employees' State Insurance Scheme to the general public may be examined. The State Governments may however be asked to make a bigger contribution when general public is also allowed access to the hospitals of the Corporation. This is particularly important from the point of view of making available specialist services to all living in a particular area.

17            34        The Committee suggest that complaint/suggestion books should be kept in the hospitals and ESI dispensaries and clinics of panel doctors and procedure should be worked out to ensure proper action on the complaints/suggestions recorded. The feasibility of appointing advisory committees for each of the hospitals and dispensaries etc. on which representation may be given to the beneficiaries may also be examined. The complaint/suggestion books should be produced before such committees and the action taken thereon indicated.

18            35        In view of the fact that resort to the practice of obtaining false certificates of sickness seems to be not uncommon under the Employees' State Insurance Scheme, the Committee suggest that firm effective steps should be taken to remedy the situation.

19            37        The Committee hope that the expectation of extending family medical care in all the implemented areas by the end of the Second Plan period will not be belied in practice.

20            38        Since the workers generally have large families, the Committee consider that provision of family planning advice and guidance should be an important function of the Employees' State Insurance Corporation and suggest that it should be provided to all workers as well as families covered

by the Scheme. In this connection the Committee would like to invite attention to para 9 of their 88th Report, where the matter of family planning has been dealt with at greater length.

21 40 The Committee suggest that the process of attaching specific factories to specific local offices and of opening new local offices to relieve the pressure on the existing ones should be expedited so that contribution cards are transferred to the respective local offices at an early date.

22 41 The Committee feel that the workers may not be aware of the facility of getting payment of their cash benefits by money order irrespective of the amount involved at the cost of the Employees' State Insurance Corporation, and therefore not taking advantage of it. They recommend that the various State units may be asked to bring this facility pointedly to the notice of the workers.

23 42 The Committee suggest that the question of extending the Employees' State Insurance Act and the Employees' Provident Fund Act to the State of Jammu & Kashmir in consultation with the Government of the State may be examined.

24 44 The Committee suggest that the Central Board of Trustees of the Employees' Provident Fund Scheme should meet at least twice a year, if not more frequently in future to discharge its functions effectively.

25 45 The Committee are of the view that the Regional Committees should meet at regular intervals if they are to discharge the functions entrusted to them properly. They suggest that a provision should be made in the scheme that the Regional Provident Fund Commissioner who act as Secretary of the Committee may also arrange to call a meeting after consulting the Chairman and that the meetings of each Regional Committee should invariably be convened at least twice a year.

26 46 The Committee suggest that suitable amendment to the rules should be made so as to enlarge the scope of the Regional Committees. Normally all important matters may be referred to the Regional Committees whose advice would be useful.

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27      47      The Committee are of the view that no serious attempt has been made to see that the Regional Committees function effectively. As these Committees are required to be constituted under sub-para (1) of paragraph 4 of the Employees' Provident Fund Scheme 1952, the Committee suggest that the Regional Committees should be formed in the remaining States also. The Committee hope that these bodies would be helpful in explaining the benefits of the Scheme to the workers and in ensuring prompt payment to the beneficiaries.

28      48      The Committee are of the opinion that the steps taken towards decentralising the administration and greater delegation of powers to the State Governments and to their Regional Commissioners in respect of prosecutions, recovery of arrears and other day to day responsibilities, is a move in the right direction and would be useful in popularising the scheme amongst the workers.

29      50      As 52 industries are yet to be covered with about 4,140 establishments employing about 6 lakhs of workers, the Committee consider that the tempo of work should be increased if the expectations are to be fulfilled.

30      51      The Committee are broadly of the view that it would be advisable to extend the benefits of the Scheme to as wide a section of the population as possible. They also suggest that the employees in commercial establishments should be covered gradually.

31      53      (i) The Committee recommend that the decision of Government on the proposal to increase the rate of employers contribution from 6½% to 8½% should be expedited.  
(ii) There is no need to fix any maximum limit for the employees contribution and they should be enabled to save as much as possible on a voluntary basis.

32      56      The administration of the Scheme on a uniform basis in various States was stated as not possible since divergent rulings had been given on certain

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matters (referred to in para 56) by different High Courts. The Committee suggest that if there is any lacuna in the Act it should be made up by bringing forward a suitable amendment to the Act. The Committee are of the view that once the employees are brought under the scheme, they should not normally be deprived of that advantage subsequently.

33        57        The Committee suggest that a decision on the scales of pay and gratuity for the staff of the Regional Offices which was held up pending decision on Pay Commission's Report should now be taken early. They also recommend that the service regulations for the officers and staff of the Organisation should be finalised early.

34        58        The Committee are of opinion that close vigilance over the delays on the payments of advances, refunds and final withdrawals is called for. They consider that the Regional Committees could be usefully entrusted with reviews of cases of delays.

35        59        The Committee are of opinion that refunds and final payments to the members of Provident Fund in instalments would defeat the very purpose of the Scheme. They recommend that the final payment of the Provident Fund Contributions to the members should be made in one lump sum, by drawing on the Forfeiture or Special Reserve Fund of the Scheme which may be recouped from the respective Provident Funds of the individuals after recovery from the employers. Early steps should be taken to constitute the proposed special Reserve Fund.

36        60        The Committee suggest that a decision regarding the grant of loans of members of the Provident Fund for meeting the expenses in connection with the marriages of their sons and daughters, with such restrictions as are considered necessary should be taken at an early date.

37        60        The Committee consider that the proposed amendment to the Employees' Provident Fund Scheme to provide for advances for house building particularly through the co-operatives is a step in the right direction.

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| 38 | 62 | The Committee recommend that necessary steps should be taken to have the full complement of the Inspectors simultaneously with the extension of the Scheme to an industry so that the schedule of inspections laid down may be adhered to.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 39 | 63 | The Committee suggest that the investment policy of the provident fund contributions should be reviewed periodically so that the subscribers might derive the full benefits of the investments of the fund contributions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 40 | 64 | The Committee recommend that arrangements should be made to get the Employees' Provident Fund Act and the Scheme translated into all the regional languages concerned at an early date and copies thereof supplied to the concerned persons, trade unions etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 41 | 65 | The Committee suggest that a pamphlet giving in simple language the salient features of the Employees, Provident Fund Act and the Scheme may be brought out for educating the workers about its benefits. They also recommend that arrangements should be made for giving publicity to the benefits derived under the Scheme in exhibitions, fairs, etc. held by the Government of India and the State Governments. The observations made in regard to publicity apply with equal force to some other schemes and activities of the Ministry of which the workers are unable to take full advantage at present for want of adequate knowledge of the same.                                                                                                                                                         |
| 42 | 66 | The interest recovered from a worker on loans advanced to him was credited to the Interest Suspense' Account and not to the member's account because the interest recovered was slightly higher than the interest paid to workers on their accumulations. This was done to serve as a check on the workers drawing upon the fund even when the need was not urgent. The Committee consider that ways other than these should be found to discourage frequent inroads being made into the accumulations, small as they are. They are unable to endorse the inequitable practice of denying the workers the credit of interest on advances from their own accumulations and suggest that the rules may be reviewed and revised to secure equity without sacrificing the long range protection underlying the scheme. |

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| 43 | 68 | The Committee recommend that standard rules should be framed for utilisation of forfeited amounts of employers' contributions by all exempted factories on the lines of the scheme under examination by the Fund in respect of non-exempted establishments.                                                                                                                                                                                                                                                                                           |
| 44 | 72 | The Committee suggest that the decision taken to delink the Coal Mines Provident Fund Scheme from the Bonus Scheme should be implemented early.                                                                                                                                                                                                                                                                                                                                                                                                       |
| 45 | 74 | The Committee trust that early decision will be taken regarding the construction of the quarters for the staff at Dhanbad and that suitable provision for the staff-quarters made.                                                                                                                                                                                                                                                                                                                                                                    |
| 46 | 76 | The Committee consider the position regarding the balance of Provident Fund Contributions to be realised through certificate cases as unsatisfactory. They feel that the present unsatisfactory position requires investigation and prompt handling since older the arrears, less are the chances of realisation. The Committee suggest that the State Governments should be requested to direct the District Collectors to assist the Coal Mines Provident Fund authorities to realise the amounts which are recoverable as arrears of land revenue. |
| 47 | 77 | At present, interest at the rate of 6½% is added to all the outstanding dues from the employers on principle of equity although there is no provision in the rules or the Act. The Committee suggest that the necessary Amendment to the Act and the rules may be made at an early date.                                                                                                                                                                                                                                                              |
| 48 | 80 | The Committee are of the view that a decision on the bifurcation of the inspection work between the Industrial Relations Machinery and the Coal Mines Provident Fund Commissioner should be taken early since uncertainty in the matter would only make for less systematic enforcement of the Scheme.                                                                                                                                                                                                                                                |
| 49 | 82 | The Committee are of the view that the inspection machinery of the Bonus Scheme should be tightened up to ensure that bonus legitimately                                                                                                                                                                                                                                                                                                                                                                                                              |

due is not denied by the employers by taking recourse to manipulation in attendance record and other unfair means. They consider that these irregularities would be minimised if every worker gets such a pay docket at the time of payment of wages containing an account of the wages payable to him, the wage period and the particulars of fines and deductions. The proposed amendment to the Payment of Wages Act 1936 for this purpose should be expedited.

50        83        The average amount of bonus earned by a worker has increased from Rs. 22.1 to Rs. 33.1 during the years 1956-57 to 1958-59. While appreciating such efforts of the Organisation as have contributed to this result, the Committee are of the view that there is scope for further intensification of effort to achieve better results by putting a stop to malpractices on the part of the employers.

51        84-85      A proposal that portion of the bonus due to labourers may be invested in the National Savings Scheme which was made in a report by the Director, Labour Bureau was under consideration of the Government. As the proposal is in the interest of the workers as well as the country, the Committee recommend that practice should be adopted to the extent possible.

52        86        Since the provision of Coal Mines Provident Fund Scheme and the Employees' Provident Fund Scheme are mostly similar, the Committee do not foresee any major difficulty in merging these two schemes. They suggest that this may be done early. Special provisions may be made to prevent forfeiture of any of the existing benefit by the merger.

53        89        The Committee suggest that the question of extending benefits of the welfare schemes under the Mica Mines Labour Welfare Organisation to the Mica Factory Workers also may be sympathetically examined.

54        90        (i) The Committee observe that there have been heavy shortfalls in the budgeted expenditure of the Coal and Mica Mines Labour Welfare Organisations for a number of years, though there has been some improvement in expenditure during the last one or two years.

(ii) They hope that suitable steps will be taken to avoid delay in the implementation of the schemes by the Mica Mines Labour Welfare Organisation on the lines of those undertaken by the Coal Mines Labour Welfare Organisation also.

(iii) They recommend that the Financial Adviser to the Ministry of Labour and Employment should be appointed as an *ex-officio* member on the different Advisory Committees of both these Organisations.

55 91 (i) The Committee regret to note that while on the one hand the amenities provided to the miners are far from adequate, on the other there are large accumulated balances.

(ii) They invite attention to para 17 of the 20th Report (Second Lok Sabha) of the Public Accounts Committee and trust that the Organisations and the Ministry will take effective steps to ensure maximum utilisation of the funds for the purposes intended in the Acts and give a better account of their performance in the near future.

56 92 (i) The Committee find that 228 houses were lying vacant in Bhuli township mostly in Block 'C' where there was scarcity of water.

(ii) They consider this rather unfortunate and hope that the water scarcity would be overcome (if not already done) and that such situations would not be allowed to arise in future.

(iii) One of the ways of checking the evil of drinking would be to make the days of payment of wages dry days. The Committee would suggest the adoption of such a practice in the Coal-field areas

57 93 Looking to the fact that the Bhuli Township is suffering from some shortcomings relating to some of the basic amenities like inadequate water supply and transport and lack of electricity and marketing facilities, the Committee suggest that they may be overcome and necessary amenities provided early.

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58 95 (i) The Committee understand that so far not a single house has been constructed for mica miners under any of the schemes. The question of undertaking construction work departmentally by the Mica Mines Labour Welfare Organisation, may be finalised early so as to make a beginning during the next financial year.

(ii) They emphasise the need to launch a special drive to accelerate the tempo of the housing programmes for coal and mica miners in order that the targets laid down in the Second Plan may be fulfilled.

(iii) For this purpose they suggest that the financial sanction to the future housing schemes of the Organisation may be obtained sufficiently in advance and their execution according to schedule ensured.

59 96 (i) Looking to the fact that the successive efforts of the Coal and Mica Mines Labour Welfare Organisations for providing minimum housing facilities to miners have not met with the desired response from the mine owners, the Committee have no doubt that suitable amendments to the bye-laws of the Mine Boards of Health by the respective State Governments, which may make it obligatory on the mine owners to provide housing facilities of the prescribed standards to their workers, will have a salutary effect.

(ii) They therefore suggest that the question may be pursued further with the State Governments and taken up in the State Labour Ministers' Conference, if necessary.

60 97 The Committee are in entire agreement with the observations of the Public Accounts Committee contained in para 28 of their Twentieth Report (Second Lok Sabha) and suggest that the question of making it obligatory on the owners of coal and mica mines to provide housing facilities to their workers as in the case of the plantation labour may be decided early.

61 98 (i) Unless the requirement of houses for miners is properly assessed, no perspective housing plan could be formulated on a realistic basis. The

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Committee therefore suggest that a survey may be undertaken by the Coal and Mica Mines Labour Welfare Organisations to determine the reasonable percentage of the miners that ought to be provided with the housing facilities.

(ii) The Committee also recommend that as model employers, all the collieries in public sector should provide adequate housing facilities to the miners employed by them.

62 99 The Committee suggest that the provision of adequate water supply to all the coalfields may be expedited.

63 102 (i) No scheme of periodical medical check up of miners has been introduced to detect diseases, occupational or others. The Committee recommend that the Coal & Mica Mines Labour Welfare Organisations should undertake periodical medical check up of workers in coal and mica mining industries.

(ii) They also wish to stress the need to undertake regular medical check up of the children of miners and to institute a proper school health programme in the children's centres run by the Organisations.

64 103 The Committee suggest that the question of having a T.B. Clinic attached to each of the Regional Hospitals of the Coal and Mica Mines Labour Welfare Funds may be decided without loss of time.

65 104 The Committee suggest that the scheme of domiciliary treatment of T.B. introduced in Bihar and West Bengal may be extended to all coalfields in India and a similar provision be made for the mica mine workers also.

66 105 Since the Ministry of Health are administering the National Malaria Control Programme and granting financial assistance to that effect, the Committee suggest that the question of recovering the expenditure incurred on the anti-malarial operations by the Coal Mines Labour Welfare Organisation from the Ministry of Health on which it is a legitimate claim may be examined.

| 1  | 2   | 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 67 | 106 | (i) The Committee consider that the progress in regard to the provision of pithead baths and creches is extremely unsatisfactory and calls for sufficiently firm measures to ensure compliance of their obligations by the employers.<br><br>(ii) They also stress the need to ensure that the pithead baths are actually located near the pit-heads.                                                                                                                                                                                                                              |
| 68 | 107 | The Committee suggest that the question of providing suitable transport facilities to the children of miners to and from schools, creches etc. may be examined.                                                                                                                                                                                                                                                                                                                                                                                                                    |
| 69 | 108 | The Committee suggest that the question of devising an arrangement whereby refreshments, beverages etc. could be provided if not free, at least at subsidised rates during the certain fixed periods to the miners working underground, may be examined.                                                                                                                                                                                                                                                                                                                           |
| 70 | 110 | (i) The Committee consider it unfortunate that various sections of the Multipurpose Institutes of the Coal Mines Labour Welfare Organisation have remained ineffective in carrying out the objectives in view.<br><br>(ii) The Committee hope that their working will be thoroughly overhauled in the light of the suggestions made by the Evaluation Committee.<br><br>(iii) The Committee would like to reiterate the recommendation of the Evaluation Committee that every effort should be made to revive the local committees which were found to be moribund in many places. |
| 71 | 111 | The Committee suggest that the recommendations of the Evaluation Committee may also be made applicable to the Multipurpose Institutes under the Mica Mines Labour Welfare Organisation.                                                                                                                                                                                                                                                                                                                                                                                            |
| 72 | 116 | The Committee regret that no solution has yet been found for the problem of illicit recruitment under the Tea Districts Emigrant Labour Act, though some suggestions in this respect were made by the Controller of Emigrant Labour, Shillong as early as in 1957. They recommend                                                                                                                                                                                                                                                                                                  |

that an early solution of the problem should be worked out in consultation with the State Government.

73 117 The Committee do not consider it justifiable to have 8 class IV members as against about 15 other members in the staff of the Controller of Emigrant Labour, Shillong. There is no adequate justification to have separate dak office and personal orderlies. They recommend that the number of Class IV staff should be substantially reduced.

74 122 The Committee were informed that the provisions of a large number of I.L.O. conventions though not formally ratified had also been embodied in the existing law and executive procedure and practice. The Committee suggest that steps may be taken to ratify as many of the conventions as possible by suitable legislative measures.

75 123 The Tripartite Committee on ILO conventions which was set up in 1954 has held four sessions so far. The Committee suggest that more frequent meetings of this Committee may be held so that it may follow up its suggestions.

76 127 The Standing Labour Committee was originally intended to be a Standing Committee of the Indian Labour Conference competent to consider subjects specifically referred to it by the main conference. As a matter of practice, it has evolved as a parallel body with plenary powers and now there is practically no difference in their functions. The Committee are of opinion that it is undesirable and wasteful to have two parallel organisations having similar functions and recommend that the feasibility of making the smaller one as the Executive Body of the Indian Labour Conference may be examined.

## APPENDIX XIX

### ANALYSIS OF RECOMMENDATIONS CONTAINED IN THE REPORT

#### I. Classification of Recommendations

##### A. Recommendations for improving the Organisation and working:

S.Nos. 2, 4, 5, 6, 7, 8, 9, 10, 15, 17, 18, 19, 21, 22, 24, 25, 26, 27, 28, 29, 33, 34, 35, 38, 39, 40, 41, 44, 45, 46, 47, 48, 49, 52, 54, 55, 61, 66, 67, 70, 71, 72, 74, and 75

TOTAL

44

##### B. Recommendations for improving and/or extending welfare activities in the country

S. Nos. 1, 13, 14, 16, 20, 23, 30, 31, 32, 36, 37, 42, 43, 50, 51, 53, 56, 57, 58, 59, 60, 62, 63, 64, 65, 68 and 69

27

##### C. Recommendations for effecting economy (including those for augmenting income)

S. Nos. 3, 11, 12, 73 and 76

5

#### II. Analysis of the more important recommendations directed towards economy

| Sl.<br>No. | No. as per<br>summary of<br>recommendations | Particulars                                                                                                                                                                                           |
|------------|---------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1          | 3                                           | Integration of social security schemes would lead to two-fold advantages of laying the foundation of comprehensive social security schemes and reducing the overhead costs of the individual schemes. |
| 2          | 11                                          | Levy of contributions from the employers under ESI Scheme to be raised immediately.                                                                                                                   |
| 3          | 73                                          | Reduction in the class IV staff of the Controller of Emigrant Labour, Shillong.                                                                                                                       |
| 4          | 76                                          | It is wasteful to have two parallel Organisations (Indian Labour Conference and the Standing Labour Committee) having similar functions.                                                              |

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| 12.        | The Cuttack Law Times Office, Cuttack-2.                                   | 37.        | Amar Kitab Ghar, Diagonal Road, Jamshedpur-1.                                    | 61.        | International Consultant Corporation, 48C, Maredpally (East), Secunderabad,—3 (A.P.) |
| 13.        | The New Book Depot, Connaught Place, New Delhi.                            | 38.        | Allied Traders, Motia Park, Bhopal.                                              | 62.        | K. G. Aseervandam & Sons, Cloughpet, P. O. Ongoli, Guntur Distt. (Andhra).           |
| 14.        | The New Book Depot, 79, The Mall, Simla.                                   | 39.        | E.M. Gopalkrishna Kone, (Shri Gopal Mahal), North Chitrai Street, Madura.        | 63.        | The New Order Book Co. Ellis Bridge, Ahmedabad.                                      |
| 15.        | The Central News Agency, 23/90, Connaught Circus, New Delhi.               | 40.        | Friends Book House, M. U., Aligarh.                                              | 64.        | The Triveni Publishers, Masulipatnam.                                                |
| 16.        | Lok Milap, District Court Road, Bhavnagar.                                 | 41.        | Modern Book House, 286, Jawahar Ganj, Jabalpur.                                  | 65.        | Deccan Book Stall, Ferguson College Road, Poona-4.                                   |
| 17.        | Reeves & Co., 29, Park Street, Calcutta-16.                                | 42.        | M. C. Sarkar & Sons (P) Ltd., 14, Bankim Chatterji Street, Calcutta-12.          | 66.        | Jayna Book Depot, Chapparwala Kuan, Karol Bagh, New Delhi-5.                         |
| 18.        | The New Book Depot, Modi No. 3, Nagpur.                                    | 43.        | People's Book House, B-2-829/1, Nizam Shahi Road, Hyderabad Dr.                  | 67.        | Bookland 663, Madar Gate, Ajmer (Rajasthan).                                         |
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