

EIGHTEENTH REPORT

**STANDING COMMITTEE ON LABOUR
(2006-07)**

(FOURTEENTH LOK SABHA)

MINISTRY OF LABOUR AND EMPLOYMENT

**Action taken by the Government on the Recommendations/Observations contained
in the Thirteenth Report of the Standing Committee on Labour on Demands for
Grants for the year 2006-2007 of the Ministry of Labour and Employment**

Presented to Lok Sabha on 12 December 2006

Laid in Rajya Sabha on 12 December 2006



**LOK SABHA SECRETARIAT
NEW DELHI
December 2006/Agrahayana, 1928 (Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR
(2006-2007)**

Shri Suravaram Sudhakar Reddy – CHAIRMAN

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3. Shri Subrata Bose
4. Shri Santasri Chatterjee
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SECRETARIAT

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| 3. Shri R.S. Misra | - | Director |
| 4. Shri N.K. Pandey | - | Under Secretary |
| 5. Smt. Lalita Khanna | - | Committee Officer |

INTRODUCTION

I, the Chairman of the Standing Committee on Labour having been authorised by the Committee to submit the Report on their behalf, present this Eighteenth Report on the action taken by the Government on the recommendations contained in the Thirteenth Report of the Standing Committee on Labour (Fourteenth Lok Sabha) on Demands for Grants-2006-2007 relating to Ministry of Labour and Employment.

2. The Report was presented to Lok Sabha and also laid in Rajya Sabha on 17 May 2006. The Ministry of Labour and Employment furnished their replies indicating action taken on the recommendations contained in that Report on 7 August 2006. The report was considered and adopted by the Standing Committee on Labour at their sitting held on 6 December, 2006.

3. The Report has been divided into the following chapters:-

- I. Report.
- II. Recommendations/Observations which have been accepted by Government.
- III. Recommendations/Observations which the Committee do not desire to pursue in view of Government's reply.
- IV. Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration.
- V. Recommendations/Observations in respect of which replies of the Government are interim in nature.

4. An analysis of the action taken by Government on the recommendations contained in the Thirteenth Report of the Standing Committee on Labour (Fourteenth Lok Sabha) is given in Appendix.

5. For the facility of reference recommendations/observations of the Committee have been printed in thick type in the body of the Report.

New Delhi;
6 December, 2006
15 Agrahayana, 1928 (Saka)

SURAVARAM SUDHAKAR REDDY
CHAIRMAN
STANDING COMMITTEE ON LABOUR

CHAPTER I

REPORT

- 1.1 The Report of the Committee deals with the action taken by the Government on the recommendations contained in the Thirteenth Report on Demands for Grants (Fourteenth Lok Sabha) for the year 2006-2007.
- 1.2 The Thirteenth Report was presented to Lok Sabha and was laid in Rajya Sabha on 17 May 2006. It contained 24 recommendations. Replies of Government in respect of all the recommendations have been examined and are considered as under:-
- (i) Recommendations/Observations which have been accepted by the Government--Paragraph Sl. Nos. 2,4,5,7,9,17 and 23.
 - (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the Government's reply --Paragraph Sl. Nos. 1 and 11.
 - (iii) Recommendations/Observations in respect of which replies of Government have not been accepted by the Committee and which require reiteration--Paragraph Sl. Nos. 3,6,15,16,22 and 24.
 - (iv) Recommendations/Observations in respect of which replies of the Government are interim in nature--Paragraph Sl. Nos. 5,7,8,9,10,12,13,14,18,19,21 and 23.

Recommendation No. 5,9 and 23 have been included in two chapters (II & V) as the replies furnished by Government are interim in nature although these recommendations have been accepted by the Government.

- 1.3 **The Committee desire that action taken notes in respect of recommendations contained in Chapter I and final action taken notes in respect of recommendations contained in Chapter-V for which only interim replies have been given by the Government may be furnished to them at the earliest and in any case not later than 3 months of the presentation of the Report. The Committee will now deal with recommendations/observations in respect of which the replies of the Government have not been accepted by Committee and which require reiteration.**

A General Performance of Ministry of Labour & Employment

Recommendation (Sl. No. 3, para no. 2.21)

- 1.4 The Committee had noted with distress that a large part of funds allocated for the Scheme-- Rehabilitation of Bonded Labour--had lapsed, as the State Governments did not come forward with their proposals for rehabilitation of bonded labour identified by them. The Committee also noted that the Ministry had not been able to get utilization certificates from the States, viz. Andhra Pradesh and Tamil Nadu which were allocated money under the Scheme in previous years. During the course of evidence on Demands-for-Grants, the Committee felt that because of the very title, viz. "Rehabilitation of Bonded Labour Scheme" due to which the State Governments were not coming forward with their proposals because it was stigma on the society and no State Government wanted to become a part to it. The Committee were deeply concerned to note that even after a period of over 60 years of Independence, the country was still following the footsteps of the British. The Committee, therefore, desired that the Ministry should make vigorous efforts to eradicate this prevailing stigma on society and for that matter, if felt necessary the nomenclature of the Scheme be changed so that bonded labour were rehabilitated effectively. The Committee also desired that the Ministry should strengthen its monitoring mechanism with the State Governments so that the utilization certificates were received from them in time. In the opinion of the Committee failure to rehabilitate the bonded labour may lead to social, economic and political problems in the country. They, therefore, strongly recommended that the Ministry should take steps for conducting survey with regard to identification of bonded labour by a Central team in order to ascertain the actual number of bonded labour and then come out with their rehabilitation package in a phased manner.
- 1.5 In response to the above recommendation, the Ministry of Labour & Employment in its action taken reply has stated as follows:-

"The Ministry has taken a proactive approach towards elimination of bonded labour system. Poverty, unemployment/under-employment and illiteracy are the most important factors that contribute to bonded labour. Given the complex socio-economic dimensions of the problems, improvement in the living and working conditions of the working people and their economic condition is crucial to the elimination of bonded labour. The support of various Ministries has been enlisted with a view to adopting a multi-dimensional strategy to ensure that the benefit of development programmes percolates to this group. Bonded Labour is a dynamic problem which may occur/reoccur at any point of time as it is generally linked to socio-economic condition of the working people. Engaging labour as 'bonded' is an offence and punishable under the Act. Bonded Labour is not a sector of employment continuing on regular basis. The Ministry is providing grants to States/UTs. for conducting district wise survey of bonded labour and awareness generation. In view of above, no purpose would be served by undertaking survey of bonded labour at the Central level. So far recommendation relating to monitoring the implementation of the Bonded Labour System (Abolition) Act,

1976 and Centrally Sponsored Plan Scheme is concerned, reply of the Ministry has already been mentioned against Para No. 2.19.”

1.6 The Committee are least satisfied with the reply of the Government as the Government has not cared to pay any heed to their suggestions. Instead of making efforts in the light of Committee’s recommendation, the Government has furnished the similar reply which was furnished by them in the past on different occasions. The Ministry has not even bothered to convene a State Labour Ministers’ Conference to address the issue forcefully. While reiterating their earlier recommendation, the Committee are of strong view that this stigma on the society needs to be dispensed with urgently and for that matter the issue should have been taken up at the highest level. The Committee are further of the opinion that the Cabinet may also be taken into confidence so that immediate remedial measures are taken to identify and rehabilitate the bonded labour in coordination with the concerned State Governments. The Committee may be apprised of the concrete steps taken and progress achieved within a period of three months of presentation of this Report to Parliament.

Recommendation (Sl. No. 6, para no. 2.24)

- 1.7 The Committee regretted to note that so far only 4 hospitals and 206 dispensaries had been working for 44 lakh beedi workers in the country, which was obviously quite inadequate to provide proper Medicare for them. The Committee also note that only OPD was functioning at Bihar Sharief hospital and the construction and electrical work was still in process in Sagar (Madhya Pradesh) and Mukkadal (Tamil Nadu). Further, these hospitals had not been provided with medical and para medical staff. The Committee noted with deep concern that there had been an inordinate delay in making these hospitals functional. The Committee, therefore, desired that these hospitals should be made functional by providing adequate medical and para medical staff and equipments within a set time frame. The Committee were also of the view that as an interim measure, the Ministry may engage ESIC or some similar agency to administer these hospitals and Beedi Workers Welfare Cess fund may be utilized for the purpose. The Committee also desired that a 50 - bedded hospital should be set up at Orissa, particularly in Sambalpur region which is highly concentrated zone of beedi workers.

- 1.8 Reply of the Government to the above recommendation is as follows:-

“The Civil construction work at Sagar has already been completed, while both civil and electrical work at Mukkudal are over. Necessary orders for creation of posts of Doctors and paramedical staff for all the three hospitals have been issued. For appointment of Medical Officers, the Health and Family Welfare Department has already been requested. After the Ministry of Health fills up the posts of doctors, other paramedical staff may be posted and the Hospitals will be made fully functional.

With regard to setting up of a new Hospital for beedi workers, it is reiterated that no new project for setting up of Hospitals /Dispensaries can be considered, in the light of the recommendation of the Committee on Non Plan Expenditure. Further, the fund position under the Beedi Workers Welfare Fund and also the difficulties faced in getting doctors in our existing Hospitals/Dispensaries, restrain us to move towards setting up of more Hospitals/Dispensaries. It is also reiterated that a new pilot scheme has already been launched to provide one time grant of Rs.2.00 crore to State Governments/Employees State Insurance Corporation/Reputed NGOs/Beedi Workers Group Housing Cooperative Society/Central or State Government recognized Private Hospitals/Dispensaries intending to construct new Hospitals/Dispensaries or to expand the existing Hospitals/Dispensaries so as to provide medical facilities to beedi workers and their dependents.”

1.9 The Committee had, while noting that only 4 hospitals and 206 dispensaries have been established to cater to the need of 44 lakh beedi workers, observed that these were quite inadequate in view of a large number of beedi workers in different part of the country . They had, therefore, recommended that two hospitals i.e Sagar (M.P.) and Mukkudal (T.N.) should be made fully functional without any delay. In this regard, the Committee were informed that electrical work was yet to be taken up in Sagar (M.P.) whereas civil & electrical work of Mukkudal (T.N.) has since been completed, but both the hospitals have not yet been made fully functional. The Committee take a serious view of avoidable and inordinate delay and feel dismayed that sanction for establishing these two hospitals were issued in October 2001 as stated in Demands for Grants for the year 2003-2004 (32nd Report) but these hospitals could not be made functional even after 5 years. The Committee, therefore, desire the Government to sort out the problems coming in the way of making these hospitals fully functional and report the progress to the Committee within two months of presentation of this report positively.

1.10 Further, the Committee are not satisfied with the reply of the Government with regard to the setting up of a 50 bedded hospital in Sambalpur region of Orissa, that no project for setting up of hospitals/dispensaries can be considered owing to recommendations by Committee on Non-Plan Expenditure. The Committee deplore that instead of exploring the possibilities under the ‘pilot scheme’ for setting up the hospital for beedi workers of Sambalpur Region, the Government has taken the shield of a recommendation of the Committee which does not have any bearing on beedi workers. The Committee reiterate their earlier recommendation and urge upon the Government that a 50 - bedded hospital whether under the ‘pilot scheme’ wherein a one time grant of Rs.2 crore is provided or under any other plan/scheme, should be set-up immediately in District Sambalpur (Orissa) which is a highly concentrated zone of beedi workers to provide better medical facilities to them and their dependents.

B. Minimum Wages:-

(Recommendation Sl. No. 15, para no. 3.83)

- 1.11 The Committee had noted with concern that there was a widespread disparity in the minimum wages across the country, i.e. Rs. 55.00 – 57.00 in Arunachal Pradesh and Rs. 54.00 – 150.00 in Tamil Nadu. In some of the States, the minimum wages were even below the National Floor Level Wages fixed by the Central Government. The Committee note that 26 State Governments/Union Territory Administrations had been able to link minimum wages with variable dearness allowance (VDA). The Committee, therefore, desired that the Ministry should take up the issue with the State Governments/Union Territory Administrations and ensure that the minimum wages for any scheduled employment fixed by them was kept at least at the National Floor Level Minimum Wages, which was Rs. 66.00 per day. The Committee also desired that the minimum wages should be revised where these had not been revised so far. Also vigorous efforts should be made to pursue the State Governments/UTs to link the minimum wages to the Consumer Price Index (CPI) and to revise the variable dearness allowance after every six months or when CPI increases by 50 points, whichever was earlier. Further, the Committee noted that with the passage of time, new employments such as security workers, Safai Karamcharis and other similar employments had come up. They, therefore, desired that the parent Act should be suitably amended to cover these new employments both in the Central and State spheres at the earliest.

Reply of the Government

- 1.12 The States / Union Territories are requested from time to time to fix minimum wages in the scheduled employment not less than the National Floor Level Minimum Wage of Rs.66/- per day, which is a non statutory measure. Revision of wages is a continuous process; the Appropriate Governments revise it as per the provisions of Minimum Wages Act, 1948. Further State Governments have been forwarded the recommendations of the Parliamentary Committee for necessary action in their respective jurisdiction.

1.13 The Committee having been concerned that there exists a widespread disparity in the minimum wages across the country in different States/UTs, i.e. Rs. 55.00-57.00 in Arunachal Pradesh and Rs. 54.00-150.00 in Tamil Nadu and in some of the States the minimum wages are below the National Floor Level Wage fixed by the Central Government, recommended that the Ministry should take up the matter with the State Governments/UT administrations to ensure that minimum wages fixed by them should be at least as per the National Floor Level Minimum Wages, i.e Rs.66/- for unskilled labourers. The Committee also recommended that the Parent Act should be suitably amended to cover new employments, such as Security Workers, Safai Karamcharis and others both in the Central & State spheres at the earliest.

1.14 The Committee take a serious note of the Government's stereotyped reply that revision of wages is a continuous process; the appropriate Governments revise it as per the provisions of Minimum Wages Act, 1948. Further State Governments have been forwarded the recommendations of the Parliamentary Committee for necessary action in their respective jurisdiction. The Central Government cannot shun its responsibility by merely forwarding the recommendations of the Parliamentary Committee for necessary action to State Governments and then go into a deep slumber. The Committee reiterate their earlier recommendation that vigorous efforts should be made by the Ministry to pursue the State Governments/UTs to link the minimum wages to the Consumer Price Index & release the variable DA after every six months or when Consumer Price Index increases by 50 points, whichever is earlier.

Recommendation (Sl. No. 16, para no. 3.84)

1.15 The Committee were surprised to note that though the Minimum Wages Act, 1948 was enacted for statutorily fixing the minimum remuneration payable to workers employed in industries where the payment was substantially lower than in similar industries, but has failed to define the term “minimum wages” or to lay down any norms/criteria for fixation of minimum wages in the Act. The Committee also noted that there were several concepts in vogue. The Committee, therefore, desired that the Ministry should bring out an amendment in the Minimum Wages Act to define the term “minimum Wages” or criteria/norms for fixing the minimum wages so that the employers were legally bound to pay the prescribed wages.

1.16 Reply of the Government to the above recommendation is as follows:-

“Well-defined norms as decided by 15th Session of Indian Labour Conference and the guidelines issued by Supreme Court in the Reptakos Brett and Company Vs its workers are in existence, which are being taken into account by the appropriate Governments while fixing/revising minimum wages. The system is working reasonably well.”

1.17 **The Committee are constrained to note that despite the guidelines issued by the Apex Court being in force, various Governments have not taken up the matter of fixing/revising the Minimum wages. The Committee recommended that the Government should bring out an Amendment to the existing ”Minimum Wages Act, 1948” to define the term ‘Minimum Wages’ and criteria/norms for fixing the minimum wages so that the employers are legally bound to pay minimum wages at the National Floor Level i.e Rs.66/- at present. The Committee are dismayed at the reply of the Government that the system is working reasonably well in States. The Committee, reiterating their earlier recommendation, urge the Government to bring out an amendment in the Minimum Wages Act, 1948 so that the labour are not deprived of their legitimate rights of minimum wages. They also strongly recommend that the State Governments be relentlessly persuaded to ensure that minimum wages are paid to the workers, till an amendment in the Act is carried out.**

C. Employees Provident Fund Organisation

(Recommendation Sl. No. 22, para no. 3.138)

- 1.18 The Committee had regretted to note that the outstanding Provident Fund arrears as on 31.03.2005 were to the tune of Rs. 2,144.82 crore while a large number of cases were pending under Sections 7A and 14B of the EPF & MP Act, 1952 and also under section 406/409 of the IPC for quite a long time. The Committee, therefore, recommended that the Government should strengthen and gear up its machinery to recover the outstanding dues by taking appropriate legal action against the defaulting establishments besides taking urgent steps for early disposal of pending cases under the EPF & MP Act, 1952.

- 1.19 Reply of the Government to the above recommendation is as follows:-

“It is submitted that out of Rs.2144.82 crore an amount of Rs.1,586.66 crore (73.97%) is **not immediately realizable** on account of the following reasons:

- **Stays granted by courts/Tribunal.**
- **Establishments having gone into liquidation/closure/lock-outs.**
- **Sanction of Installments by courts/higher authorities.**
- **Establishment in respect of which Rehabilitation Scheme had been sanctioned by the BIFR.**

Nonetheless, for recovery of outstanding dues, necessary actions as provided in the Act are taken and a substantial amount of old arrears is recovered. However, the amount of arrears keeps on increasing on account of fresh default. Hence, recovery of arrears is a continuous process. As the procedure prescribed for recovery calls for series steps to be taken for recovery of dues, it has some impact on timelines.

With a view to liquidate the arrears and to gear up the recovery machinery targets for recovery are set each year.”

1.20 The Committee having noted that the outstanding Provident Fund arrears as on 31.3.2005 is an alarming figure to the tune of Rs. 2,144.82 crore and recommended that the Government should strengthen and gear up its machinery to recover the outstanding dues by taking appropriate legal action against the defaulting establishments under the EPF & MP Act, 1952 and also under section 406/409 of the IPC. The Committee are not satisfied with the reply of the Government that an amount of Rs. 1,586.66 crore is not realizable because of certain reasons. The reasons adduced for non-realization of arrears, though appear to be plausible, arrears can not be left unrecovered notwithstanding such reasons. Appropriate conciliatory administrative/quasi-judicial/judicial ways including setting up of Fast Track Court for speedy disposal of cases have to be explored for expeditious realization of the arrears. The Committee reiterate their earlier recommendation and desire that for staggering outstanding amount, appropriate stringent legal action against the defaulting establishments, including establishments which had gone into liquidation/closure/lockout may be initiated in appropriate courts of law in a time bound manner. At the same time, disposal of pending cases under EPF & MP Act, 1952 may be taken up with top priority.

(Recommendation Sl. No. 24, para no. 3.140)

- 1.21** The Committee had noted that under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, the rate of interest was determined by the Central Government in consultation with the Central Board of Trustees, Employees' Provident Fund, which was a tripartite body consisting of the representatives of the employers, employees and Central/State Governments. The Committee had been apprised that the Central Government shall satisfy itself that there was no overdrawal on the Interest Suspense Account as a result of debit thereto, of the interest credited to the accounts of the Members. The Committee expressed their deep concern on lowering the rate of interest which was affecting nearly 4 crore subscribers. In the opinion of the Committee, while taking any decision on important issues concerning workers, the Government should always evolve a consensus. The Committee, therefore, urged the Government that while taking a decision in deciding the rate of interest, the trade unions representing employees' side must invariably be consulted. The Committee also desired that the rate of interest from 2005-2006 onwards should be at a realistic level, which may be at least @9.5% so that the interest of subscribers could be safeguarded.

Reply of the Government

- 1.22** In accordance with the provisions contained in Para 60(1) of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, the rate of interest to be credited to the account of members is declared by the Government in consultation with the Central Board, which is a tripartite body consisting of representatives of employees, employers as well as the Government. It is therefore submitted that any decision including the rate of interest, taken by the Board is invariably arrived at, only after taking into due consideration, views of members of the Board, including Trade Union representatives.

The Central Board of Trustees, Employees' Provident Fund recommends the rate of interest as per provisions contained in Para 60(4) of the Employees' Provident Fund Scheme, 1952 which reads as "in determining the rate of interest, the Central Government shall satisfy itself that there is no overdrawal on the Interest Suspense Account as a result of debit thereto of the interest credited to the accounts of members". Thus, the rate of interest, which is recommended by CBT is purely based on the estimates of the incomes likely to be earned during the next year and the corresponding liability during this period in paying the interest to members. In view of this, the question of providing unrealistic rate of interest does not arise. The interest rate is always linked to the income of the Fund.

1.23 The Committee had noted that since lowering the rate of EPF interest adversely affected nearly 4 crore subscribers and as such the Government should, before taking any decision on important issues concerning workers, evolve a consensus. The Committee had also recommended that the rate of interest from 2005-2006 onwards should be at a realistic level, i.e. 9.5 per cent. The Committee are aware of the limitations within which the rate of interest on EPF is determined. However, 9.5% interest is not unreasonable in the prevailing scenario, particularly when the overall prices are rising rapidly. The Committee, therefore, reiterate their earlier recommendation and urge the Government that whatever be the parameter in fixing the rate of interest, the interests of the EPF subscribers should be safeguarded by providing them the interest at the rate of 9.5 per cent .

CHAPTER II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (SI No. 2, Para 2.20)

- 2.1 The Committee also note that the Ministry's Budget Estimates (BE) have been reduced considerably at the Revised Estimates stage (RE) by Rs.19.48 crore during the year 2005-06. The Committee further note that the percentage expenditure over BE in the first and second quarters is 13.79 and 37.64 respectively. The Committee note that the BE are approved through the Parliament through Annual Budget of the Government of India usually in the month of April / May which are subsequently reduced or enhanced by the Ministry of Finance at the RE Stage on the basis of expenditure incurred during the first six months of the year i.e. upto 30th September or on pro rata basis. The Committee, therefore, recommend that the Ministry should improve their planning and tone up their monitoring over the schemes so that reduction at RE stage could be minimal and their expenditure remains at even pace throughout the year to avoid reduction at RE stage.

Reply of the Government

- 2.2 The reasons for less expenditure during 1st and 2nd quarter during the financial year 2005-06 have been explained in Para 2.19. However, all the implementing agencies have been advised to monitor the progress of expenditure closely and regularly in future.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (SI. No. 4, Para No. 2.22)

- 2.3 The Committee has noted that the expenditure on Holding of Lok Adalat is Rs. 0.32 lakh, which comes to 16 percent of RE upto February 2006. The Committee also note that out of 15000 industrial dispute cases, the Lok Adalats have been able to settle only 2000 cases so far out of which 124 cases were settled during the year 2005-06. During the course of discussion, the committee were informed that expenditure on Lok Adalat has not been satisfactory because of disagreement between the employers and the workers. In the opinion of the committee the raison d'être of setting up of Lok Adalat is defeated if the cases regarding industrial disputes are not settled promptly which in turn increase the suffering of workers. The Committee, therefore, strongly recommend that the Ministry should make all out efforts to utilize the funds earmarked for setting up of Lok Adalat so that the

number of pending cases are settled without further loss of time. Efforts should also be made to popularize this scheme by generating awareness among the litigating parties so that the increasing trend in piling up of cases is checked, which will in turn enable the workers to get justice in time.

Reply of the Government

- 2.4 The advice of the committee has been noted. Infact, this Ministry has always been urging the Central Government Industrial Tribunal cum Labour Courts (CGITs) to make optimum use of the funds sanctioned under the Lok Adalat Scheme so that both awareness of the usefulness of Lok Adalats increases and a sizable number of disputes are settled through them. In spite of the best efforts of this Ministry, it is felt that it would take some more time time for Lok Adalats to become popular. However, following the advice of the committee, this Ministry would strive more vigorously to make the Lok adalats more popular in the CGITs.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 5, para no. 2.23)

- 2.5 The Committee is constrained to note that no comprehensive survey has been conducted by the Government to identify the beedi workers in the country. The Committee have been informed that Labour Department of the State Governments have been asked to launch a fresh survey in all the Stated to identify and issue identity cards to all beedi workers including workers engaged by contractors and "Ghar Khata". Responses only from Rajasthan, Bihar and Uttar Pradesh have been received so far. The Committee are confident that the actual strength of beedi workers is much more than the figures provided by the Government. The committee therefore, strongly recommends that the Ministry should pursue the State Government to conduct a survey in all the States on at top priority but before March 2007 so that the welfare measures for all beedi workers could be taken up in letter and spirit. For this the matter should be taken up at the highest level.

Reply of the Government

- 2.6 The Labour & Rehabilitation (D) Department, Government of Kerala, has informed that since most of the beedi workers are either working through contractor or are home workers, the authorized officers in the State Government do not issue Identity cards to these home workers as there is little evidence to prove that they are actually beedi workers. Similarly contract workers are also denied Identity cards. They have accordingly suggested that the Identity cards issued by the Kerala Beedi & Cigar Workers Welfare Fund Board may be treated as valid evidence that they are actual beedi workers. The suggestion is being examined. The Labour Department of Tripura has intimated that survey of beedi workers has already been

taken up and is expected to be completed within a month or so and thereafter Identity cards to all eligible beedi workers will be issued in consultation with Labour Welfare Organisation.

The Labour Departments of other State Governments have also been requested to launch fresh campaign in their States to identify and issue identity cards to all eligible beedi workers. The Welfare Commissioners working under the Labour Welfare Organisation have been directed to assist the State Government authorities in the matter to the extent possible as per the resources available with them. As desired by the Committee, the matter is being taken up at the highest level to ensure that all beedi workers including “Ghar Khata” beedi workers are identified and issued Identity Cards.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 7, para no. 3.24)

- 2.7 The Committee are constrained to note that safety, health and working conditions of workers employed in mines are the concern of the Central Government, i.e. Directorate General of Mines Safety who besides inspection of mines undertakes investigations into all fatal and non-fatal accidents in coal and non-coal mines yet the number of fatal and non-fatal accidents in these mines are increasing year after year. The Committee also note that during the last 20 years the size of the mining industry has increased manifold whereas the staff strength of DGMS remained static. The complete general inspection in coal mines should be done at least once a year whereas it is done once in 2-3 years in coal mines, even non-coal mines and many small mines remain uninspected for 3-5 years. The Committee are not happy that the Department has only 127 inspecting staff against the sanctioned strength of 164. It is strange that the Government appears to be apathetic to the inadequate inspecting staff which can have serious though avoidable, repercussions on safety operations in the mines. The Committee, therefore, strongly feel that there should be no compromise insofar as the safety of mine workers is concerned and therefore, recommend that the general inspection of coalmines should be done annually. For this the mine safety machinery should be augmented by filling up the posts of inspecting staff without further delay.

Reply of the Government

- 2.8 Selection process for filling up the 9 posts of Deputy Director of Mines Safety (Mining) has been completed by the UPSC and their joining is under process. The proposal for revival of other vacant posts is under examination as per the existing orders of the Ministry of Finance. With the increased strength of officers, the frequency of inspection of mines would further improve.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 9, para no. 3.26)

- 2.9 The Committee further note that the penalties prescribed for different categories of offences under the Mines Act are very meager which do not have any deterrent effect on potential offenders. The Committee, therefore, desire that the Ministry should bring suitable amendments in the Mines Act to provide for stringent punishment against the offenders.

Reply of the Government

- 2.10 The amendment of the Mines Act, 1952 is under process and penalties have been suitably amended in the proposal.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 17, para no. 3.85)

- 2.11 **The Committee is unhappy to note that the number of claim cases filed under the Minimum Wages Act in the Central sphere since 2002 – 2003 are increasing. The condition in the State sphere is worse in respect of cases filed and settled. The Committee also note that the Ministry has failed to furnish the figures relating to the year 2005–2006. The Committee note that the Act is not being implemented in letter and spirit due to inadequate enforcement machinery and also due to the penalty imposed under Section 22 of the Act being minimal. The Committee, therefore, desire that the enforcement machinery should be strengthened both in the Central and State spheres besides carrying out suitable amendment in the Minimum Wages Act, 1948 for enhancement of punishment.**

Reply of the Government

- 2.12 Action has to be initiated by the appropriate Governments . State Governments have been already sent a copy of the recommendations of the Parliamentary Standing Committee in this regard. The recommendation for enhancing the punishment under the Minimum Wages Act, 1948 will be taken into account while considering the amendment proposals.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 23, para no. 3.139)

- 2.13 The Committee note with concern that out of 4.11 crore subscribers, only 29.73 lakhs have been allotted National Social Security Number (NSSN) under the Re-inventing EPF India Scheme. The Committee, therefore, desire that National Social Security Number should be allotted to every subscriber without further delay so that those are utilised by them for their early settlement of Provident Fund claims and pension from any of the offices of Employees' Provident Fund throughout the country.**

Reply of the Government

- 2.14 Initially the activity of allotment of National Social Security Number was restricted to six pilot offices only viz. Kota, Mangalore, Hyderabad, Indore, Patna and Delhi. Later it was extended to the entire country.**

The activity was halted in between due to certain issues pending decision by the Government like nomenclature of Unique Identity Number and SSN card. Now the activity for allotment of SSN has been resumed and instructions in this regard have already been issued to all the field offices. The vendor has been finalized and instructions have been issued to the vendor to deploy his resources and take necessary steps. The allotment of SSN for the entire country shall be completed at the earliest.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

CHAPTER III

RECOMMENDATIONS/OBSERVATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENTS REPLY

Recommendation (Sl. No. 1, para no. 2.19)

- 3.1 The Committee note that though the Ministry of Labour and Employment has improved their expenditure in Plan and Non-Plan allocations during the year 2005-06, the percentage expenditure over Revised Estimates on some of the Scheme up to February 2006 is not upto the mark under the Plan allocation such as Holding of Lok Adalats, DGMS, Rehabilitation of Bonded Labour – Grants-in-aid, Women Cell, Training, etc. The reasons put forth by the Ministry for less expenditure on some of the Schemes, such as delay in finalization of DGS&D rate contract, delay in book debit of account in respect of work done through CPWD, non receipt of materials purchased through DGS&D rate contract, non receipt of EFC approval in respect of plan scheme “MID”, non-finalization of some construction work through CPWD, delay in approval of two Centrally Sponsored Schemes by Cabinet Committee on Economic Affairs (CCEA), non-receipt of Utilization certificates in respect of Rehabilitation of Bonded Labour are not convincing. The Committee is of the firm view that the monitoring and coordination of the Ministry with other implementing agencies are not at all effective. The Committee, therefore, lay stress on improving planning and coordination between the Ministry and the implementing agencies so that schemes specifically aimed at the welfare of labour become functional and the funds allocated are not left unspent. For this the Ministry may address itself with other construction agencies such as State Public Works Departments in order to get the construction work completed well within the time. The Committee further desire that in future the Ministry should not only ensure that the funds allocated for various schemes are utilized during the same financial year, but also devise effective steps to improve their monitoring over the respective schemes.

Reply of the Government

- 3.2 The reason for underutilization of the allocated fund is that for settling cases through Lok Adalats by the Central Government Industrial Tribunal cum Labour Courts (CGITs), mutual consent of the litigating parties is essential. The CGITs act as the facilitators only. The percentage expenditure over R.E, on the Scheme of “Holding of Lok Adalats as an Alternative Grievance Redressal Mechanism”, upto February, 2005, was not upto the mark because of the fact that Lok Adalats could not be held in large number by the CGIT-cum-Labour Courts. Settlement of disputes through Lok Adalats demands adequate awareness among the litigating parties of their

efficacy and active cooperation and willingness on the part of the Managements and Workmen to get the disputes settled through this method. The Presiding Officer plays the role of a facilitator. However, the concept of Lok Adalat is getting popular gradually and, it is hoped, that with the passage of time, awareness of its effectiveness will increase manifold and the scope of optimum utilization of the funds allocated under this Scheme will go up considerably in the years to come.

- 3.3 The plan scheme “Modernization of Information Database relating to Mines Management (MID)” was merged with the other plan scheme “Modernization of Survey Capabilities (MSC)” of Directorate General of Mines Safety (DGMS) as per the suggestion of Planning Commission. The Expenditure Finance Committee approved the merged plan scheme “Modernization of Information Database (MID)” on 13.12.2005. Hence, there was less plan expenditure under this plan scheme. The pace of plan expenditure is monitored periodically at various levels.
- 3.4 The grants under the Centrally Sponsored Plan Scheme for rehabilitation of Bonded Labour etc. are released to the States / Union Territories on receipt of complete proposals and clearance of utilization certificates for the grants released to the State concerned during the previous years. Moreover, under the direction of the Prime Minister’s Office, a Special Group had been constituted under the Chairmanship of Union Labour and Employment Secretary has been monitoring the implementation of the Bonded Labour System (Abolition) Act, 1976 and the Centrally Sponsored Scheme for rehabilitation of bonded labour etc. by holding frequently region wise meetings.
- 3.5 The Scheme relating to Grants-in-aid to Research, Training & Academic Institutes, Voluntary Organisations & Non-Governmental Organisations for undertaking research in approved labour related matters aims at providing financial assistance in the form of Grants-in-aid to Research & Academic Institutions, Voluntary Organisations & Non-Governmental Organisations for undertaking research in approved labour related matters for securing policy inputs to enrich future labour policies. There is direct relationship between good study proposals received /approved and expenditure incurred. Moreover, the studies so conducted under the Scheme are need based and are recommended by concerned subject matter Divisions in the Ministry. However, releases are made after due scrutiny of utilization certificates, approval of the competent authority etc. Hence, the Ministry was able to utilize an amount of Rs.9.39 lakh, i.e., 47% of Rs.20.00 lakh (RE) during the financial year 2005-06 for this Scheme. The efforts would be made in future to utilize the entire amount earmarked for the Scheme without compromising with the due diligence.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 11, para no. 3.57)

- 3.6 The Committee note that although Directorate General, Factory Advice Service & Labour Institutes (DGFASLI) is entrusted with an important task of improving safety, health and welfare of workers in factories and ports, there is an increase in reported accidents in some of the major ports. The inspections of ships and oil tankers carried out by the organization during the year 2005 are also not satisfactory. The Committee further note that a number of posts are lying vacant in the organization. The Committee are not at all happy with the situation keeping in view the fact that number of fatal accidents in docks/ports are increasing. The Committee, therefore, desire that the organization should carry out more number of inspections in factories and docks to identify the causes leading to accidents and suggest the remedial measures to minimize the accidents. The Committee, therefore, desire that the Ministry should strengthen the organization by providing sufficient manpower to enable it to intensify the activities on improving working conditions, health status of workers and other matters relating to industrial safety in the factories and ports.

Reply of the Government

- 3.7 The Inspectorates under DGFASLI are making all possible efforts to carry out as many inspections as possible with a view to identify the hazards, create and maintain safe working conditions and prevent accidents as well. Considering the means of transportation as the major cause for about 40% of the total fatal accidents in the ports, DGFASLI had directed all the Port Trusts to undertake the following measures for controlling these accidents:

- **Constitution of sub-committee of the Safety Committees.**
- **Imparting training on defensive driving to the drivers of transport equipment.**
- **Display of traffic signs and cautionary notices.**
- **Maintenance of roads and approaches, etc.**

To strengthen the organization, a proposal for filling up few posts by Direct Recruitment has been sent to the Screening Committee for review. Further, 17 Group – A posts namely Deputy Director General, Director (Safety) and Assistant Director (Safety) have already been advertised by UPSC. Other posts are at various stages of recruitment. A proposal for creation of 14 posts for Regional Labour Institute, Faridabad is under examination.

CHAPTER IV

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE AND WHICH REQUIRE REITERATION

Recommendation (Sl. No. 3, para no. 2.21)

- 4.1 The Committee note with distress that a large part of funds allocated for the Scheme- Rehabilitation of Bonded Labour has lapsed as the State Governments did not come forward with their proposals for rehabilitation of bonded labour identified by them. The Committee also note that the Ministry has not been able to get utilization certificates from the States, viz. Andhra Pradesh and Tamil Nadu which were allocated money under the Scheme in previous years. During the course of evidence on Demands-for-Grants, the Committee felt that because of the very title, viz. “Rehabilitation of Bonded Labour Scheme” due to which the State Governments are not coming forward with their proposals because it is stigma on the society and no State Government wants to become a part to it. The Committee are deeply concerned to note that even after a period of above 60 years of Independence, the country is still following the footsteps of the British. The Committee, therefore desire that the Ministry should make vigorous efforts to eradicate this prevailing stigma on society and for that matter, it felt necessary by changing the nomenclature of the Scheme so that bonded labour are rehabilitated effectively. The Committee also desire that the Ministry should strengthen its monitoring mechanism with the State Governments so that the utilization certificates are received from them in time. In the opinion of the Committee failure to rehabilitate the bonded labour may lead to social, economic and political problems in the country. They, therefore, strongly recommend that the Ministry should take steps for conducting survey with regard to identification of bonded labour by a Central team in order to ascertain the actual number of bonded labour and then come out with their rehabilitation package in a phased manner

Reply of the Government

- 4.2 The Ministry of Labour and Employment has taken a proactive approach towards elimination of bonded labour system. Poverty, unemployment/under-employment and illiteracy are the most important factors that contribute to bonded labour. Given

the complex socio-economic dimensions of the problems, improvement in the living and working conditions of the working people and their economic condition is crucial to the elimination of bonded labour. The support of various Ministries has been enlisted with a view to adopting a multi-dimensional strategy to ensure that the benefit of development programmes percolates to this group. Bonded Labour is a dynamic problem which may occur/reoccur at any point of time as it is generally linked to socio-economic condition of the working people. Engaging labour as 'bonded' is an offence and punishable under the Act. Bonded Labour is not a sector of employment continuing on regular basis. The Ministry is providing grants to States/UTs. for conducting district wise survey of bonded labour and awareness generation. In view of above, no purpose would be served by undertaking survey of bonded labour at the Central level. So far recommendation relating to monitoring the implementation of the Bonded Labour System (Abolition) Act, 1976 and Centrally Sponsored Plan Scheme is concerned, reply of the Ministry has already been mentioned against Pare No. 2.19.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 6, para no. 2.24)

- 4.3 The Committee regrets to note that so far only 4 hospitals and 206 dispensaries have been working for 44 lakh beedi workers in the country, which is obviously quite inadequate to provide proper Medicare for them. The Committee also note that only OPD is functioning at Bihar Sharief hospital and the construction and electrical work is still in process in Sagar (Madhya Pradesh) and Mukkadal (Tamil Nadu). Further, these hospitals have not been provided with medical and para medical staff. The Committee note with deep concern that there has been an inordinate delay in making these hospital functional. The Committee, therefore, desires that these hospitals should be made functional by providing adequate medical and para medical staff and equipments within a set time frame. The Committee are also of the view that as an interim measure, the ministry may engage ESIC or some similar agency to administer these hospitals and Beedi Workers Welfare Cess fund may be utilized for the purpose. The Committee also desire that a 50 bedded hospital should be set up at Orissa, particularly in Sambalpur region which is highly concentrated zone of beedi workers.

Reply of the Government

- 4.4 The Civil construction work at Sagar has already been completed, while both civil and electrical work at Mukkadal is over. Necessary orders for creation of posts of Doctors and paramedical staff for all the three hospitals have been issued. For appointment of Medical Officers, the Health and Family Welfare Department has already been requested. After the Ministry of Health fills up the posts of doctors, other paramedical staff may be posted and the Hospitals will be made fully functional.

With regard to setting up of a new Hospital for beedi workers, it is reiterated that no new project for setting up of Hospitals /Dispensaries can be considered, in the light of the recommendation of the Committee on Non Plan Expenditure. Further, the fund position under the Beedi Workers Welfare Fund and also the difficulties faced in getting doctors in our existing Hospitals/Dispensaries, restrain us to move towards setting up of more Hospitals/Dispensaries. It is also reiterated that a new pilot scheme has already been launched to provide one time grant of Rs.2.00 crore to State Governments/Employees State Insurance Corporation/Reputed NGOs/Beedi Workers Group Housing Cooperative Society/Central or State Government recognized Private Hospitals/Dispensaries intending to construct new Hospitals/Dispensaries or to expand the existing Hospitals/Dispensaries so as to provide medical facilities to beedi workers and their dependents.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 15, para no. 3.83)

- 4.5 The Committee note with concern that there is a widespread disparity in the minimum wages across the country, i.e. Rs. 55.00 – 57.00 in Arunachal Pradesh and Rs. 54.00 – 150.00 in Tamil Nadu. In some of the States, the minimum wages are even below the National Floor Level Wages fixed by the Central Government. The Committee note that 26 State Governments/Union Territory Administrations have been able to link minimum wages with variable dearness allowance (VDA). The Committee, therefore, desire that the Ministry should take up the issue with the State Governments/Union Territory Administrations and ensure that the minimum wages for any scheduled employment fixed by them is kept at least at the National Floor Level Minimum Wages, which is Rs. 66.00 per day. The Committee also desire that the minimum wages should be revised where these have not been revised so far. Also vigorous efforts should be made to pursue the State Governments/UTs to link the minimum wages to the Consumer Price Index (CPI) and revise the variable dearness allowance after every six months or when CPI increases by 50 points, whichever is earlier. Further, the Committee note that with the passage of time, new employments such as security workers, safai karamcharis and other similar employments have come up. They, therefore, desire that the parent Act should be suitably amended to cover these new employments both in the Central and State sphere at the earliest.

Reply of the Government

- 4.6 The States / Union Territories are requested from time to time to fix minimum wages in the scheduled employment not less than the National Floor Level Minimum Wage of Rs.66/- per day, which is a non statutory measure. Revision of wages is a continuous process; the Appropriate Governments revise it as per the provisions of Minimum Wages Act, 1948. Further State Governments have been forwarded the

recommendations of the Parliamentary Committee for necessary action in their respective jurisdiction.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 16, para no. 3.84)

- 4.7 The Committee are surprised to note that though the Minimum Wages Act, 1948 was enacted for statutorily fixing the minimum remuneration payable to workers employed in industries where the payment was substantially lower than in similar industries, but has failed to define the term “minimum wages” or to lay down any norms/criteria for fixation of minimum wages in the Act. The Committee also note that there are several concepts in vogue. The Committee, therefore, desire that the Ministry should bring out an amendment in the Minimum Wages Act to define the term “minimum Wages” or criteria/norms for fixing the minimum wages so that the employers are legally bound to pay the prescribed wages.

Reply of the Government

- 4.8 Well-defined norms as decided by 15th Session of Indian Labour Conference and the guidelines issued by Supreme Court in the Reptakos Brett and Company Vs its workers are in existence, which are being taken into account by the appropriate Governments while fixing/revising minimum wages. The system is working reasonably well.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 22, para no. 3.138)

- 4.9 The Committee regret to note that the outstanding Provident Fund arrears as on 31.03.2005 are to the tune of Rs. 2,144.82 crore while a large number of cases are pending under Sections 7A and 14B of the EPF & MP Act, 1952 and also under section 406/409 of the IPC for quite a long time. The Committee, therefore, recommend that the Government should strengthen and gear up its machinery to recover the outstanding dues by taking appropriate legal action against the defaulting establishments besides taking urgent steps for early disposal of pending cases under the EPF & MP Act, 1952.

Reply of the Government

- 4.10 It is submitted that out of Rs.2144.82 crore an amount of Rs.1586.66 crore (73.97%) is **not-immediately realizable** on account of the following reasons:
- **Stays granted by courts/Tribunal.**
 - **Establishments having gone into liquidation/closure/lock-outs.**

- **Sanction of Installments by courts/higher authorities.**
- **Establishment in respect of which Rehabilitation Scheme had been sanctioned by the BIFR.**

Nonetheless, for recovery of outstanding dues, necessary actions as provided in the Act are taken and a substantial amount of old arrears is recovered. However, the amount of arrears keeps on increasing on account of fresh default. Hence, recovery of arrears is a continuous process. As the procedure prescribed for recovery calls for a series steps to be taken for recovery of dues, it has some impact on timelines.

With a view to liquidate the arrears and to gear up the recovery machinery targets for recovery are set each year.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 24, para no. 3.140)

- 4.11 The Committee note that under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, the rate of interest is determined by the Central Government in consultation with the Central Board of Trustees, Employees' Provident Fund, which is a tripartite body consisting of the representatives of the employers, employees and Central/State Governments. The Committee has been apprised that the Central Government shall satisfy itself that there is no overdrawal on the Interest Suspense Account as a result of debit thereto, of the interest credited to the accounts of the Members. The Committee express their deep concern on lowering the rate of interest which is affecting nearly 4 crore subscribers. In the opinion of the Committee, while taking any decision on important issues concerning workers, the Government should always evolve a consensus. The Committee, therefore, urge the Government that while taking a decision in deciding the rate of interest, the trade unions representing employees' side must invariably be consulted. The Committee also desires that the rate of interest from 2005-2006 onwards should be at a realistic level, which may be at least @9.5% so that the interest of subscribers could be safeguarded.**

Reply of the Government

- 4.12 In accordance with the provisions contained in Para 60(1) of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, the rate of interest to be credited to the account of members is declared by the Government in consultation with the Central Board, which is a tripartite body consisting of representatives of employees, employers as well as the Government. It is therefore submitted that any decision including the rate of interest, taken by the Board is invariably arrived at, only after taking into due consideration, views of members of the Board, including Trade Union representatives.**

The Central Board of Trustees, Employees' Provident Fund recommends the rate of interest as per provisions contained in Para 60(4) of the Employees' Provident Fund Scheme, 1952 which reads as "in determining the rate of interest, the Central Government shall satisfy itself that there is no overdrawal on the Interest Suspense Account as a result of debit thereto of the interest credited to the accounts of members". Thus, the rate of interest, which is recommended by CBT is purely based on the estimates of the incomes likely to be earned during the next year and the corresponding liability during this period in paying the interest to members. In view of this, the question of providing unrealistic rate of interest does not arise. The interest rate is always linked to the income of the Fund.

CHAPTER V

RECOMMENDATIONS/OBSERVATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE

Recommendation (Sl. No. 5, para no. 2.23)

5.1 The Committee is constrained to note that no comprehensive survey has been conducted by the Government to identify the beedi workers in the country. The Committee have been informed that Labour Department of the State Governments have been asked to launch a fresh survey in all the States to identify and issue identity cards to all beedi workers including workers engaged by contractors and "Ghar Khata". Responses only from Rajasthan, Bihar and Uttar Pradesh have been received so far. The Committee are confident that the actual strength of beedi workers is much more than the figures provided by the Government. The committee therefore, strongly recommends that the Ministry should pursue the State Government to conduct a survey in all the States on at top priority but before March 2007 so that the welfare measures for all beedi workers could be taken up in letter and spirit. For this the matter should be taken up at the highest level.

Reply of the Government

5.2 The Labour & Rehabilitation (D) Department, Government of Kerala, has informed that since most of the beedi workers are either working through contractor or are home workers, the authorized officers in the State Government do not issue Identity cards to these home workers as there is little evidence to prove that they are actually beedi workers. Similarly contract workers are also denied Identity cards. They have accordingly suggested that the Identity cards issued by the Kerala Beedi & Cigar Workers Welfare Fund Board may be treated as valid evidence that they are actual beedi workers. The suggestion is being examined. The Labour Department of Tripura has intimated that survey of beedi workers has already been taken up and is expected to be completed within a month or so and thereafter Identity cards to all eligible beedi workers will be issued in consultation with Labour Welfare Organisation.

5.3 The Labour Departments of other State Governments have also been requested to launch fresh campaign in their States to identify and issue identity cards to all eligible beedi workers. The Welfare Commissioners working under the Labour Welfare Organisation have been directed to assist the State Government authorities in the matter to the extent possible as per the resources available with them. As desired by the Committee, the matter is being taken up at the highest level to ensure that all beedi workers including "Ghar Khata" beedi workers are identified and issued Identity Cards.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 7, para no. 3.24)

- 5.4 The Committee are constrained to note that safety, health and working conditions of workers employed in mines are the concern of the Central Government, i.e. Directorate General of Mines Safety who besides inspection of mines undertakes investigations into all fatal and non-fatal accidents in coal and non-coal mines yet the number of fatal and non-fatal accidents in these mines are increasing year after year. The Committee also note that during the last 20 years the size of the mining industry has increased manifold whereas the staff strength of DGMS remained static. The complete general inspection in coal mines should be done at least once a year whereas it is done once in 2-3 years in coal mines, even non-coal mines and many small mines remain uninspected for 3-5 years. The Committee are not happy that the Department has only 127 inspecting staff against the sanctioned strength of 164. It is strange that the Government appears to be apathetic to the inadequate inspecting staff, which can have serious though avoidable, repercussions on safety operations in the mines. The Committee, therefore, strongly feel that there should be no compromise insofar as the safety of mine workers is concerned and therefore, recommend that the general inspection of coal mines should be done annually. For this the mine safety machinery should be augmented by filling up the posts of inspecting staff without further delay.

Reply of the Government

- 5.5 Selection process for filling up the 9 posts of Deputy Director of Mines Safety (Mining) has been completed by the UPSC and their joining is under process. The proposal for revival of other vacant posts is under examination as per the existing orders of the Ministry of Finance. With the increased strength of officers, the frequency of inspection of mines would further improve.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 8, para no. 3.25)

- 5.6 The Committee regret to note that the number of prosecution launched against the erring managements are piling up year after year as the disposal rate is very meager in a year. The committee also note that the Ministry of Labour and Employment in consultation with the Ministry of Law, Justice and Company Affairs has requested the Registrar-General of various High Courts to designate one Judicial Magistrate/Metropolitan Magistrate in the District exclusively to deal with the cases under the Mines Act, 1952. Although, the High Courts of Allahabad, Patna, Rajasthan, Tamil Nadu and Andhra Pradesh have agreed to the proposal but most

of the States where pendency of cases is large in number are yet to follow suit. The Committee, therefore, strongly desire that the remaining High Courts should be persuaded to designate the Judicial Magistrate to liquidate the pending cases.

Reply of the Government

- 5.7 The matter is being taken up with the Registrar Generals of the remaining High Courts, who have not yet designated the Judicial Magistrate / Metropolitan Magistrate to liquidate the pending cases.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 9, para no. 3.26)

- 5.8 The Committee further note that the penalties prescribed for different categories of offences under the Mines Act are very meager which do not have any deterrent effect on potential offenders. The Committee, therefore, desire that the Ministry should bring suitable amendments in the Mines Act to provide for stringent punishment against the offenders.

Reply of the Government

- 5.9 The amendment of the Mines Act, 1952 is under process and penalties have been suitably amended in the proposal.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 10, para no. 3.27)

- 5.10 The Committee noticed during their recent visit to ONGC (Mumbai High) that there were 52 fatal accidents due to Helicopter crash and BHN fire incident. The Ministry has informed that there is no Central law on safety, health and welfare of workers applicable beyond the limit of territorial waters. In the year 1997, the Ministry of Labour and Employment proposed to extend through a suitable amendment in the existing Oil Mines Regulations, 1984 applicable up to territorial water to cover offshore operations beyond territorial waters. The Rajya Sabha Committee on Subordinate Legislation considered the matter in 1997 but the same was not approved. The Committee are of the view that there should be timely intervention in cases of unsafe conditions, which result in occurrence of accidents. The Committee, therefore, desire that the Oil Mines Regulations, 1984 should be suitably amended on a top priority to provide safety and occupational health to off-shore workers beyond the limits of territorial waters.

Reply of the Government

5.11 The matter is under consideration.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 12, para no. 3.58)

5.12 The Committee note with distress that Ennore Port, which has become a major port in the country and handling a large number of containers and bulk cargo, does not have any Inspectorate of Dock Safety as per the scale laid down in the Schedule appended to the Regulations. The Committee have been informed that the proposal for creation of necessary posts and setting up of Inspectorate at Ennore is still under consideration of the Ministry. The Committee fail to understand as to why the Inspectorate of Dock Safety at Ennore Port has not so far been set up as this Port started functioning as a Major Port since March, 1999 and therefore, desire that there should not be any further delay in setting up the office of Inspectorate at Ennore Port with full infrastructure.

Reply of the Government

5.13 The Inspectorate of Dock Safety, Chennai, is presently looking after the activities at the Ennore Port. The setting up of the Inspectorate of Dock Safety at Ennore Port will be done after creating the necessary posts. This matter is under examination in consultation with the DGFASLI and the Ministry of Finance.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 13, para no. 3.59)

5.14 The Committee regret to note that the Regional Labour Institute (**RLI**) at Faridabad is still in the formative stage even after taking possession of land from the Haryana Government in March, 2000 for construction of its own building. The Ministry has now informed that the matter is being pursued with the concerned agencies, such as CPWD, HUDA, etc. by an officer of DGFASLI, stationed at Faridabad for its early completion. The Committee are least satisfied with the reply as more than six years have elapsed and the Ministry has not been able to achieve its objective to cater to the needs of the northern area in relation to safety and health. The Committee, therefore, desire that the Ministry should make all efforts to complete its building by the end of June, 2006 so as to make the Institute fully functional.

Reply of the Government

5.15 The construction of RLI - Faridabad buildings (Office block, Auditorium, Hostel, Utilities, etc.) is nearing completion and CPWD has promised to hand over the

building to DGFASLI by the end of June, 2006. The matter is being pursued with the officials of CPWD for timely completion of the project.

Though RLI – Faridabad building is not yet completed, the officer stationed at Faridabad is carrying out some of the technical activities relating to occupational safety and health in the northern region in association with the officials of RLI, Kanpur & Central Labour Institute, Mumbai.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 14, para no. 3.60)

- 5.16 The Committee note that there are numerous legislations, e.g. Dock Workers (Safety, Health and Welfare) Act, 1986; Factories Act, 1948, Mines Act, 1952, etc. dealing with Occupational Safety and Health (OSH) in a fragmented manner resulting in duplication in some areas. The Committee have been informed that the draft Bill on the Occupational Safety and Health Bill, 2002 was prepared and circulated amongst the State Governments / Union Territories for their comments. 26 State Governments / Union Territories have so far furnished their comments, which are under examination of DGFASLI. The Committee fail to understand as to why the Government has not been able to bring an umbrella legislation on occupational safety and health even after a lapse of 4 years. The Committee, therefore, desire that an umbrella legislation on safety and health of workers should be enacted without further delay to secure the safety and health of workers against the risk.

Reply of the Government

- 5.17 The comments received from 26 States / Union Territories on the proposal duly compiled along with the comments of DGFASLI are under the active consideration of Ministry of Labour & Employment.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 18, para no. 3.99)

- 5.18 The Committee note with concern the present level of utilization of seats located for trade apprentices in establishments both in the Central and State Sectors, the percentage of which is 89% and 69% respectively. The situation is dismal in this regard particularly in Faridabad (69%), under Central Sector and less than 50% in Arunachal Pradesh, Bihar, Chhattisgarh, Goa, Manipur, Rajasthan and Uttaranchal in State Sector. The position in respect of seats located and seats utilized in Graduate, Technician and Technician (Vocational) apprentices is even worse, i.e. only 46%. The Committee is distressed to note that the percentage of seats located and seats utilized in respect of persons with disabilities in Central and State Sectors

is less than 3. The Committee is not happy with the situation and therefore, urges the ministry to take up the matter with both the Central and State establishments urgently so that the gap between the seats located and utilized is bridged in all the trades. Also 3% seats reserved for persons with disabilities should be fully utilized in all the trades. For this the matter may be taken up with the Ministry of Human Resource Development and the State Governments on priority. Steps taken and progress achieved in this regard should be communicated to the Committee at regular intervals.

Reply of the Government

- 5.19 The Regional Directorate of Apprenticeship Training, Faridabad, State Apprenticeship Advisers of Arunachal Pradesh, Bihar, Chhattisgarh, Goa, Manipur, Rajasthan and Uttaranchal State and Addl. Apprenticeship Adviser, Department of Secondary & Higher Education, Ministry of Human Resources Development have been requested to make concerted efforts to achieve 100% utilization of seats in all the trades and full utilization of 3 % seat reserved for persons with disabilities. Further they have been requested that the steps taken by them and progress achieved on above matter may be communicated to the Directorate General of Employment, urgently.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 19, para no. 3.114)

- 5.20 The Committee is surprised to note that though the DGE&T provides training facilities to women in the country to increase employability among women of different age groups from various socio-economic strata through NVTI/RVTIs, the percentage of expenditure in RVTI Kolkata and RVTI Vadodara is in the range of 64-72 up to February 2006. The Committee also note that 68 vacancies of Training Officers (TOs) and Vocational Instructors (VIs) are lying vacant since August 1996, thus affecting the normal functioning of these institutes. The Committee take a serious note of this sorry state of affairs and call upon the Ministry to fill these vacant posts within a year positively. The Committee may also be apprised of the concrete progress in this regard every quarter till needful is done. The Committee further desire that the Government should take immediate steps to replace the obsolete and unserviceable equipments in order to increase the proficiency of the

trainees in the specialized fields in all the institutes. The Committee also desires that the funds allocated for the purpose should be fully utilized so that the objectives of the vocational training programmes are achieved to the maximum extent.

Reply of the Government

5.21 (i) It is submitted that percentage expenditure for RVTI Kolkata and Vadodara was less due to the following reasons: -

- a) For RVTI Kolkata the expenditure on electricity during 2004-05 was very high, though the State Electricity Board was requested to reduce the tariff but did not reduce it. To meet high expenses, Budget provisions was kept during 2005-06, however, later on the State Electricity Board agreed for reduction in overall bill by curtailing the connected electrical load for the Institute. Since the electricity bill was reduced during 2005-06, the expenditure incurred was less otherwise there was no major saving. The savings of this institute were diverted and utilized for other institutes.
 - b) For RVTI Vadodara it was planned to start a new training course during 2005-06 but the EFC approval could be obtained in March 2006, therefore, new training course could not be started and there were savings during 2005-06. The new course is being started in 2006-07 w.e.f. August 2006.
- (ii) As regards filling up of vacant posts, due to various economy instructions difficulties were being faced in getting the posts revived. Now the issue has been taken up by Secretary (Labour & Employment) with the Secretary (Expenditure) for his interventions to get the posts revived.
- (iii) To replace the obsolete and unserviceable equipments all the NVTI/RVTIs have been instructed to take necessary action.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 21, para no. 3.137)

5.22 The Committee are constrained to note that out of the 39.7 crore strong workforce in the country, only 4.11 crore workers have so far been covered under the

Employees' Provident Fund Scheme. The committee also note that during the Special Drive launched from January to March 2005 a total of 19,854 establishments were covered and 6,02,669 workers were made members of the Fund. The Committee are not satisfied with this state of affairs. In the opinion of the Committee, therefore, strongly recommend that the Government should intensify its efforts vigorously for providing social security cover to every single eligible person both in the organised and unorganised sectors. The Committee desire that special drives may be launched at regular intervals in order to cover more number of establishments. The Committee also recommend that the Enforcement Officers of the organisation should henceforth be earmarked areas and the concerned Assistant Commissioner be made personally accountable for any lapse or laxity in this regard. Further, the Central Office of EPFO should strengthen its monitoring mechanism over the Regional Offices and progress achieved in regard to coverage of establishments should be communicated to the Committee at regular quarterly intervals.

Reply of the Government

- 5.23 The Government is exploring every possible step to cover the maximum number of workers both in organized and unorganized sectors. Recently, "Railways: (excluding India Railways) has been included in the classes of establishments for coverage under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and more recently the workers in "Information Technology" sector have also been included in the classes of establishment.
- 5.24 The Employees' Provident Fund Organization had launched the 'Compliance 2001' programme keeping in view the changed economic policy of liberalization and globalisation. Under this programme, routine inspections by the enforcement officers were dispensed with and emphasis was given to promote voluntary compliance. By the revised procedure, inspections were to be conducted only after appropriate input and authorization. Though the programme has been effective in certain areas e.g. gathering of inputs/information for coverage of establishments, detection of default through the Computerised Compliance Tracking System (CCTS), etc., tendency of evasion / under-reporting has also been noticed. This could be due to lack of periodical inspection. The Standing Committee time and again for reviewing this policy has made Recommendations/Observations. Accordingly, it has been decided to evaluate the performance of the Compliance 2001 programme and place a suitable proposal for the consideration of the Central Board of Trustees, Employees' Provident Fund . The decision of the Board on the matter will be intimated to the Standing Committee in due course.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

Recommendation (Sl. No. 23, para no. 3.139)

- 5.25 The Committee note with concern that out of 4.11 crore subscribers, only 29.73 lakh have been allotted National Social Security Number (NSSF) under the Re-inventing EPF India Scheme. The Committee, therefore, desire that National Social Security Number should be allotted to every subscriber without further delay so that those are utilised by them for their early settlement of Provident Fund claims and pension from any of the offices of Employees' Provident Fund throughout the country.**

Reply of the Government

- 5.26 Initially the activity of allotment of National Social Security Number was restricted to six pilot offices only viz. Kota, Mangalore, Hyderabad, Indore, Patna and Delhi. Later it was extended to the entire country.**

The activity was halted in between due to certain issues pending decision by the Government like nomenclature of Unique Identity Number and SSN card. Now the activity for allotment of SSN has been resumed and instructions in this regard have already been issued to all the field offices. The vendor has been finalised and instructions have been issued to the vendor to deploy his resources and take necessary steps. The allotment of SSN for the entire country shall be completed at the earliest.

(Ministry of Labour and Employment O.M. No.H-11013/7/2006-Coord dated 7 August 2006)

NEW DELHI;

6 December 2006
15 Agrahayana, 1928 (Saka)

SURAVARAM SUDHAKAR REDDY

Chairman
Standing Committee on Labour

EXTRACTS OF MINUTES OF THE FIFTH SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON WEDNESDAY, 6 DECEMBER, 2006

**The Committee met from 1500 hours to 1700 hours in Committee Room `E',
Parliament House Annexe, New Delhi.**

PRESENT

Shri Suravaram Sudhakar Reddy – CHAIRMAN

MEMBERS

LOK SABHA

2. Shri Subrata Bose
3. Shri Santasri Chatterjee
4. Shri Thawar Chand Gehlot
5. Shri Mohammad Tahir Khan
6. Shri Virendra Kumar
7. Smt. C.S. Sujatha

RAJYA SABHA

8. Shri K. Chandran Pillai
9. Ms. Pramila Bohidar
10. Shri Rahul Bajaj

SECRETARIAT

- | | | | |
|----|-----------------|---|-----------------|
| 1. | Shri N.K. Sapra | - | Joint Secretary |
| 2. | Shri R.S. Misra | - | Director |

2. At the outset, the Hon'ble Chairman welcomed the Members and apprised them about two draft reports on the action taken replies received from the Ministry of Labour and Employment and the Ministry of Textiles on the Thirteenth and Fourteenth Reports on the Demands for Grants for the year 2006-2007.

3. The Committee first took up the draft Eighteenth Report on the Action taken by the Government on the Recommendations/Observations contained in the Thirteenth Report of the Standing Committee on Labour on Demands for Grants for the year 2006-2007 of the Ministry of Labour and Employment for consideration and adoption. The Committee adopted the report with the following modifications:

Page No.5	Para No.1.9	Line No.8	To <u>delete</u> the words, “ due to certain problems’ <u>after</u> the words, “fully functional.”
		14	<u>Insert</u> the words, ‘two months’ instead of three months and <u>add</u> “positively” after ‘report’.
Page No.7	Para No.1.13	Line No.7	<u>Add i.e</u> ‘Rs.66/- for unskilled labourers’ <u>after</u> the words “Minimum wages.”
Page No.8	Para No.1.17	Line No.7	<u>Insert i.e</u> ‘Rs.66/- at present’ <u>after</u> the Words, “National Floor Level.”

4. XX XX XX

5. The Committee authorized the Chairman to finalise the Reports by incorporating the above amendments and present the same to Parliament on their behalf.

6. XX XX XX

The Committee then adjourned.

APPENDIX-II

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE THIRTEENTH REPORT OF THE STANDING COMMITTEE ON LABOUR (FOURTEENTH LOK SABHA)

		Total	Percentage
I.	Total number of Recommendations	24	
II.	Recommendations/Observations which have been accepted by Government (Sl. Nos. 2,4,5,7,9,17&23) (Total-7)		29.2%
III.	Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies (Sl. Nos. 1 and 11) (Total-2)		8.3%
IV.	Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee and which requires reiteration (Sl. Nos. 3,6, 15,16,22 and 24)(Total-6)		25%
V.	Recommendations/Observations in respect of which final replies of Government are of interim in nature (Sl. Nos. 8,10,12,13,14,18,19,20 and 21)(Total -9)		37.5%

			100%
