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**STANDING COMMITTEE ON LABOUR
(2009-2010)**

FIFTEENTH LOK SABHA

MINISTRY OF LABOUR AND EMPLOYMENT

**DEMANDS FOR GRANTS
(2009-2010)**

THIRD REPORT



LOK SABHA SECRETARIAT

NEW DELHI

December, 2009/Agrahayana 1931 (Saka)

THIRD REPORT

STANDING COMMITTEE ON LABOUR (2009-2010)

(FIFTEENTH LOK SABHA)

MINISTRY OF LABOUR AND EMPLOYMENT

DEMANDS FOR GRANTS (2009-2010)

Presented to Lok Sabha on 17.12.2009

Laid in Rajya Sabha on 17.12.2009



LOK SABHA SECRETARIAT

NEW DELHI

December, 2009/Agrahayana 1931 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON LABOUR (2009-2010)

SHRI HEMANAND BISWAL-CHAIRMAN

MEMBERS

LOK SABHA

2. Shri M. Anandan
3. Shri P. Balram (Mahabubabad)
4. Dr. Shafiqur Rahman Barq
5. Shri Sudarshan Bhagat
6. Shri Hassan Khan
7. Shri Kaushalendra Kumar
8. Shri P. Lingam
9. Shri Hari Manjhi
10. Shri P.R. Natarajan
11. Km. Mausam Noor
12. Shri S. Pakkirappa
13. Shri Ramkishun
14. Shri Mahendra Kumar Roy
15. Shri Chandu Lal Sahu
16. Shri Murari Lal Singh
- ***17. Shri Raj Babbar
18. Vacant
19. Vacant
20. Vacant
21. Vacant

RAJYA SABHA

22. Shri G. Sanjeeva Reddy
23. Shri Rudra Narayan Pany
- **24. Shri Pyarelal Khandelwal
25. Shri Rajaram
26. Smt. Renubala Pradhan
27. Shri G.N. Ratanpuri
- *28. Shri Mohammad Adeeb
29. Vacant
30. Vacant
31. Vacant

* Changed the nomination from Committee on Labour to Committee on Commerce w.e.f. 17th September, 2009.

** Expired on 6th October, 2009.

*** Nominated w.e.f. 3rd December, 2009.

SECRETARIAT

1. Shri Devender Singh	-	Joint Secretary
2. Shri B.S. Dahiya	-	Director
3. Shri Ashok Sajwan	-	Additional Director
4. Smt. Archana Srivastva	-	Senior Executive Assistant

INTRODUCTION

I, the Chairman of the Standing Committee on Labour 2009-10 having been authorized by the Committee to submit the Report on their behalf, present this Third Report of the Ministry of Labour and Employment on Demands for Grants for the year 2009-2010.

2. The Committee considered the Demands for Grants pertaining to the Ministry of Labour and Employment for the year 2009-2010 which were laid on the Table of the House on 13.07.2009. Thereafter, the Committee took evidence of the representatives of the Ministry of Labour and Employment on 30.9.2009. The Committee considered and adopted the Report at their sitting held on 15.12.2009.

3. The Committee wish to express their thanks to the officers of the Ministry of Labour and Employment for placing before them the detailed written notes on the subject and furnishing the information as desired by the Committee in connection with the examination of the Demands for Grants and tendering evidence before the Committee.

4. The Committee would also like to place on record their deep sense of appreciation of the commitment, dedication and valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix of the Report.

New Delhi;
15th December, 2009
24 Agrahayana 1931(Saka)

HEMANAND BISWAL
CHAIRMAN
STANDING COMMITTEE ON LABOUR

CHAPTER-I

REVIEW OF STATUS OF IMPLEMENTATION OF THE RECOMMENDATIONS CONTAINED IN THE TWENTIETH REPORT OF THE STANDING COMMITTEE ON LABOUR ON DEMANDS FOR GRANTS (2008-2009) RELATING TO THE MINISTRY OF LABOUR AND EMPLOYMENT

1.1 The Standing Committee on Labour presented their Twenty Eighth Report on Demands for Grants (2008-2009) relating to the Ministry of Labour and Employment on 22.4.2008. Out of 15 recommendations, 10 recommendations (1,2,3,4,5,7,9,10,13 and 14) were accepted by the Government. In respect of 4 recommendations (6,11,12 and 15) replies of the Government were not accepted and hence were reiterated by the Committee in their Thirty Second Report. Reply of the Government was interim in nature in respect of 1 recommendation (8).

1.2 The Standing Committee on Labour presented their Thirty Second Action Taken Report (Action taken by the Government on recommendations contained in Twenty Eighth Report, Fourteenth Lok Sabha) on 24.10.2008. A gist of operational portion of recommendations contained in the Twenty Eighth Report of the Committee is as under:

I. Recommendations which were accepted by the Government

Rec.No.1: **General Performance**- *Taking concrete measures for Improving planning process and strengthening monitoring mechanism for better utilization of funds.*

The Ministry informed that it has been the constant endeavour of the Ministry to formulate plan schemes with utmost care and monitor their effective implementation.

Rec.No.2: **General Performance** - *Thoroughly reviewing expenditure monitoring Mechanism to ensure even pace of expenditure in all quarters to avoid reduction at RE stage.* The Ministry stated that progress of expenditure is reviewed regularly by Bureau Heads. Plan schemes are reviewed regularly at the level of Member (LEM) on half yearly basis. Secretary (L&E) also reviews the pace of expenditure in periodical meetings with Divisional Heads and Financial Adviser to identify the main hurdles and steps to overcome them.

Rec. No.3: **General Performance** - *Reasons for shortfall in utilization of allocated funds to the North Eastern States and to achieve the 10% target out of the total budgetary allocation to North Eastern States* - The Ministry informed that Plan Scheme in North East is being monitored consistently and all efforts are being made to step up expenditure allocated to North East States.

Rec.No.4: **Employees Provident Fund Scheme – The Committee recommended creation of Intelligence circles for gathering information, launching of special drives from time to time and all other steps which are considered proper for enhancing the coverage.** The Ministry stated that a sub-Committee is examining the issue in detail and is expected to submit its report shortly. Intelligence circles are already in existence and special drives are also launched from time to time for bringing the coverable establishments under the purview of the Act.

Rec.No.5: **Employees Provident Fund Scheme – The Committee desired that a suitable mechanism, apart from Computerized Compliance Tracking System (CCTS), be devised to identify the defaulting establishments for initiating penal action against them including black listing.** The Ministry stated that the recommendation made by the Committee are being placed before the sub-Committee on strategic adjustments in Compliance 2001 programme for consideration and evolving suitable mechanism for checking default.

Rec.No.7 **Employees' State Insurance Scheme – The Committee desired that all out efforts should be made to fill up the vacant positions in the organisation in a time-bound manner.** The Ministry stated that a sub-Committee of Central Board of Trustees (CBT), EPF is considering the issue.

Rec.No.9: **Employees' State Insurance Scheme – The Committee recommended that the social security benefits under the ESIC should invariably be extended to all establishments irrespective of the number of workers engaged therein.** The Ministry replied that in view of the fact that the provision of medical care by the concerned State Governments is a pre-requisite before extending the Scheme to any sector of employment, the scope of coverage of the Scheme is being extended gradually in a phased manner depending upon the infrastructure for providing medical care.

Rec.No.10: **Employees' State Insurance Scheme – The Committee noted that ESI Hospitals at Kolhapur and Bibvewadi are ready for commissioning since 1997. Similarly, the hospital at chinchwad also remains to be commissioned. Therefore, the Committee recommended that ESIC should explore all possible avenues to make the hospitals operational without any further delay if they are to be owned and operated by ESIC itself till such an amendment is brought forward.** The Ministry informed that ESI Corporation has approved amendments in ESI Act for running of the Hospitals through third party participation. ESI Hospital at Chinchwad has already been commissioned and handed over to the State Government of Maharashtra on 14.4.08. The ESI

Hospital at Bibvewadi would be run by the State Government of Maharashtra and the proposal to commission ESI Hospital, Kolhapur by State Government of Maharashtra has been sent to the Government for approval by the Director, ESI, Maharashtra.

Rec.No.13:**Functioning of CLC (Central) - The Committee recommended that necessary action should begin in right earnest to review the functioning of the Office of the Chief Labour Commissioner with a view to bringing in radical changes in its functioning and to fill up all the vacant positions at the earliest to make it more efficient and result-oriented.** The Ministry stated that action has already been initiated at appropriate level for filling up of the vacant posts.

Rec.No.14:**Child Labour - The Committee urged upon the Government to draw a strategy wherein the periodical survey of child labour is automatically take care of.** The Ministry stated that Government of India has already initiated process to conduct a nation wide survey of child labour. Under the NCLP Scheme, the project societies are also given funds twice during a plan period to conduct child labour survey in their districts.

II. Recommendations which were reiterated by the Committee in their Thirty-Second Report

Rec.No.6: **Employees' Provident Fund Scheme – Enhancement in wage ceiling : The Committee recommended that the rate of contribution be restructured to nullify the adverse impact on Employees' Pension Scheme, 1995 after the wage ceiling for the purpose of coverage is increased.** The Ministry stated that the matter would be placed before the 'Pension Implementation Committee' and the 'Committee for Comprehensive Review of the Employees' Pension Scheme, 1995' for evolving a suitable mechanism.

In their final action taken reply, the Ministry submitted that it would require either a one time contribution by the member or a regular enhanced future contribution, so as to cover the escaped liability of the past. Hence,, if the maximum wage limit is increased without such an actuarial correction, the Fund would suffer a loss.

Rec.No.11:**Contract Workers – Ascertaining exact number of contract workers : The Committee recommended that all essential steps should be taken henceforth to devise a suitable and foolproof mechanism to ascertain the exact number of contract workers**

employed in the various establishments of the public and the private sector. The Ministry furnished that since the State Governments are the appropriate government in respect of majority of establishments, action has been initiated for associating the State governments in the matter.

In their Final Action Taken reply, the Ministry furnished the same reply, as given by them earlier, as produced above.

Rec.No.12:**Contract Workers** – ***Payment of wages through cheques – The Committee recommended that payment to contract workers must be mandatorily disbursed through cheques.*** The Ministry stated furnished that the payment of wages is being made in consonance with the legal provisions in vogue such as Rule 69 of the Contract Labour (Regulation and Abolition) External rule, 1971, Section 11(1) of the Minimum Wages Act, 1948 and Section 6 of the Payment of Wages Act, 1936. The last Act has provision for payment of wages by cheque or crediting the wages in bank account with written authorization.

In their Final Action Taken reply, the Ministry furnished the same reply as given earlier, as produced above.

Rec.No.15:**Child Labour** – ***Eradication of Child labour menace. The Committee called upon the Government to take***

steps, honestly and positively, in such a way that all efforts undertaken in this regard involving multiple agencies commensurate with the enormity of the task for the successful achievement of the desired results.

The Ministry replied that review of policy of the Government towards elimination of child labour is a continuous process. Various efforts are being made for convergence of National Child Labour Project (NCLP) Scheme with the welfare schemes of other Ministries, so that the families of these child workers get covered under the schemes for their economic empowerment.

In their Final Action Taken reply, the Ministry stated that for the 11th Plan, Government has proposed various additional components in the Scheme viz., Residential schools in the Metros, vocational training to adolescents, income generation activities for parents of child labour, monitoring the tracking of child labour and also the expansion of the Scheme to 600 districts.

The Ministry will plan to have a clear plan of action of the NCLP Societies in terms of number of children that could be rescued from hazardous occupations each year with the help of convergence Strategies and active participation of PRIs and NGOs etc.

III **Recommendations on which replies of the Government were interim in nature**

Rec.No.8: **Employees' State Insurance Scheme – Increase in beneficiaries – Augmenting existing infrastructure :** *The Committee recommended that all out efforts should be made to put an end to the system of duality in administration to the extent possible with regard to the execution of ESI Scheme so that the health needs of the insured persons are well taken care of.* The Ministry stated that steps taken to remove the difficulties being faced due to duality of administration include introduction of Revolving Fund Scheme to ensure smooth flow of funds and taking over one Hospital in each State by ESI Corporation to be run as Model Hospital under the Model Hospital Scheme, etc.

In their Final Action Taken reply, the Ministry stated that gross under-utilization of existing infrastructure is due to the closure of industries and reduction of economic activity resulting in decrease in the number of IPs in the areas where the hospitals and dispensaries are located.

The hospitals are being modernized/upgraded/expanded and new dispensaries are being opened. There are 144 hospitals as on 31.03.2008. The number of dispensaries have increased

to 1397 as on 31.03.2008 as compared to 1388 as on 31.03.2007.

CHAPTER-II

INTRODUCTORY

Objectives of the Ministry of Labour and Employment

2.1 The Ministry of Labour and Employment is responsible for laying down policies in respect of labour matters including industrial relations, co-operation between labour and management, settlement of labour disputes, regulation of wages and other conditions of work and safety, women labour and child labour, labour welfare, social security etc. besides, development and administration of employment service and training of craftsmen on national basis.

2.2 The implementation of the policies in regard to the above matters is the responsibility of the State Governments subject to control and direction of the Central Government except in the case of labour employed in Railways, Mines, Oilfields, Banking and Insurance Companies having branches in more than one State, major Ports and Central Government Undertakings where the Central Government retains the responsibilities in labour matters including employment and training and tenders technical advice as and when necessary.

Functions

- To promote harmonious relations between labour and management and to regulate wages and other conditions of work in the central sphere.
- To ensure speedy implementation of labour law awards, agreements, code of discipline etc. for improving industrial relations with regard to units in which Central Government is the appropriate Government.
- To conduct evaluatory studies of implementation of labour laws, industrial relations, personnel policies and practices etc., in Public Sector Undertakings.
- To regulate working conditions and safety in mines and factories.
- To prepare ground work for the formulation of National Wage Policy and maintain data on wages, all allowances and other related matters.

- To collect and publish statistics to conduct enquiries, surveys and research studies on various labour subjects.
- To conduct programmes relating to employment potential of Scheduled Caste and Scheduled Tribe candidates through Coaching-cum-Guidance Centres.
- To provide amenities to workers employed in the mining industry and beedi manufacturing.
- To assist in rehabilitation of bonded labour.
- To provide welfare measures for certain sections of the unorganized labour.
- To undertake training, education, research and consultancy service in the field of industrial relations and labour in general.
- To educate all sections of workers for their intelligent participation in social and economic development of the nation.

- To monitor running of social security schemes viz. Employees' Provident Fund Organization and Employees' State Insurance Corporation.
- Policy framework for National Employment Service, Implementation of National Vocational Training Programme.

Organisational set up

2.3 The objectives are sought to be achieved by the Ministry through its attached and subordinate offices and autonomous bodies. The important offices and organizations under the Ministry are as follows:-

1. Directorate General of Employment and Training
2. Organisation of the Chief Labour Commissioner (Central)
3. Directorate General of Factory Advice Service and Labour Institute
4. Directorate General of Mines Safety
5. Directorate General of Labour Bureau
6. Central Government Industrial Tribunals
7. Offices of Labour Welfare Commissioners
8. Employees' Provident Fund Organisation
9. Employees' State Insurance Corporation
10. Central Board for Workers Education
11. V.V. Giri National Labour Institute

12. Board of Arbitration (JCM)

2.4 The State Governments are also competent to enact legislations, as labour is a subject in the Concurrent list under the Constitution of India.

2.5 The Committee have attempted to scrutinize the Demands for Grants for the year 2009-10 of the Ministry to the extent possible and the conclusions drawn have been illustrated in the ensuing Chapters.

CHAPTER-III

A. GENERAL PERFORMANCE

3.1 The Ministry of Labour and Employment have furnished Demands for Grants (2009-10) under Demand No. 60.

3.2 To achieve the objectives, funds are required by the Ministry under the following Heads:-

1. 2225 Welfare of SC/ST and Other Backward Classes.
2. 2230 Labour and Employment and Training
3. 2251 Secretariat -Social Services
4. 2552 Lump sum Provisions for North Eastern Areas
5. 3601 Grants-in-aid to State Governments
6. 3602 Grants-in-aid to Union Territories Governments
7. 4225 Welfare of SC/ST and Other Backward Classes
8. 4250 Capital Outlay on other Social Services
9. 6250 Loans for Other Social Services
10. 6552 Loans for North-Eastern Area

3.3 Budget Estimates of the Ministry for the year 2009-2010 are Rs. 3462.89 Crore (Plan Rs. 1630.76 Crore & Non-Plan Rs. 1832.13 Crore). An allocation of Rs. 1630.76 Crore towards Plan Budget for

the year 2009-2010 has been made on gross basis out of which Rs. 19.25 Crore have been transferred to Ministry of Urban Affairs and Poverty Alleviation for incorporation in the budget document of the Ministry for Capital Works to be executed during 2009-2010. A provision of Rs. 109.01 Crore has been made for ongoing/proposed Schemes in North Eastern Region and Sikkim.

3.4 The Ministry have furnished the following statement showing Budget Estimates, Revised Estimates, actual expenditure incurred during the year 2008-2009 (upto February 2009) and percentage of expenditure over BE and RE for the year 2008-09:-

Ministry of Labour and Employment

Schemewise details of Plan BE/RE and Actual Expenditure during 2008-09 (PLAN)

2008-09

(Rs. In lakh)

Scheme	BE	RE	Actual Exp	% of Actual Exp. To BE	% of Actual Exp. To RE
A. Central Sector Schemes					
On going Schemes:					
DGE&T (Employment)	260.00	412.00	338.00	130.00	82.04
1. Construction of Office Building, Staff Quarters & Skill Training Institutes	0.00	0.00	0.00	0.00	0.00
	(CW 440.00)				
2. Continuation of Setting up of New Vocational Rehabilitation Centres for Handicapped Persons including Skill Training Workshops and Rural Rehabilitation	150.00	288.00	230.00	153.33	79.86
3. Welfare of SC/ST job seekers through Coaching, Guidance and Vocational Training and Introduction of new courses in existing CGCs & Establishment of new	110.00	124.00	108.00	98.18	87.10

DGE&T (Training)	2374.00	2774.40	2463.00	103.75	88.78
4.Upgradation of Training Institutes	1448.00	1668.87	1389.00	95.93	83.23
5.National Instructional Media Institute, Chennai	150.00	150.00	150.00	100.00	100.00
6.Foremen Training Institutes at Jamshedpur & Bangalore	100.00	119.50	107.00	107.00	89.54
7.Model Industrial Training Institutes (MITIs)	225.00	250.63	235.00	104.44	93.76
8.Project Implementation and Trade Testing in DGE&T HQ	51.00	59.40	61.00	119.61	102.69
9.Building Equipment & Establishment for RVTIs (Calcutta, Hissar, Allahabad, Indore, Bhubaneshwar, Vadodara, Jaipur and Tura)	400.00	526.00	521.00	130.25	99.05
Industrial Relations	745.00	903.00	714.00	95.84	79.07
10.Strengthening of Adjudication Machinery and holding of Lok Adalats	285.00	338.00	210.00	73.68	62.13
11.Machinery for better conciliation and Upgradation of office infrastructure at CLC (C) and RLC (C)'s	420.00	530.00	467.00	111.19	88.11
12.Improvement and Strengthening of Training Wing of Central Labour Service Officers	40.00	35.00	37.00	92.50	105.71
Central Board for Workers' Education (CBWE)	950.00	950.00	950.00	100.00	100.00
13.Central Board of Workers' Education	950.00	950.00	950.00	100.00	100.00
(a) Child Labour	15606.00	14663.00	15781.00	101.12	107.62
14.National Child Labour Project (including Grants-in-aid to Voluntary Agencies)	14406.00	13963.00	14497.00	100.63	103.82
15.Indo-American Child Labour Project with matching US grant (INDUS)	1200.00	700.00	1284.00	107.00	183.43
Labour Bureau	780.00	932.00	800.00	102.56	85.84
16.Labour and Employment Statistical System	780.00	932.00	800.00	102.56	85.84

Director General, Mines Safety (DGMS)	440.00	467.00	449.00	102.05	96.15
17.Mine Accidents Analysis and Modernization of Information Database (MAMID)	208.00	220.00	178.00	85.58	80.91
18.Strengthening of Infrastructure Facilities and Core functions of DGMS (SOCFOD)	232.00	247.00	271.00	116.81	109.72
Director General, Factory Advice Service and Labour Institute (DGFASLI)	1150.00	1180.00	798.00	69.39	67.63
19.Establishment of a new Regional Labour Institute, Faridabad	50.00	55.00	49.00	98.00	89.09
20.Strengthening of DGFASLI Organisation and Occupational safety & Health in factories, Ports & Docks	1100.00	1125.00	749.00	68.09	66.58
National Labour Institute (NLI)	500.00	500.00	500.00	100.00	100.00
21.National Labour Institute	500.00	500.00	500.00	100.00	100.00
Other Schemes					
22.Scheme on Information Technology	200.00	150.00	150.00	75.00	100.00
23.Grant-in-aid to Research/ Academic Institutions and Non-Governmental Voluntary Organisations for undertaking research in Labour related subjects(including GIA Scheme of Women Labour Cell)	75.00	75.00	29.00	38.67	38.67
24.Mission Mode Project for Upgradation and Modernization of Employment Exchanges(New Scheme under CS)	500.00	100.00	90.00	18.00	90.00
Total (A) Central Schemes	23580.00	23106.40	23062.00	97.80	99.81
B. Centrally Sponsored Schemes					
1. Establishment of new ITIs in NE States, Sikkim and Strengthening and modernization of ITIs in the State of Jammu & Kashmir	3170.00	2170.00	1362.00	42.97	62.76
2.Upgradation of 100 ITIs into Centres of Excellence	2600.00	2532.50	2577.00	99.12	101.76
3.Rehabilitation of Bonded Labour	200.00	120.00	120.00	60.00	100.00
4.Skill Development Initiative	2500.00	2535.00	4436.00	177.44	174.99

5.Upgradation of 1396 Government ITIs through PPP	12500.00	75015.10	75227.00	601.82	100.28
6.Externally Aided Project (EAP) for Reforms and Improvement in Vocation Training Services rendered by Central and State Governments	7500.00	12123.00	21890.00	291.87	180.57
7.Social Security for unorganized sector workers	100.00	0.00	0.00	0.00	0.00
8.Health Insurance for Unorganised Sector Workers (RSBY)	25000.00	24998.00	10165.00	40.66	40.66
Total (B) (Centrally Sponsored Schemes)	53570.00	119493.60	115777.00	216.12	96.89
C. Fresh Proposals					
Identification and Elimination of Silicosis in India					
GRAND TOTAL (A+B+C)	77150.00	142600.00	138839.00	179.96	97.36
	(+cw2850.00)				

Note:

1. CW stands for Civil Works Component which is transferred to Ministry of Urban Development.
2. The RE allocation is made by the Ministry of Finance in a lumpsum manner, which is reallocated keeping in view relative requirement of respective schemes. The overall RE allocation and expenditure were higher than the BE allocation for the Ministry during 2008-09. Among major schemes, the actual expenditure under RSBY was relatively less as it was contingent upon the preparedness of the participating States.

NON-PLAN**BUDGET ESTIMATES/REVISED ESTIMATES/ACTUAL EXPENDITURE FOR FINANCIAL YEAR 2008-09****(Rs. In Crores)**

	BE 08-09	RE 08-09	Exp. 08-09	% Exp. Over BE	% Exp. Over RE
1.Secretariat Social Services	22.50	26.46	23.05	102.44	87.11
2.Research and Statistics	6.68	8.99	8.11	121.41	90.21
3.Industrial Relations	28.75	38.55	31.38	109.15	81.40
4.Working Condition & Safety	35.00	43.94	40.43	115.51	92.01
5. Labour Welfare Scheme	268.53	259.15	255.52	95.16	98.60
6.Transfer to Reserve Fund	279.50	261.50	253.68	90.76	97.01
7.Social Security	982.63	1183.58	1183.57	120.45	100.00
8.Labour Education	27.00	26.85	29.85	110.56	111.17
9.International Co-operation	8.56	8.56	8.17	95.44	95.44
10.Other Items	0.86	0.82	0.61	70.93	74.39
11.Employment	26.00	32.33	28.46	109.46	88.03
12.Training	37.00	44.00	37.69	101.86	85.66
13.Welfare of SC/ST and OBCs	3.52	4.42	3.24	92.05	73.30
Total	1726.53	1939.15	1903.76	110.27	98.17

Overall, there is no downward revision at RE Stage. The overall expenditure over BE is 110.27%, whereas over RE, the expenditure is 98.17%. Hence, there is marginal savings mainly due to less collection of cess, Non-holding of PM' Shram Award & mandatory economy cut.

3.5 On close scrutiny of the Plan expenditure (2008-09), it is seen that though the overall expenditure against the Revised Estimates is 97.36%, still the expenditure under Rashtriya Swasthya Bima Yojana (RSBY) is only 40.66%. The reasons advanced by the Ministry are “the actual expenditure under RSBY was relatively less as it was contingent upon the preparedness of the participating States.”

3.6 When asked about the other Centrally Sponsored Schemes awarded to the Ministry of Labour and Employment for implementation during the 10th Plan period along with the current status, the Ministry furnished a statement of ten Schemes showing their name and their current status. It is observed that out of these (i) one scheme has been dropped; (ii) two schemes have been merged; (iii) four schemes are continuing; (iv) two schemes have not been approved by the Planning Commission; and (v) one scheme has been renamed as Rashtriya Swasthya Bima Yojana (RSBY) w.e.f. 2008-09.

3.7 When asked about the reasons for rejection of the schemes despite allocation made during the 10th Plan, the Ministry in their written reply stated that :-

“Improvement in ‘Labour & Employment Statistical System’, a new scheme proposed by Labour Bureau was approved in principle by the Planning Commission during the terminal year of 10th Plan. However, during the 11th Plan, all Plan Schemes of Labour Bureau have been merged by the Planning Commission into a single scheme namely; ‘Labour and Employment Statistical System’. All earlier plan schemes of

Labour Bureau, including this new Scheme, are now being pursued by Labour Bureau as components of this single scheme.”

3.8 During oral evidence, the representatives of the Ministry of Labour and Employment informed as under:

“It is the policy of the Planning Commission that instead of taking multiple small schemes it is better to take a few good schemes. When schemes from 10th Plan are continued in the 11th Plan, they needed to be evaluated. We have evaluated the scheme and on that basis gave proposal to continue them. Our plan schemes are related to vocational training and DGT and they should be continued. If these schemes are discontinued then our priority to provide vocational training to the youths will remain unfulfilled. Our other schemes such as child labour are also needed to be continued. We always try to plan and execute major schemes instead of small schemes. Due to this the number of schemes have been reduced but our plans turned out very well. Some new schemes such as National Health Insurance Scheme have also been added.”

3.9 The Committee observe that though most of the Schemes proposed by the Ministry of Labour and Employment are continuous in nature and are being carried forward to the next plan, yet there is a scope for some of the schemes viz. (i) construction of office building, staff quarters and skill training Institutes, (ii) Machinery for better conciliation and upgradation of office infrastructure at CLC (C) and RLC(C)'s etc. to be completed within the span of a particular plan period. The Committee desire that concerted efforts should be made by the Ministry to complete the schemes within the respective plan period instead of dragging them on the next plan period.

B. CHILD LABOUR

3.10 As part of the project based plan of action under the National Child Labour Policy, the National Child Labour Project (NCLP) Scheme was started in 1988 to rehabilitate working children in 13 child labour endemic districts of the country for their identification, withdrawal and rehabilitation. The package of benefits to child labour for their rehabilitation includes non-formal/formal education, vocational training, nutrition, healthcare, stipend, etc. The other activities include strict enforcement of child labour related laws, raising awareness against the evil of child labour and extension of welfare facilities to the child labour.

3.11 According to Census 2001, there were 1.26 crore economically active children in the age group of 5-14 years. When asked whether any fresh survey has been conducted to assess the number of child labour in the country, the Ministry informed in a written reply that “no survey has been conducted since then. However, the NSSO has agreed to undertake the survey in 2010.”

3.12 When asked regarding the monitoring mechanism followed in this regard at each level, the Ministry in their written reply intimated as under :-

“The monitoring mechanism followed by the Ministry of Labour and Employment is mainly through inspections conducted by the officers of the respective State Governments, District Magistrates/Collectors. The Central Monitoring Committee under the Chairmanship of Secretary (L&E) with the Labour Secretaries of

State/UT Governments as its members was set up for the overall supervision, monitoring, evaluation of the National Child Labour Project. The Ministry have a system of Area Officers wherein officers of the level of Deputy Secretary and above have been appointed as Area Officers for a particular State. They often visit the State and inspect the function of the National Child Labour Project Societies and the special schools operated by them to implement the Scheme. The officers of the Internal Audit Wing also visit the Societies to inspect and monitor the accounts. In addition, officers from the Ministry, from the administrative division and integrated finance division undertake inspections to monitor the implementation of the National Child Labour project Scheme.”

3.13 When asked about the non involvement of the Panchayati Raj Institutions (PRIs) the Ministry have informed that :-

“.....As per the guidelines of Govt. of India, the model composition of the NCLP Society envisages that representations to Zilla Parishad, PRIs, MP, MLA and such peoples' representatives are part of the Society. Hence, it may be appreciated that those who are entrusted with the running of the scheme in the district may not monitor their own working. PRIs are part and parcel of the scheme and they are equally responsible to

ensure success of the scheme in their respective jurisdiction.”

3.14 As per the Annual Report, a comprehensive exercise to evaluate the NCLPs in the Country was conducted in 2001 by independent agencies which were coordinated by V.V. Giri National Labour Institute, Noida. A fresh evaluation of the Scheme has been conducted recently by NLI through independent agencies.

3.15 When asked about the status of the report, need for fresh evaluation and the amount paid to these agencies and the salient features of the report, the Ministry informed as under :-

“V.V. Giri National Labour Institute, Noida has furnished the evaluation report and the Government has accepted the report. The report has a number of positive findings and some of the drawbacks pointed out in the report are taken care of.

Evaluation of the NCLP Scheme was a pre-condition to its continuation during the 11th Plan. This is envisaged in the guidelines of the Ministry of Finance, Department of Expenditure.

During the earlier evaluation, the NCLP Scheme was in operation in about 100 districts and thus the study had limited inputs and outputs.

An amount of Rs. 93,60,000/- was paid to the independent agencies for conducting the Study.

An amount of Rs. 2,81,23,700/- has now been paid to NLI for conducting the Study.”

3.16 When asked about the details of recommendations made in the evaluation report, the drawbacks pointed out, the steps taken to rectify them and the current estimation of child workforce, the Ministry in their written reply informed as under :-

“The main findings of the Evaluation Report are as under:

The shortcomings / bottlenecks

- The impact of NCLP has been more in rural areas as compared to urban areas.
- Part time availability of the Project Directors.
- Provisioning of Field Officers is not adequate.
- Non-availability of Master Trainers and doctors.
- Non or poor implementation of some of the components (survey, awareness generation and teachers' training) which contribute to under-utilization of funds at district levels.
- Lack of training for funds management at district levels.
- The number of sanctioned schools is higher than the number of child labour identified in the district (perhaps due to the list which may be contaminated in terms of age group).
- The schools were not fully equipped with basic teaching and learning materials.
- Non-availability of adequate vocational material/equipments.

- Irregular payment of stipend (only 27% schools are reported to have deposited the stipend regularly).
- Infrastructure in most of the schools is not satisfactory.

The Government has already initiated corrective measures by seeking reports from the State Governments on the observations/recommendations made in the report. Government has also reviewed functioning of various NCLP societies in order to ensure further improvement in their day-to-day *modus operandi* and plug the loopholes.

Census conducted by the Registrar General of India is the only authentic data in respect of population of child labour in the country. As per the Census 2001, the number of child labour in the country is 1.26 crore of which the number of children below 14 years in hazardous occupations is about 12.19 lakh.”

3.17 During evidence, the representatives of the Ministry informed as under:-

“In 2008, we decided to have a proper evaluation of the scheme to find out how far it has been successful. This evaluation was done by the National Labour Institute, Noida. We have now received the report of the evaluation study. It has given a very mixed kind of report. It has said that the scheme has been successful to a large extent, but there are gap areas. One of the most

important things that the report said was that due to lack of residential schools in this scheme, many children are not staying back and they are leaving the schools. So, one of the main proposals was that the NCLP must have residential schools. Only then will more and more child labourers will be able to come and stay there for a longer time. They have also prepared a very detailed protocol for rescue and rehabilitation of migrant child labourers. This, we have circulated to all the State Governments. We are holding training programmes for State Governments where we are telling them how migrant child labourers can be rescued from the areas where they are prohibited from working and how they could be rehabilitated and sent back to their respective States. We are also giving training programmes for NCLP workers.”

3.18 When asked regarding any proposal for re-orientation of NCLP Scheme during the 11th Plan Period, the Ministry in their written reply stated as under :-

“The NCLP Scheme, within the broad guidelines, provides flexibility in implementing the Scheme at the field level. Various innovations and initiatives are, therefore, being tried under the Scheme in different States as per their specific requirements. Some of the successful practices include development of standard curriculum for the Special Schools at the State level, Mid-day meal menu based on dietary habits and nutrition value, tracking &

monitoring of children even after mainstreaming, closer interaction with education department and the mainstream schools for smooth transition of children into mainstream education system, immunization and regular health check-ups and provision for vitamin and mineral supplements through coordination with the Health Department and the provision of vocational skills to the children based on their aptitude and market needs. There is a need to incorporate some of these successful individual state interventions into the NCLP Scheme.”

3.19 During evidence, the representatives of the Ministry informed as under:-

“We are also working with many other Ministries for convergence of the child labour project. One successful result was that under the SSA of the Ministry of Human Resources Development, we have now conversed with them in the sense that all our special schools are receiving free books plus the Mid-day Meal scheme of the HRD, they have agreed to extend it to the special schools of the NCLP also. So, in this way, we are working with other Ministries also. Like the Ministry of Rural Development for giving priority to families of child labourers in the NREGA Scheme, to urban poverty elimination programmes for giving priority to the families of child labourers so that their families get some employment which helps them in not sending their children to work.”

3.20 The Committee note that according to Census 2001, there are 1.26 crore economically active children in the age group of 5-14 years. The figure might have burgeoned with the growth in population. Since poverty is the root cause of the problem, the rehabilitation and mainstreaming of the children withdrawn from work cannot help solve it alone unless the families of these children are supported economically. Government have, therefore, a conscientious obligation to ensure that, after rehabilitation, these children do not go back to any workplace. As per written reply of the Government, all the concerned Ministries have been requested to give priority to the child labour families in welfare schemes being run by or under them. The Committee are of the considered view that mere issuance of directions to the concerned Ministries will not address the problem unless concrete measures are taken to ensure that the reclaimed children do not rejoin the workforce. The Committee recommend that the families of such children should be given preference in the parallel welfare scheme of NREGA so that families of these children can also be supported economically and they do not compel these children to resort to child labour.

3.21 The Committee observe that V.V. Giri National Labour Institute, Noida was tasked in 2001 to evaluate comprehensively the implementation of the National Child Labour Project (NCLP) Scheme at the cost of Rs. 93,60,000/-. The report pointed out serious drawbacks and bottlenecks in the implementation of the NCLP Scheme – like part time availability of the Project Directors, Inadequate provisioning of Field Officers, non-availability of Master trainers and doctors, lack of training for funds management at district levels, schools ill-equipped with basic teaching and learning materials, non-availability of adequate vocational material/equipments, irregular payment of stipend (as only 27% schools are reported to have deposited the stipend regularly), and unsatisfactory infrastructure in most of the schools. Fresh evaluation of the NCLP scheme was a pre-requisite for its continuance during the 11th Plan. So, again an amount of Rs. 2,81,23,700/- was incurred on re-evaluation of the Scheme in 2008. The Committee also observe that two Centrally sponsored Schemes, viz. Sarva Shiksha Abhiyan and Mid Day Meal Schemes are primarily giving boost to the NCLP Scheme rather than any measures being taken under the NCLP Scheme. The

Committee, therefore, recommend that instead of conducting repetitive studies at such a prohibitive cost, the Ministry need to take urgent measures to remove the shortcomings pointed out by the earlier studies conducted by the National Labour Institute.

3.22 The Committee do not accept the argument advanced by the Government that those who are part and parcel of the NCLP Society cannot help in overseeing/monitoring of the Scheme. The Committee, therefore, recommend that the PRIs should also be involved in monitoring for better and effective implementation of the Scheme. Further, the Ministry of Rural Development, Department of Panchayati Raj may also be requested to sensitize the Gram Panchayats so as to eradicate the problem of child labour and help rehabilitate such children.

(C) BEEDI WORKERS

3.23 High priority is being given to the welfare of workers in unorganized sector, particularly those engaged in beedi making for which 'Beedi Workers Welfare Fund' has been established. The activities carried out through this fund are health, education, recreation and housing. As per the information furnished by the Ministry, there are around 55.38 lakhs Beedi Workers in Andhra Pradesh, Bihar, Jharkhand, Gujarat, Karnataka, Madhya Pradesh, Chhattisgarh, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal, out of which 47.40 lakh beedi workers have been issued identity cards.

3.24 When asked about the number of identified beedi workers in the country till date for issuance of identity cards, the Ministry in their written reply stated as under :-

"The issue of identity cards to beedi workers is a continuous process. Surveys/special campaigns have been conducted by some of the State Governments for complete identification of the beedi workers in their respective States. As per information available fresh survey has been conducted by the State of Rajasthan in April, 2005 to identify the beedi workers. The State Governments have been requested from time to time to conduct survey in order to identify and issue Identity Cards to the genuine beedi workers in their States. In this connection, Welfare Commissioners have also been directed to pursue the matter with the State Governments for conducting the survey at the earliest."

3.25 When asked about the survey done for identification of beedi workers, the Ministry replied as under :-

“The issue of identity cards to beedi workers is a continuous process. The estimated numbers are not stable. These figures change as some of the beedi workers leave the profession due to changes in economic status, change of profession, old age, ill-health, death and similarly some new beedi workers join this profession.”

3.26 When asked about the prescribed wage rate of each State vis-à-vis wages prescribed under The Minimum Wages Act, 1948, the Ministry in their written reply stated as under :-

“Employment of workers engaged in beedi making falls under the purview of State sphere. The State Governments, as appropriate Governments, have notified minimum rates of wages for beedi workers per day as well as for rolling thousand beedis under their respective jurisdiction. The minimum rates of wages for beedi workers vary from Rs.41.31 for rolling thousand beedis in Madhya Pradesh and Chhattisgarh to Rs.141.30 for rolling thousand beedis in Gujarat (Zone – I).

The details of the minimum rates of wages for beedi workers per day as well as for rolling thousand beedi manufactured are as under:-

MINIMUM RATES OF WAGES FOR BEEDI WORKERS

S. No.	Name of the State / UT.	Total Wage (in Rs.)
01	Andhra Pradesh	83.00 Per day.
02	Assam	81.31 Per day.
03	Arunachal Pradesh (Area - I) (Area - II)	80.00 Per day.
		90.00 Per day.
04	Bihar	102.00 Per day.
05	Chhattisgarh	100.50 Per day.
		41.31 (for rolling 1000 Bidies)
06	Dadra & Nagar Haveli	117.20 Per day.
07	Daman & Diu	112.80 Per day.
08	Gujarat (Zone - I) (Zone - II)	141.30 (for rolling 1000 Beedis)
		140.80 (for rolling 1000 Beedis)
09	Karnataka	80.36 Per day (for rolling 1000 Beedis)
10	Kerala	96.15 (for rolling 1000 Beedis)
11	Madhya Pradesh	126.73 Per day.
		41.31 (for rolling 1000 Bidies)
12	Maharashtra (Zone - I) (Zone - II)	81.00 (for rolling 1000 Bidies)
		79.00 (for rolling 1000 Bidies)
13	Orissa	90.00 Per day.
14	Rajasthan	102.12 Per day.
		55.12 (for rolling 1000 Beedis)
15	Tripura	65.00 (for rolling 1000 Beedis)
16	Tamil Nadu	133.65 Per day.

		78.86 (for rolling 1000 Beedis)
17	Uttar Pradesh	119.23 Per day.
		80.00 (for rolling 1000 Beedis)
18	West Bengal	124.89 Per day.
		124.82 (for rolling 1000 Beedis)

3.27 While referring to the point raised during the meeting of the Central Advisory Committee regarding the need for Uniform Minimum Wages for beedi workers throughout the country, the Ministry in their reply stated as under :-

“Under the provisions of the Minimum Wages Act, 1948 , both the Central Government and the State Governments are the appropriate governments to fix, revise, review and enforce the payment of minimum wages to workers in respect of scheduled employments under their respective jurisdictions. The schedule employment of beedi making falls under the State sphere.

Uniform wage rate for beedi workers is not feasible in the country due to wide spread inter state disparity in the minimum wages across States due to variations in socio-economic and agro-climatic conditions, income, prices of essential commodities, paying capacity, productivity and local conditions etc.

In order to have a uniform wage structure and to reduce the disparity in minimum wages across the country, a concept of National Floor Level Minimum Wage was mooted on the basis of the recommendations of the National Commission on Rural Labour (NCRL) in 1991. Keeping in view the recommendation of NCRL and subsequent rise in Consumer Price Index the Central Government raised the National Floor Level Minimum Wage from Rs.66/- to Rs.80/- per day with effect from 01.09.2007. It is, however, clarified that the National Floor Level Minimum Wage, is a non-statutory measure to ensure upward revision of minimum wages in different in States/UT's. Thus, the State Governments are persuaded to fix minimum wages such that in none of the scheduled employments, the minimum wage is less than National Floor Level Minimum Wage. This method has helped in reducing disparity among different rates of minimum wages to some extent.”

3.28 While referring to another point raised during the meeting for waiving the outstanding loan amount on compassionate grounds which runs from few hundreds to few thousands, the Ministry in their written reply intimated as under :-

“The matter pertaining to settlement of un-recovered interest-free housing loan has again been taken up with Ministry of Finance after obtaining approval from Hon’ble Union Minister

for Labour & Employment. The proposal of the Ministry is being examined by the Ministry of Finance.”

3.29 Regarding enhancement of amount paid under the Insurance Scheme under Social Security for beedi workers which currently provides for insurance claim amount of Rs.10,000 for natural death and Rs.25,000 for accidental death, the Ministry in their written reply informed as under :-

“The amount currently paid is considered as insufficient and there is no proposal to enhance the amount.

The reasons for not making any proposal for enhancement of the insured amount the Ministry have intimated that ‘since receipt of income by way of cess is less in comparison to the expenditure, there is no suggestion to augment the present scheme of insurance.”

3.30 During evidence, the representatives of the Ministry informed as under:-

“This Scheme has no loan facility. It had loan facility much earlier which has now been taken away. It has a problem of funds, a cess is collected for the protection of beedi workers which is spent upon their welfare. We want to build more houses but due to financial crunch, the houses cannot be built. You are absolutely right in saying that building houses for them is very essential. Hon’ble Minister himself tried for

separate budget for the purpose this year the file of which has already moved.

The Ministry is to carry out all these works with the amount of cess as per the rules and regulations. The welfare schemes should be run with the amount of cess collected. There has been a gap in the use of cess during the last two years. The Ministry spent more amount of money than the actual cess collected. That issue is proceeding separately. So, the Minister of Labour had a meeting with the Hon'ble Minister of Finance about 15 days ago and asked him for more funds as he himself is aware of the problems of the beedi workers, because there are a large number of beedi workers in his own constituency. He has assured us and we have submitted our proposal also. We hope to get some additional funds."

3.31 The Committee observe that the Government have not identified the number of beedi workers though identity cards are being issued to them. The last survey for identification of beedi workers was conducted in Rajasthan in 2005. Thereafter, no survey has been conducted to ascertain the number of beedi workers in Rajasthan and the rest of the States. The Committee, therefore, recommend that all the State Governments, where beedi rolling is a major profession, be directed to conduct a survey for identification of genuine beedi workers within a definite time frame to facilitate issue of identity cards.

3.32 The Committee observe that the minimum wages for beedi workers vary widely from State to State. The Committee also note that the rate for rolling beedis is lowest in Madhya Pradesh and Chhattisgarh. The Committee are aware that though the matter falls under the jurisdiction of respective State Governments, these States should be persuaded to at least adopt the National Floor Level Minimum Wage, which would help reduce disparity in the rates of minimum wages to a considerable extent. The Committee desire that if any cases of discrimination of wages between men and women beedi workers come to Government notice, the same should be dealt with stringently so as to ensure equal pay for equal work.

3.33 The Committee observe that the Tripartite Central Advisory Committee on Beedi Workers' Welfare Fund have held three sittings during the last three years. Amongst many points raised for the welfare of beedi workers, one was for waiving the outstanding loan on compassionate grounds which runs from a few hundreds to few thousands rupees. The Ministry informed that the 'matter has been taken up with the Ministry of Finance after obtaining the approval of the Minister for Labour and Employment and the proposal is still under the examination of the Ministry of Finance.' The Committee desire that the matter may be taken up with the Finance Minister on priority basis so that the unrecovered interest free housing loan of beedi workers is waived off expeditiously.

3.34 The Committee observe that the Insurance Scheme under Social Security exists for beedi workers for which premium is paid from the welfare fund. In the eventuality of natural death, insurance claim is Rs. 10,000/- and for accidental death, it is Rs. 25,000/-. The Committee feel that the insured amount is too meagre for the bereaved family. Since the welfare fund is funded through collection of cess and caters to other welfare schemes also, it is not possible, according to the Ministry, to enhance the insured amount. The Committee, therefore, recommend that some alternatives should be explored to augment the corpus of the welfare fund so that the welfare activities carried out through this fund do not suffer due to paucity of funds.

(D) DIRECTORATE GENERAL, FACTORY ADVICE SERVICE AND LABOUR INSTITUTE (DGFASLI)

3.35 The Directorate General, Factory Advice Service and Labour Institutes (DGFASLI) is responsible for safety, health and welfare of the dock workers and factory workers. The main objective of the Organisation is to function as a service organization to advise Central/State Governments and to render support to trade unions, employers and others concerned in matter relating to improving safety, health, productivity and working conditions in factories and ports. The objective is accomplished through programmes and activities carried out under various Non-Plan and Plan Schemes.

3.36 An expert Committee appointed by the Ministry of Labour in 1982 to review the activities of DGFASLI strongly recommended setting up of a new Regional Labour Institute at Faridabad to cater to the needs of the industries in the northern regions to promote occupational safety, health and work environment.

3.37 When asked about the reason why it took about 20 years for setting up of RLI at Faridabad and the details of posts being proposed for creation during the 11th Plan, the Ministry in their written replies submitted as under :-

“Identifying and allotment of a suitable plot for RLI Faridabad took considerable time. The construction of the building was started by the CPWD from the 18th January 2004 after acquiring the land from the Government of Haryana. The setting up of the laboratories of RLI Faridabad was initiated during the 10th Plan (2002-2007) in a phased manner.

Thereafter, the delay was primarily due to the fact that CPWD took considerable time to handover the RLI Building. The Ministry monitored this issue very closely. The matter was continuously followed up with the CPWD as well as the Ministry of Urban Development for handing over of the building. The building construction was completed by the CPWD and handed over to DGFASLI from October 2008 to December 2008. After setting up of the laboratories, the building was inaugurated on 10th February 2009 and the institute started functioning.

The details of the remaining posts being created during the XI Plan is as under:

POSTS PROPOSED FOR REGIONAL LABOUR INSTITUTE AT FARIDABAD

Sl. No.	Post	Scale of pay (in Rs.)	Existing posts	Posts to be created &filled up during 2010-2011	Grand Total
01.	Director (S)	12000-16500	1	1	2
02.	Dy. Director (S)	10000-15200	1	0	1
03.	Dy. Director (IH)	10000-15200	1	0	1
04.	Dy. Director (Medical)	10000-15200	1	0	1
05.	Asst. Director (S)	8000-13500	2	1	3
06.	Asst. Director (IH)	8000-13500	1	0	1
07.	Addl. Asst. Director	6500-10500		1	1
08.	Sr. Scientific Assistant	5500-9000		1	1

09.	Jr. Scientific Assistant	4500-7000		1	1
10.	Lab. Assistant Gr.I	4000-6000		1	1
11.	Lab. Attendant Gr.I	2650-4000		2	2
12.	Administrative Officer	6500-10500	1	0	1
13.	Library Information Asst.	5000-8000		1	1
14.	Head Clerk (Prog.)	5000-8000		1	1
15.	UDC	4000-6000	1	1	2
16.	LDC	3050-4590	1	1	2
17.	Stenographer Gr.II	4000-6000	1	0	1
18.	Stenographer Gr.III	5000-8000	1	1	2
19.	Staff Car Driver	2650-4000		1	1
20.	Peon	2550-3200	2	1	3
21.	Hostel Attendant	2650-4000		2	2
22.	Mali	2550-3200		2	2
23.	Farash	2550-3200		1	1
24.	Chowkidar	2650-4000		4	4
25.	Safaiwala	2550-3200		2	2
	Total		14	26	40

3.38 The Committee observe that there has been an inordinate delay in establishing the Regional Labour Institute (RLI) at Faridabad. The Committee also observe that even after handing over of the building, the posts have not been created to make the institute fully functional as the proposal for creation of additional posts for RLI is still under process. Further during the current financial year, the Budget Estimates show a marginal increase which, in any case, would not be able to accommodate the staff once the newly created posts are filled up. The Committee deplore such a lackadaisical attitude of the Government and desire that the proposal be finalized at the earliest to avoid further delay so that the Regional Institute becomes functional within the next three months positively.

(E) RASHTRIYA SWASTHYA BIMA YOJANA (RSBY)

3.39 The 'Rashtriya Swasthya Bima Yojana' (RSBY) for BPL families (a unit of five) in unorganised Sector was launched on 1st October, 2007. The total sum insured would be Rs. 30,000/- per family per annum on a family floater basis. The premium will be shared on 75:25 basis by Centre and State Government. In case of states of North East region and Jammu & Kashmir, the premium will be shared in the ratio of 90:10. The beneficiary would be entitled to cashless transactions through smart card. The RSBY has become operational from 01.04.2008. The scheme will be implemented in the whole country from the year 2009-10.

3.40 The Ministry in their written note informed that the RSBY has been extended to all BPL families in unorganised sector in all districts of the country. State Governments/State Nodal Agencies have been advised to issue tendering process well in advance and send the proposal for approval to Central Government at the earliest. They have been asked to take simultaneous action to prepare the BPL data in prescribed template to start the enrolment of beneficiaries in time

3.41 As per the salient features of the Scheme, a family of 5 persons is covered under the Scheme. On being asked about the members to be included in the Scheme, the Ministry in their written reply intimated as under:-

“The ‘family’ includes head of the family, spouse, dependents which include parents and children. If family

size is more than five, the Head of the family would decide who should be left out.”

3.42 Further, on question of deciding as to whom this benefit would go, the Ministry in their written reply informed that

“Head of the Family is the Competent Authority to decide the family members to be included under RSBY.”

3.43 During evidence when asked about the rationale behind covering only five members of a family and whether there is any proposal to enhance the coverage, the representatives of the Ministry informed as under:-

“So far as the question of covering a family, consisting five members is concerned, all the operating insurance schemes had adopted the formula of five member family. When we started this concept we also adopted the same formula. Now, we are getting the feedback, and we would review this when required.”

3.44 On the issue of the current status of the Schemes, issue and delivery of the Smart Card and the consequences of loss of Smart Card etc., the Ministry in their written reply informed as under:-

“Till 24th August, 2009, 26 States/ Union Territories have initiated the process to Haryana, Punjab, NCT of Delhi, Gujarat, Bihar, Himachal Pradesh, Kerala, Maharashtra, Tamil Nadu, Uttar Pradesh, Jharkhand, Uttarakhand, West Bengal, Goa,

Nagaland, Chhattisgarh and Chandigarh Administration have started issuing Smart Cards and more than 58.75. lakh cards have been issued.

The selected insurance company would issue Smart Card to the beneficiary on the spot. The cost of Smart Card is included in the premium. However, the Central Government contributes Rs.60 towards its cost.

The selected insurance company issues the smart card on the spot. In the absence of head of family, the spouse is treated as HUF and card is issued. The additions in the card can be made at the district kiosk set up by the insurance company. However, the number of enrolled family members should not exceed the number given in the data base.

3.45 In case the smart card is lost, the witness deposed:-

“In case of loss of the card, another card can be issued to beneficiary. However, this cost of duplicate card has to be borne by the beneficiary.

No separate allocation has been made for issuance of smart card.”

3.46 During evidence, a point was raised by the Member of the Committee regarding cases of mis-use of the Scheme. When asked about the control and monitoring mechanism, the representatives of the Ministry informed as under:-

“...There is always a possibility that this scheme may be misused by the hospitals. I want to explain in detail how it happens and what we can do to check it...Suppose, if I have a card and I go to the hospital and ask the doctor to make a false bill of Rs. 5,000/- showing this amount as an expenditure on my treatment. I ask him to give me Rs. 2,000/- and keep the remaining Rs. 3,000/- with him. Then, there will be no harm for both of us in that case because finally it is the insurance company which is going to bear it. So, some of incidents of this kind have come to our notice. Now, the point is how can we stop this practice? The main reason behind such incidents is delay in sending information to the insurance company by the Hospital. There is a provision under this Scheme that the information regarding the treatment should be sent electronically to the district server of the insurance company by the same noon on which the treatment has been done. The above incident happened in Varanasi because the district server was not functioning at that time. The insurance company became aware of it immediately after the server started functioning and they issued notice without any delay. As a result now other hospitals are also on alert. It is not true to say that the problem will be resolved but if the information is received timely by the insurance company they will act since they incur loss in their business due to this malpractice. The Government will not incur any loss because it has already paid the premium to the insurance company. It is only the insurance company which will incur loss. Insurance

companies have their own business interest. They keep control on the hospitals so that they should not pay any extra money.... The Government have no role to play in the agreement between hospital and insurance company. The payment has to be made by the insurance company and claim has to be submitted by the hospital. But in general this practice should be stopped.... We hope that if the information are sent regularly, then insurance companies will control them in interest of their own business. However, we are monitoring the situation.”

3.47 Under the Scheme, a family of five is covered for Rs. 30,000/- on floater basis. Amount exceeding Rs. 30,000/- would be borne by the beneficiary. When asked about any special provisions in the eventuality of the amount exceeding Rs. 30,000/-, the Ministry in their written reply informed that:-

“No provision has made for meeting expenses beyond Rs.30,000/-.”

3.48 While drawing attention to Dr. Devi Prasad Shetty’s proposal for giving best healthcare to the poorest at an insurance premium of Rs. 5/- a month, the Ministry in their written reply informed as under:-

“The Ministry has not invited proposal from Dr. Shetty because *prima facie* features under the scheme promoted by

him do not match up with those that are available under RSBY. The comparison of services offered and rate of premium have already been explained in the reply given to the Committee. It may be reiterated that RSBY is being implemented all over the country. The RSBY beneficiary can avail cashless treatment under the scheme in any empanelled hospital in any part of the country through biometric smart card. Whereas Yashaswani health insurance scheme (of Dr. Shetty) is valid only in Karnataka. Under RSBY, surgical, medical procedures and certain day care procedures are also covered whereas Yashaswani health insurance scheme covers limited surgical conditions. The other major variation is that all BPL families in unorganized sector are covered under RSBY. It has been extended to building and other construction workers also who are APL also. It is the Endeavour of the Government to extend RSBY to other segments of unorganized workers. Yashaswani health insurance scheme is open only to members of cooperatives and their families. Most of the middle income groups and very poor people are not members. Regarding premium under RSBY, it is shared between the central government and the state government in the ratio of 75:25. In case of states in north eastern region and J&K it is 90:10. The worker has to pay only Rs. 30 as registration / renewal fee annually for a family of five. Under Yashaswani health insurance scheme the premium is Rs. 140 per person per year. Additionally, the cooperative society charges Rs. 10 as service charges. Apart from that the State Government also pays some contribution.”

3.49 During the course of oral evidence, the representatives of the Ministry informed as under:-

“There is a Scheme run by Dr. Shetty in Karnataka, which has a very limited domain.... Dr. Shetty has come up with a very good scheme but it covers only a limited set of ailments.

Under RSBY, everything that requires hospitalization is covered. No question is asked. So, we are not saying that only for heart ailment he will go there or only when his hand gets broken he will go there because on the spot is difficult to determine the nature of ailment. So, for anything that requires hospitalization, he will go there. That is one thing.

Secondly, the beneficiary under Dr. Devi Shetty Yashasvini Scheme, cannot get any benefit outside Karnataka. The problem with the unorganised workers is that the majority of them migrate from one place to another. People from Bihar go to Punjab; people from Orissa go to Gujarat; and from Andhra Pradesh go to Tamil Nadu. So, we have to have a Scheme wherein the benefits that accrue to a particular worker should be equally available to him outside the State. So, there is no parallel scheme in the country.”

3.50 The Committee observe that the coverage under the Rashtriya Swasthya Bima Yojana is provided for BPL workers and their family upto a unit of five. A family would comprise the family head, spouse and dependants upto three including children/parents of the head of the family. If the family size is more than five, the head of the family would decide as to who should be left out. The Committee were informed that the number was restricted to five keeping in view the similar provision in the other on-going insurance schemes which provide insurance to only five members of the family. The Committee are of the view that with the aging parents need more medical care than other members of the family. Moreover, it is a statutory responsibility of the children to take care of their aged parents. The Committee, therefore, recommend that the limit of number five should be enhanced to at least six so as to cover head of the family, spouse, two parents and two children. Where there is only one surviving parent, the size of the family can be restricted to five.

3.51 The Committee observe that as per the features of the Scheme, the insurance amount is Rs. 30,000/- per family per annum on a family floater basis. However, in case the amount of treatment exceeds Rs. 30,000/-, it has to be borne by the beneficiary. Since the Scheme is for the BPL workers, the Committee strongly feel that a BPL family cannot bear the extra expenditure on their treatment exceeding the insured amount. The Committee, therefore, recommend that in cases of major illnesses where the expenditure on treatment exceeds the prescribed limit, some special provisions should be made for meeting the expenses beyond Rs. 30,000/-.

3.52 The Committee were informed of certain cases of misuse of the Scheme by some beneficiaries as well as the treating doctors. While replying to the concerns raised by the Members, the Committee were apprised that it is between the hospital and the insurance agency and the role of the Government is confined to payment of premium. It is for the insurance agency to keep track on such incidences as basically it is their loss. The Ministry cannot shy away from their responsibility under the pretext that there is no loss to the Government. Since the Scheme is being run by the Government, the Committee recommend that effective monitoring mechanism should be evolved and deterrent provisions built in the Scheme so as to keep an effective check on such or similar incidences of abuse.

3.53 The Committee observe that the Ministry have not given a thoughtful consideration to the insurance scheme in operation in Karnataka at a premium of Rs. 5/- a month. The Committee also observe that the RSBY has a cap of Rs. 30,000/- whereas there is no cap in the insurance scheme in operation in Karnataka. The Committee, therefore, recommend that the Karnataka insurance model working at a premium of Rs.5/- a month without any cap needs serious consideration. The Committee would like to be apprised of the outcome of such examination.

NEW DELHI

HEMANAND BISWAL,

December, 2009

CHAIRMAN,

Agrahayana, 1931 (Saka) Standing Committee on Labour.

ANNEXURE

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON 30TH SEPTEMBER, 2009.

The Committee met from 1100 hrs. to 1330 hrs in Committee Room No. 074, Parliament Library Building, New Delhi to take oral evidence of the representatives of the Ministry of Labour and Employment on the Demands for Grants for the year 2009-2010.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

MEMBERS LOK SABHA

2. Shri M. Anandan
3. Shri P. Balram
4. Dr. Shafiqur Rahman Barq
5. Shri Sudarshan Bhagat
6. Shri Hassan Khan
7. Shri Kaushalendra Kumar
8. Shri P. Lingam
9. Shri Hari Manjhi
10. Shri P.R. Natarajan
11. Km. Mausam Noor
12. Shri Ramkishun
13. Shri Chandu Lal Sahu
14. Shri Murari Lal Singh

RAJYA SABHA

15. Shri G. Sanjeeva Reddy
16. Shri Rudra Narayan Pany
17. Shri Rajaram

SECRETARIAT

1. Shri Devender Singh - Joint Secretary
2. Shri R.K. Bajaj - Director
3. Shri Ashok Sajwan - Additional Director
4. Smt. Bharti S. Tuteja - Under Secretary

Witnesses

Ministry of Labour and Employment

1. Shri P. C. Chaturvedi, Secretary
2. Shri K. Chandramouli, Central Provident Fund Commissioner
3. Dr. Ashok Sahu, Labour & Employment Adviser
4. Shri Anil Swarup, Joint Secretary (DGLW)
5. Shri Sharda Prasad, Joint Secretary (DGE&T)
6. Shri S. K. Dev Verman, Joint Secretary
7. Shri Rakesh Jain, Joint Secretary & FA
8. Dr. Harcharan Singh, Dy. Director General
9. Shri S. K. Mukhopadhyay, Chief Labour Commissioner (Central)
10. Dr. K. S. R. V. S. Chalam, Director General, Labour Bureau
11. Shri Rajiv Datt, Financial Commissioner, ESIC
12. Shri B. K. Sahu, Additional Commissioner (P&A), ESIC
13. Dr. Ms. K. Tyagi, Medical Commissioner, ESIC
14. Shri S. J. Sibal, Director General, Mines Safety (DGMS)
15. Shri S. G. Darvhekar, Director General (DGFASLI)
16. Dr. Ashish Kumar Chakrabarty, Dy. Director General (DGFASLI)

17. Ms. Amarjeet Kaur, Deputy Director General (Employment)
18. Shri A. S. Kesai, Deputy Director General (Apprentice Training)
19. Shri R. K. Chug, Deputy Director General (Training)
20. Shri Arvind Kumar, Controller of Accounts
21. Shri Ranbir Singh, Director (Coordination)
22. Shri Y. P. Yajurvedi, Director, V.V. Giri National Labour Institute, Noida

2. At the outset, the Chairman welcomed Shri Prabhat Chandra Chaturvedi, Secretary and other accompanying officials of the Ministry of Labour and Employment and invited their attention to the provisions contained in Direction 55 (1) of the Directions by the Speaker and asked them to make the submission regarding Demands for Grants (2009-2010).
3. The Secretary, Ministry of Labour and Employment, briefed the Committee about the budgetary allocations for the year 2009-2010 and the expenditure incurred so far on various schemes/programmes undertaken by the Ministry.

4. The Committee, thereafter, held detailed discussions with the representatives of the Ministry of Labour and Employment. Some of the topics discussed in the meeting *inter-alia* included:

- (a) General Performance of the Ministry.
- (b) Difference between the allocation made this year *vis-à-vis* previous year.
- (c) Impact of global slow down on the labour sector.
- (d) Employees' Provident Fund Scheme.
- (e) Employees' State Insurance Scheme.
- (f) Opening of Medical Colleges under ESI.
- (g) Security to contract labour.
- (h) Skill Development.
- (i) Child Labour.

5. The Chairman and Members then raised queries on the information furnished by the Ministry.

6. The Secretary and other officials of the Ministry replied to some of the queries raised by the Chairman and Members. The Chairman directed the Secretary to send written replies to the Supplementary List of Points (a copy

of which was handed over to him) and the rest of the unanswered queries to the Secretariat within a week.

7. The Chairman thanked the Secretary and other officials for giving valuable information to the Committee on the subjects.

A verbatim record of the evidence was kept.

{The witnesses then withdrew}

8.	XX	XX	XX
9.	XX	XX	XX
10.	XX	XX	XX
11.	XX	XX	XX
12.	XX	XX	XX
13.	XX	XX	XX

A verbatim record of the evidence was kept.

{The witnesses then withdrew}

The Committee then adjourned.

XX Do not pertain to this Report.

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 15TH DECEMBER, 2009.**

The Committee met from 1530 hrs. to 1600 hrs in Committee Room 'C', Parliament House Annexe, New Delhi to consider and adopt the draft Reports on Demands for Grants for the year 2009-10 of the Ministry of Labour and Employment and the Ministry of Textiles.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

**MEMBERS
LOK SABHA**

2. Shri P. Balram
3. Shri Hassan Khan
4. Shri Kaushalendra Kumar
5. Shri P. Lingam
6. Shri Hari Manjhi
7. Shri P.R. Natarajan
8. Shri Mahendra Kumar Roy
9. Shri Chandu Lal Sahu
10. Shri Murari Lal Singh

RAJYA SABHA

11. Shri G.N. Ratanpuri

SECRETARIAT

1. Shri Devender Singh	-	Joint Secretary
2. Shri Ashok Sajwan	-	Additional Director

2. At the outset, the Chairman welcomed the Members and apprised them about the draft Reports on Demands for Grants for the year 2009-10 of the Ministry of Labour and Employment and the Ministry of Textiles.

3. The Committee first took up the draft Report on Demands for Grants of the Ministry of Labour and Employment for consideration. The Committee adopted the same without any modification.

4. XX XX XX XX

5. The Committee then authorized the Chairman to present the same to both the Houses of Parliament.

The Committee then adjourned.

XX Do not pertain to this Report.

APPENDIX

STATEMENT OF RECOMMENDATIONS/OBSERVATIONS CONTAINED IN THE REPORT

Sl. No.	Para No.	Recommendations/observations
1.	3.9	The Committee observe that though most of the Schemes proposed by the Ministry of Labour and Employment are continuous in nature and are being carried forward to the next plan, yet there is a scope for some of the schemes <i>viz.</i> (i) construction of office building, staff quarters and skill training Institutes, (ii) Machinery for better conciliation and upgradation of office infrastructure at CLC (C) and RLC(C)'s etc. to be completed within the span of a particular plan period. The Committee desire that concerted efforts should be made by the Ministry to complete the schemes within the respective plan period instead of dragging them on the next

		plan period.
2.	3.20	<p>The Committee note that according to Census 2001, there are 1.26 crore economically active children in the age group of 5-14 years. The figure might have burgeoned with the growth in population. Since poverty is the root cause of the problem, the rehabilitation and mainstreaming of the children withdrawn from work cannot help solve it alone unless the families of these children are supported economically. Government have, therefore, a conscientious obligation to ensure that, after rehabilitation, these children do not go back to any workplace. As per written reply of the Government, all the concerned Ministries have been requested to give priority to the child labour families in welfare schemes being run by or under them. The Committee are of the considered view</p>

		<p>that mere issuance of directions to the concerned Ministries will not address the problem unless concrete measures are taken to ensure that the reclaimed children do not rejoin the workforce. The Committee recommend that the families of such children should be given preference in the parallel welfare scheme of NREGA so that families of these children can also be supported economically and they do not compel these children to resort to child labour.</p>
3.	3.21	<p>The Committee observe that V.V. Giri National Labour Institute, Noida was tasked in 2001 to evaluate comprehensively the implementation of the National Child Labour Project (NCLP) Scheme at the cost of Rs. 93,60,000/-. The report pointed out serious drawbacks and bottlenecks in the implementation of the NCLP Scheme – like part time availability of</p>

the Project Directors, Inadequate provisioning of Field Officers, non-availability of Master trainers and doctors, lack of training for funds management at district levels, schools ill-equipped with basic teaching and learning materials, non-availability of adequate vocational material/equipments, irregular payment of stipend (as only 27% schools are reported to have deposited the stipend regularly), and unsatisfactory infrastructure in most of the schools. Fresh evaluation of the NCLP scheme was a pre-requisite for its continuance during the 11th Plan. So, again an amount of Rs. 2,81,23,700/- was incurred on re-evaluation of the Scheme in 2008. The Committee also observe that two Centrally sponsored Schemes, viz. Sarva Shiksha Abhiyan and Mid Day Meal Schemes are primarily giving boost to the NCLP Scheme rather

		<p>than any measures being taken under the NCLP Scheme. The Committee, therefore, recommend that instead of conducting repetitive studies at such a prohibitive cost, the Ministry need to take urgent measures to remove the shortcomings pointed out by the earlier studies conducted by the National Labour Institute.</p>
4.	3.22	<p>The Committee do not accept the argument advanced by the Government that those who are part and parcel of the NCLP Society cannot help in overseeing/monitoring of the Scheme. The Committee, therefore, recommend that the PRIs should also be involved in monitoring for better and effective implementation of the Scheme. Further, the Ministry of Rural Development, Department of Panchayati Raj may also be requested to sensitize the Gram Panchayats so</p>

		as to eradicate the problem of child labour and help rehabilitate such children.
5.	3.31	The Committee observe that the Government have not identified the number of beedi workers though identity cards are being issued to them. The last survey for identification of beedi workers was conducted in Rajasthan in 2005. Thereafter, no survey has been conducted to ascertain the number of beedi workers in Rajasthan and the rest of the States. The Committee, therefore, recommend that all the State Governments, where beedi rolling is a major profession, be directed to conduct a survey for identification of genuine beedi workers within a definite time frame to facilitate issue of identity cards.
6.	3.32	The Committee observe that the minimum wages for beedi workers

		<p>vary widely from State to State. The Committee also note that the rate for rolling beedis is lowest in Madhya Pradesh and Chhattisgarh. The Committee are aware that though the matter falls under the jurisdiction of respective State Governments, these States should be persuaded to at least adopt the National Floor Level Minimum Wage, which would help reduce disparity in the rates of minimum wages to a considerable extent. The Committee desire that if any cases of discrimination of wages between men and women beedi workers come to Government notice, the same should be dealt with stringently so as to ensure equal pay for equal work.</p>
7.	3.33	<p>The Committee observe that the Tripartite Central Advisory Committee on Beedi Workers' Welfare Fund have held three sittings during</p>

		<p>the last three years. Amongst many points raised for the welfare of beedi workers, one was for waiving the outstanding loan on compassionate grounds which runs from a few hundreds to few thousands rupees. The Ministry informed that the 'matter has been taken up with the Ministry of Finance after obtaining the approval of the Minister for Labour and Employment and the proposal is still under the examination of the Ministry of Finance.' The Committee desire that the matter may be taken up with the Finance Minister on priority basis so that the unrecovered interest free housing loan of beedi workers is waived off expeditiously.</p>
8.	3.34	<p>The Committee observe that the Insurance Scheme under Social Security exists for beedi workers for which premium is paid from the</p>

		<p>welfare fund. In the eventuality of natural death, insurance claim is Rs. 10,000/- and for accidental death, it is Rs. 25,000/-. The Committee feel that the insured amount is too meagre for the bereaved family. Since the welfare fund is funded through collection of cess and caters to other welfare schemes also, it is not possible, according to the Ministry, to enhance the insured amount. The Committee, therefore, recommend that some alternatives should be explored to augment the corpus of the welfare fund so that the welfare activities carried out through this fund do not suffer due to paucity of funds.</p>
9.	3.38	<p>The Committee observe that there has been an inordinate delay in establishing the Regional Labour Institute (RLI) at Faridabad. The Committee also observe that even</p>

		<p>after handing over of the building, the posts have not been created to make the institute fully functional as the proposal for creation of additional posts for RLI is still under process. Further during the current financial year, the Budget Estimates show a marginal increase which, in any case, would not be able to accommodate the staff once the newly created posts are filled up. The Committee deplore such a lackadaisical attitude of the Government and desire that the proposal be finalized at the earliest to avoid further delay so that the Regional Institute becomes functional within the next three months positively.</p>
10.	3.50	<p>The Committee observe that the coverage under the Rashtriya Swasthya Bima Yojana is provided for BPL workers and their family upto a unit of five. A family would comprise</p>

the family head, spouse and dependants upto three including children/parents of the head of the family. If the family size is more than five, the head of the family would decide as to who should be left out. The Committee were informed that the number was restricted to five keeping in view the similar provision in the other on-going insurance schemes which provide insurance to only five members of the family. The Committee are of the view that with the aging parents need more medical care than other members of the family. Moreover, it is a statutory responsibility of the children to take care of their aged parents. The Committee, therefore, recommend that the limit of number five should be enhanced to at least six so as to cover head of the family, spouse, two parents and two children. Where there is only one surviving parent, the

		size of the family can be restricted to five.
11.	3.51	The Committee observe that as per the features of the Scheme, the insurance amount is Rs. 30,000/- per family per annum on a family floater basis. However, in case the amount of treatment exceeds Rs. 30,000/-, it has to be borne by the beneficiary. Since the Scheme is for the BPL workers, the Committee strongly feel that a BPL family cannot bear the extra expenditure on their treatment exceeding the insured amount. The Committee, therefore, recommend that in cases of major illnesses where the expenditure on treatment exceeds the prescribed limit, some special provisions should be made for meeting the expenses beyond Rs. 30,000/-.
12.	3.52	The Committee were informed of

		<p>certain cases of misuse of the Scheme by some beneficiaries as well as the treating doctors. While replying to the concerns raised by the Members, the Committee were apprised that it is between the hospital and the insurance agency and the role of the Government is confined to payment of premium. It is for the insurance agency to keep track on such incidences as basically it is their loss. The Ministry cannot shy away from their responsibility under the pretext that there is no loss to the Government. Since the Scheme is being run by the Government, the Committee recommend that effective monitoring mechanism should be evolved and deterrent provisions built in the Scheme so as to keep an effective check on such or similar incidences of abuse.</p>
13.	3.53	<p>The Committee observe that the</p>

Ministry have not given a thoughtful consideration to the insurance scheme in operation in Karnataka at a premium of Rs. 5/- a month. The Committee also observe that the RSBY has a cap of Rs. 30,000/- whereas there is no cap in the insurance scheme in operation in Karnataka. The Committee, therefore, recommend that the Karnataka insurance model working at a premium of Rs.5/- a month without any cap needs serious consideration. The Committee would like to be apprised of the outcome of such examination.