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STANDING COMMITTEE ON LABOUR

(2016-17)

(SIXTEENTH LOK SABHA)

MINISTRY OF LABOUR AND EMPLOYMENT

**[Action taken by the Government on the
Observations/Recommendations of the Committee
contained in their Seventeenth Report (Sixteenth Lok
Sabha) on Demands for Grants (2016-17)]**

TWENTIETH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

December, 2016/Agrahayana, 1938 (Saka)

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MINISTRY OF LABOUR AND EMPLOYMENT

**[Action Taken by the Government on the Observations/
Recommendations of the Committee contained in their
Seventeenth Report (Sixteenth Lok Sabha) on 'Demands
for Grants (2016-17)' of the Ministry of Labour and
Employment]**

Presented to Lok Sabha on 08.12.2016

Laid in Rajya Sabha on 08.12.2016



LOK SABHA SECRETARIAT

NEW DELHI

December, 2016/Agrahayana, 1938 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON LABOUR (2016-17)

DR. KIRIT SOMAIYA-CHAIRPERSON

MEMBERS

Lok Sabha

2. Shri Udayanraje Pratapsingh Bhonsle
3. Shri Rajesh Diwakar
4. Shri Ashok Kumar Dohrey
5. Shri Satish Chandra Dubey
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13. Shri Kaushalendra Kumar
14. Shri Hari Manjhi
15. Shri R. Parthipan
16. Shri Hariom Singh Rathore
17. Shri Y.S. Avinash Reddy
18. Shri Naba Kumar Sarania (Hira)
19. Shri Kodikunnil Suresh
20. Shri Mulayam Singh Yadav
21. Shri Dayakar Pasunoori

Rajya Sabha

22. Shri Ram Narain Dudi
23. Shri N. Gokulakrishnan
24. Shri Nazir Ahmed Laway
25. Shri P.L. Punia
26. Shri Rajaram
27. Shri Amar Shankar Sable
28. Haji Abdul Salam
29. Ms. Dola Sen
30. Shri Tapan Kumar Sen
31. Shri Ravi Prakash Verma

SECRETARIAT

- | | | |
|---------------------------|---|---------------------|
| 1. Shri N. C. Gupta | - | Joint Secretary |
| 2. Smt. Anita B. Panda | - | Director |
| 3. Shri D.R. Mohanty | - | Additional Director |
| 4. Smt. Archana Srivastva | - | Under Secretary |

INTRODUCTION

I, the Chairperson, Standing Committee on Labour (2016-17) having been authorized by the Committee do present on their behalf this Twentieth Report on 'Action taken by the Government on the Observations/Recommendations of the Committee contained in their Seventeenth Report (Sixteenth Lok Sabha) on Demands for Grants (2016-17) of the Ministry of Labour & Employment.

2. The Seventeenth Report was presented to Lok Sabha and laid in Rajya Sabha on 3rd May, 2016. The Ministry of Labour and Employment furnished their replies indicating Action Taken on the Observations/ Recommendations contained in the Seventeenth Report on 23rd August, 2016. The Committee considered and adopted the Draft Report at their sitting held on 7th December, 2016.

3. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Seventeenth Report of the Standing Committee on Labour (Sixteenth Lok Sabha) is given at Appendix-II.

4. For ease of reference, Observations/ Recommendations of the Committee have been printed in thick type in the body of the Report.

New Delhi;
7, December, 2016
16 , Agrahayana, 1938 (Saka)

DR. KIRIT SOMAIYA
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR

CHAPTER-I

REPORT

This Report deals with action taken by the Government on the Observations/Recommendations of the Committee contained in their Seventeenth Report (Sixteenth Lok Sabha) on Demands for Grants (2016-17) of the Ministry of Labour and Employment.

2 The Seventeenth Report was presented to Lok Sabha and also laid in Rajya Sabha on 3rd May, 2016. It contained 24 Observations/Recommendations. Replies of the Government in respect of all these Recommendations have been received and are categorized as under:-

- | | | |
|-------|---|--|
| (i) | Observations/Recommendations which have been accepted by the Government –
Rec. Para Nos. 1, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23 and 24 | Total:20
Percentage:83.32 |
| (ii) | Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply –
Rec. Para No.4 | Total:01
Percentage:4.17 |
| (iii) | Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration –
Rec. Para Nos. 2 and 3 | Total:02
Percentage:08.34 |
| (iv) | Observations/Recommendations in respect of which replies of the Government are interim in nature-
Rec. Para No.20 | Total:01
Percentage:4.17 |

3. **The Committee desire that Action Taken Notes in respect of Observations/Recommendations contained in Chapter I and final action taken reply in respect of the Recommendation contained in Chapter V of this Report, for which interim reply has been given by the Government, may be furnished to them at the earliest.**

I. Utilisation of Budgetary Allocations

(Recommendation Para No. 2)

4. In their Seventeenth Report, the Committee had noted that the Ministry were unable to utilise even the 2015-16 RE allocations which were drastically revised downwards, despite the fact that the working areas of the Ministry had also shrunk considerably. The Committee had, therefore, recommended for identification of causes for persistent under-utilisation of funds besides taking corrective/remedial measures for ensuring optimal utilisation of funds during 2016-17.

5. In their Action Taken Note furnished to the Committee, the Ministry of Labour and Employment have stated as follows:

"The Budget Estimates for Ministry of Labour & Employment for the year 2015-16 was ₹2153.02 crore under Plan Head. Out of this ₹1000.00 crore was allocated for "Rashtriya Swasthya Bima Yojana" which was transferred to Ministry of Health & Family Welfare. Another ₹380.44 crore was for Training Directorate which was later on transferred to Ministry of Skill Development and Entrepreneurship. Thus, the effective allocation to Ministry of Labour & Employment for the year 2015-16 was ₹772.58 crore which included ₹ 320.00 crore for U-win Card scheme. The Plan budget estimates was further reduced to ₹339.70 crore at Revised Estimates 2015-16. Ministry had been able to spend ₹ 278.90 crore (AE) during the financial year 2015-16 which is 82.10 % of RE. Table showing BE, RE and actual expenditure in respect of Child Labour, Labour statistics and Workers' Education schemes is as under.(₹ In crore)

Sl. No	Schemes	BE	RE	Actual Expenditure	
				(In Crore)	(In percentage against RE)
1	Child Labour	250.00	99.50	93.21	93.68
2	Labour Statistics	43.32	43.32	30.78	71.05
3	Workers' Education	21.20	16.00	11.30	70.63

Savings in Child Labour scheme were on account of less number of Project Societies (about 100) being operational during 2015-16 due to mainstreaming of children. However, following steps have been taken to ensure optimal utilization of funds under Child Labour Scheme during 2016-17:-

- a) The Project Societies which have been closed are being revived by way of conducting fresh survey in those districts for estimating the incidence of child labour and opening the Project Society accordingly. In this regard, funds for conducting survey have been released for about 70 districts.
- b) The guidelines for NCLP have been revised with effect from 1.4.2016. The revised guidelines provide for simplified procedural requirement for release of funds and expanding the coverage of scheme.
- c) Formats for dealing with past-liability cases have been revised to solve old liability cases pending with Project Societies and to ensure smooth functioning of Project Society.
- d) A separate NCLP Portal providing for online submission of documents has been conceptualized and will become operational very soon. This would further expedite the release of funds during 2016-17.
- e) Provision of a separate Monitoring Committee at Central Government level by name of "National Project Monitoring Cell" in the revised guidelines would also ensure strengthening of monitoring system of scheme at Central level.

Actual Expenditure under Labour Employment Statistical System (LESS) during the Financial Year 2015-16 was ₹30.78 crore. RE allocations could not be utilized fully as some of the surveys (Occupational Wage Survey, Employment-Unemployment Survey and Quarterly Employment Survey) could not be launched in 2015-16. Launch of NSSO Survey was also delayed in 2015-16. Now all surveys are in full swing and Employment-Unemployment Survey is likely to be launched in September, 2016.

The reason for less spending of the plan budget of Central Board for Workers Education (CBWE) was due to the fact that posts of the Education Officers lying vacant over the years and had lapsed. The proposal for revival of 131 vacant posts (79 of Sr. Education Officer/Education Officers and 52 others) was referred to the Department of Expenditure for approval. The Ministry of Finance, Department of Expenditure has agreed for revival of only 52 posts which includes 14 posts of Education Officers.

The approval of this Ministry for revival of 52 posts was conveyed to the Board with direction for filling up these revived posts urgently. Process for revival of remaining posts has already been initiated."

6. The Committee note that the total allocation of ₹ 772.58 crore during 2015-16 BE has been brought down to ₹ 339.70 at the RE stage. Of this around ₹61 crore was unspent. They feel that more attention is required to be paid on Child Labour Scheme and Workers Education Scheme where huge amount remained unspent. The Committee would also like to be apprised of the fate and present status of the issuance of U-WIN Cards, for which an amount of ₹320 Crore was allocated during 2015-16 BE.

II. Under-utilisation of Cess-Funds

(Recommendation Para No. 3)

7. In their earlier Report, the Committee had noted that there was gross under utilisation of funds in all the five Cess-Funds which as per the Ministry, had occurred due to economy measures and a general instruction of the Ministry of Finance for 10% cut in Non-Plan expenditure. While rejecting the submission made by the Ministry for under-utilisation of Cess Funds meant for the welfare of the workers belonging to the lowest strata of the society, the Committee had stressed that the implementing mechanism should be strengthened so that the Cess Funds collected could be fully utilised and the benefits of the welfare Schemes financed through the Cess Funds actually reached the intended beneficiaries.

8. In their Action Taken Note furnished to the Committee, the Ministry of Labour and Employment have stated as follows:

"Ministry has been able to spend ₹171.64 crore against total Budget Provision of ₹207.34 crore in all the five Cess Funds. In the four cess funds i.e. 'Mica Mine labour welfare fund', 'Iron Ore Manganese Ore Mines and Chrome Ore Mines Labour Welfare fund', 'Limestone and Dolomite Mines Labour welfare fund' and 'Cine Workers Welfare Fund', the entire Budget allocation of ₹37.34 Crore was utilised during the

financial year 2015-16. Ministry had been able to spend ₹134.30 crore against the total budget provision of ₹170.00 crore earmarked for the Beedi Workers Welfare Fund. A Provision of ₹55.12 crore was made under BE 2015-16 for housing subsidy for beedi workers. Out of this amount ₹13.80 crore only could be spent. The reason for less utilization of funds was due to poor documentation by the illiterate or less literate beneficiaries.

Government has taken following steps to improve expenditure under the Beedi Workers Cess Fund which has been allowed to continue beyond 01.04.2016:-

- i) Subsidy given to Beedi Workers for construction of houses under the Revised Integrated Housing Scheme has been enhanced from ₹40,000 to ₹1,00,000 per house per family and which is to be further enhanced to ₹1.5 Lakh per house per family.
- ii) Scholarship scheme funded out of cess funds are now being implemented through e-scholarship platform.
- iii) As per the recommendation of the Expenditure Management Commission (EMC), in-principle decision for transfer of the hospitals/dispensaries run by the Labour Welfare Organization to the ESIC has been taken. The detailed modalities in this regard are being finalized."

9. The Committee feel that a full fledged serious study of all 5 Cess Funds is required to be done. The objective of the cess Funds/total Cess collected, plan to spend the same for the particular purpose and the project/implementation and performance must be monitored regularly. The Committee feel that more efforts are required to spend the funds allocated for the beedi workers welfare where only ₹ 13.80 crore has been spent against the provision of ₹ 55.12 crore. An action plan for the housing of beedi workers should be prepared in consultation with the competent authorities. The Committee further urge for early finalisation of the modalities to transfer dispensaries/hospitals run by the Labour Welfare Organisation to ESIC and apprise them of the actual transfer, if any, subsequently.

III. Cess Collection

(Recommendation Para No. 4)

10. In their Seventeenth Report, the Committee had noted that the Cess collection under the Iron Ore, Manganese and Chrome Ore and Mines Labour Welfare Fund was less as compared to extraction/consumption of Iron Ore. They had also noted that the inspection mechanism was not strong enough to detect evasion of Cess collection. The Committee had, therefore, impressed upon the Ministry for putting in place an efficacious inspection and monitoring method and taking appropriate action against the companies found delinquent in paying Cess dues.

11. In their Action Taken Note furnished to the Committee, the Ministry of Labour and Employment have stated as follows:

"The Labour Welfare Organization, Ministry of Labour & Employment through its Welfare Commissioners collects cess only in respect of iron ore, Manganese Ore and Chrome ore used for internal consumption in the country. This forms only a negligible part of the total production. Major part of the ore is being exported and the cess on this is collected by the Customs and Central Excise. This does not fall under the purview of the Ministry of Labour and Employment.

It may also be mentioned here that the above cesses have now been abolished by the Finance Act 2016."

12. As the Iron Ore, Manganese Ore and Chrome Ore Cesses have now been abolished by the Finance Act, 2016, the Committee desire that an alternate action plan should be prepared to run those welfare schemes, which were earlier financed through the Cess Funds for the benefit of the Mine Labourers.

CHAPTER-II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

(Recommendation No. 1)

The Committee are deeply concerned to note that against the Ministry's projection of Rs.34914 crore for Plan expenditure during the 12th Plan Period the approved outlay was merely Rs. 13223 crore, whereas the Ministry have been able to utilize an amount of Rs.4855.24 crore only upto 31st January, 2016, i.e. 36.72% of the total allocation. Such under- utilization of funds has been attributed mainly to the transfer of the Rashtriya Swasthya Bima Yojana (RSBY) to the Ministry of Health and Family Welfare, transfer of the Training part to the Ministry of Skill Development and Entrepreneurship and non-implementation of the Scheme of issuance of U-WIN Cards to the workers of the unorganised Sector. The Committee are not inclined to accept the reasoning given by the Ministry for the abysmally low utilisation of funds in view of the fact that the transfer of RSBY and training part of DGE&T was effected during 2015 and in the same year U-WIN cards was conceived and taken off. Needless to say by that time, much expenditure could have been incurred on the Plan Schemes had there been a realistic assessment and adequate monitoring done out of the total Budget allocation. Such a situation reflects poorly on the seriousness and sense of priority in addressing the issues pertaining to labour. The Committee have been advising the Ministry for the past few years to make the budgeting exercise more prudent and also to strengthen the monitoring mechanism so as to achieve maximum utilization of funds, and are displeased over the lackadaisical attitude of the Ministry in this regard. The fact that there has been more than 50 percent reduction in the projection of the Ministry and mere 38 percent utilisation of the reduced Plan outlay speak volumes of the non-chalant approach of the Ministry towards financial management. The Committee are of the considered opinion that the Ministry, instead of taking recourse to untenable reasons, should remove the systemic deficiencies, firm up the budget proposals and endeavour to maximise the Plan outlays in future.

Reply of the Government

Ministry has taken note of the recommendation of Parliamentary Standing Committee and has started making its budgetary allocation more prudent and realistic so that desired targets are achieved. Expenditure is being reviewed on Monthly Basis. Instructions have been issued to the all Bureau Heads to maintain good pace of expenditure throughout the year.

(No.G-25015/4/2016-B&A)

(Recommendation No. 5)

The Committee note that the Occupational Wage Survey (OWS) are conducted to assess the Employment structure, Wage Rates, Dearness Allowance and Average Daily Earnings by Occupation and Stratum, as per the statutory obligation pertaining to Article 8 of Part-II (Average Earnings and Wage Structure & Distribution) of the ILO Convention No. 160 on Labour Statistics. Accordingly, the first round of Occupational Wage Survey (OWS) was conducted by the Labour Bureau in 1958-59 and, thereafter, up to the fourth round, it was conducted after an interval of five years on an average. The fourth and fifth rounds of OWS were conducted in 1985-92 and 1993-1999 respectively. The Committee are concerned to find that the sixth round of OWS was conducted in the year 2009 after a gap of ten years and that too covering only 37 industries out of the 56 industries proposed. What further worries the Committee that though the proposal for conducting the seventh round was submitted to the Ministry in the year 2014, the Ministry gave their approval only in February, 2016. The Committee strongly deprecate the inordinate delay in finalising the proposal and conducting OWS within a definite timeline, as such undue delays in conducting OWS are detrimental to the interest of the labourers. The Committee, therefore, emphasise that henceforth, the Ministry should expeditiously accord their approval and ensure that OWS is conducted invariably within a maximum period of five years, as is the extent practice, so that the basic requirements of wages, DA, etc., of the labour force are fulfilled.

Reply of the Government

The observation of the Parliamentary Standing Committee on Labour in the 17th Report on Demand for Grants has been noted for compliance. All out efforts are being made for completion of the 7th Round of Occupational Wage Survey at the earliest.

However, the present status of the 7th Occupational Wage Survey is given below:

- i. Recruitment of Supervisor, Investigators on contract basis has been completed.
- ii. The work relating to collection of frame and sample design has been initiated.
- iii. Field survey has been launched from 15.07.2016.

(No.G-25015/4/2016-B&A)

(Recommendation No. 6)

The Committee note that the data collected by the Labour Bureau is being used by the Central Ministries, Reserve Bank of India, NITI Aayog, National Skill Development Agency, International Monetary Fund, International Labour Organisation, Academic & Research Institutes and Research Scholars. However, the data collected by the Labour Bureau is not generally compared with the data collected by the NGOs/ Private Parties. The Committee feel the Ministry could consider scientific comparison of the data collected by the Labour Bureau with that of established/ reputed NGOs/ Research Institutes, which could help in policy and decision making process besides making the officers involved in collection of data more careful and diligent in their approach so as to assure foolproof collection of data. The Committee also desire that the size and areas of surveys for collection of data should be changed/rotated frequently for a wider and scientific coverage.

Reply of the Government

Labour Bureau conducts surveys like Occupational Wage Survey (OWS), Employment-Unemployment Survey, Quarterly Employment Survey (QES) and Contract Labour Survey at All India level, centre/ area specific and industry specific with different periodicity. The scope, coverage, methodology, schedules and instruction manuals are based on sound statistical methodology. All such surveys conducted by Labour Bureau are different from other agencies to avoid duplication. Hence, results / data generated through these surveys are not comparable.

Labour Bureau has never come across the survey of large scale which is also undertaken by NGO / Private parties. Therefore, the situation of comparison never arose. However, if situation arises the comparison can be made in terms of concepts and definitions, methodology and objectives of the survey.

From the First Annual Employment-Unemployment Survey (EUS) (2009-10) with a sample size of 46,000 households which was conducted across 28 States / UTs in 300 districts to the latest Fifth round of EUS (2015-16) with a sample size of 1.56 lakh households which has been conducted in all the 36 States / UTs by covering all the districts, there has been a consistent endeavour on the part of Labour Bureau to increase the sample size and widen the area covered by these surveys. In the case of Quarterly Employment Surveys also, it has been decided to conduct these surveys on a larger scale by enlarging the sample size (from 2000-2500 to 10,000 establishments) and sectors covered (from 8 selected labour-intensive and export-oriented sectors to 18 sub-sectors in 8 major sectors) under the revamped survey.

Efforts will be made under Socio-Economic Surveys of Different Segments of Labour (SESDSL) component for enhancing the size and area of survey for collection of data for a wider and scientific coverage, as recommended by the Parliamentary Standing Committee.

(No.G-25015/4/2016-B&A)

(Recommendation No. 7)

The Committee observe that during the current year, i.e. 2016-17, a provision of Rs.141.50 crore has been made for the Unorganised Workers' Social Security Card which constitutes 25.73% of the total budget allocation of Rs.550 crore of the Ministry (keeping aside Rs.1000 crore for the Pradhan Mantri Rojgar Protsahan Yojana). The Committee note that a budget provision of Rs.320.52 was made during the previous year (2015-16) for issuance of U-WIN cards to the Unorganised Sector Workers which remained un-utilised as the Scheme could not take off. According to the Secretary, (MOLE), a pan India social security platform would be developed which is being looked into by the Cabinet Secretariat but there is neither any clarity on its character and size nor about the role and responsibility of the Ministry of Labour and Employment. As the Ministry themselves are not clear about the Scheme and which is yet to be conceived and implemented, the Committee do not find any justification for keeping idle for the whole year Rs.141.50 crore earmarked for the Scheme. The Committee apprehend that it may further aggravate the quantum of under- 44 utilised funds at the end of this fiscal and lead to reductions in the allocations for the next fiscal i.e. 2017-18. The Committee, therefore, recommend that the Ministry should exercise due diligence and propose allocations only for those schemes which have already been formulated, approved and are ready for takeoff so that the performance of the Ministry in terms of utilisation of Plan outlays shows improvement.

Reply of the Government

Recommendations of the Committee have been noted for compliance. Government has directed Department of Electronic and Information Technology (DietY) to prepare a policy on the delivery of various public services using Aadhaar, Jan Dhan Yojana(JDY) account and existing platforms without the issuance of new smart card. Accordingly, Ministry has withheld the work related to issuance of U-Win Smart Cards, as the Union Government is preparing an IT based, Aadhaar linked platform for delivery of various public services without the issuance of U-Win smart card.

(No.G-25015/4/2016-B&A)

(Recommendation No. 8)

The Committee find that Voluntary Organisations/NGOs are being provided funds by way of Grants-in-Aid to take up projects for the benefit of women labour. The Scheme was introduced in the Sixth Plan and has continued ever since. During the 12th Plan period, an allocation of Rs.375 lakh with Annual Allocation of Rs.75 lakh was proposed under the Scheme for organizing seminars, workshops, etc., for working women and educating them about their rights and duties under various labour laws of Central/State Governments. The Committee find that there is 'nil' expenditure under the Head 'Child/Women Labour', sub-head Grants-in-Aid to voluntary Agencies. The Ministry have clarified that a combined plan 45 allocation of Rs.50 lakh for Women Cell and Planning Unit was made, of which Rs.20 lakh was for Women Labour out of which an amount of Rs.17.63 lakh has been released upto 31.01.2016. When there is a specific Head for Women Labour and a provision of Rs.50 lakh has been earmarked,

there is hardly any plausible reason to spend the amount from the other head. Moreover, the total expenditure under Women Cell and Planning Unit is Rs.17.63 lakh only which implies that no expenditure has been incurred on the Planning Unit. Taking a serious view of this, the Committee desire that henceforth this should not happen with the Budget Heads, and the expenditure should be met from the respective Heads specified for the purpose. The Ministry also owe an explanation for 'nil' expenditure under the Planning Unit during the year 2015-16. The Committee desire that adequate measures be taken to utilise the earmarked funds for the Scheme during 2016-17.

Reply of the Government

It is clarified that a provision of Rs. 50 lakh was made under Detailed Head Grant-in-Aid to Research/Academic Institution & Non-Governmental Voluntary Organization for undertaking Research in Labour related subjects under Accounting Code 2230.01.800.03.08.31. Funds provided under these Accounting Head are being used by Planning Unit and Women Labour Section for giving funds in the form of Grant-in-Aid to voluntary organization for undertaking research in labour related subjects. Women Labour Section has been able to spend Rs. 17.63 lakh against the allocation of Rs. 20.00 Lakh. Whereas, Planning Unit could not utilize the funds due to non-receipt of proposals to carry out labour related research from NGOs. The guidelines governing release of funds for conducting research were also under revision.

No provision was made for women Labour under any other Head of Account. Minor Head-113 under Major Head-2230 though named as 'Improvement of Working Conditions of Child/Women Labour actually provides funds only for welfare of Child labour. However, recommendation of the committee has been noted for compliance.

(No.G-25015/4/2016-B&A)

(Recommendation No. 9)

According to the Ministry, the Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers; the enforcement of the Act is entrusted to the Chief Labour Commissioner (Central) who heads the Central 46 Industrial Relations Machinery (CIRM). But, according to the survey report on Wages and Earnings released by the Labour Bureau, women workers in various fields are paid considerably lesser wages vis-a-vis their male counterparts all over India. The Committee do not agree with the Ministry's submission and emphasise that the enforcement of the Equal Remuneration Act, 1976 entrusted to the CLC would not serve the purpose unless there is a vigorous monitoring by the Ministry. The Committee, therefore, impress upon the Ministry to intensify their monitoring system to ensure that the Act is fully enforced by the agency concerned.

Reply of the Government

Regular inspections under Equal Remuneration Act, 1976 have been carried out to ensure equal wages to male and female workers. Two special drives of inspections programs have been carried out with effect from 15 November, 2015 to 15 December, 2015 and 1st March 2016 to 31st March 2016. Emphasis was on enforcement of Equal Remuneration Act especially in unorganized sector, which led to increase in number of inspection in the year 2015-16. After inspection, follow-up action like securing compliance and persecution launched and conviction etc. take some time and it is expected that in due course there would be substantial increase in these important areas of enforcement.

The details of inspections conducted by the organization of CLC(C) and follow up action thereon during the last two years are furnished below:

S.No	Particulars	2014-15	2015-16
1	No of inspections conducted	1643	2340
2	No. of irregularities detected	1682	1846
3	Irregularities Rectified	2634	1502
4	No. of Prosecutions Launched	535	178
5	No of Convictions	762	472

(No.G-25015/4/2016-B&A)

(Recommendation No. 10)

The Committee note that, as of now, the Conciliation Officers/CLC(C) have no quasi-judicial powers to enforce implementation of the Memorandum of Settlement (MoS). The Committee feel that the feasibility of some sort of quasi judicial powers to the Conciliation Officers/CLC(C) should be explored so that they can effectively take those who violate the Act to task and put an end to the tendency to pay minor monetary penalty and evade their duties and obligations.

Reply of the Government

As per Section 11 of the Industrial Disputes Act, 1947 Conciliation Officers/CLC(C) has the quasi-judicial powers as are vested in a Civil court under the Code of Civil Procedure, 1908. A conciliation Officer may enforce the attendance of any person for the purpose of examination of such person or call for and inspect any document which he has ground for considering to be relevant to the industrial dispute or to be necessary for the purpose of verifying the implementation of any award or

carrying out any duty imposed on him under the Industrial Disputes Act, 1947 and for the aforesaid purpose.

Section 29 of the Industrial Dispute Act, 1947 provides provisions regarding Penalty for breach of settlement or award. As per this Section, any person who commits a breach of any term of any settlement or award, which is binding on him under this Act, shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to two hundred rupees for every day during which the breach continues after the conviction for the first and the Court trying the offence, if it fines the offender, may direct that the whole or any part of the fine realized from him shall be paid, by way of compensation, to any person who, in its opinion, has been injured by such breach.

(No.G-25015/4/2016-B&A)

(Recommendation No. 11)

The Committee note that no inspection is conducted to supervise the functioning of Assistant/Deputy Welfare Commissioners and their performance is evaluated through monthly Welfare Reports which are examined and, thereafter, suitable guidance is rendered to the officer concerned, whenever required. As surprise and periodic inspections are an integral part of the effective functioning of any organisation, more so in the case of officers working for the poor and downtrodden people, the Committee recommend that periodic physical inspections be carried out to keep a vigil on the performance of the Asstt./Deputy Welfare Commissioners so that timely corrective action could be initiated to protect and safeguard the interests of labourers/workers.

Reply of the Government

The recommendation of the Committee has been noted. A Committee has been constituted to make periodic physical inspections of the work of the Assistant Welfare Commissioner/Dy. Welfare Commissioners to safeguard the interest of labourers/workers and to carry out the reformatory work in time.

(No.G-25015/4/2016-B&A)

(Recommendation No. 12)

The Committee find that presently, no data is maintained the number of cases pending in the Central Government Industrial Tribunal cum-Labour Courts (CGIT-cum-LCs). The Committee need not emphasise that the working/efficiency of these Courts could be gauged properly by the number of cases disposed vis-à-vis cases registered/pending and the basic performance parameter in this regard is proper maintenance of 48 data. The Committee, therefore, impress upon the Ministry to take urgent requisite measures for maintenance of centralised data by the CGIT-cum-LCs subsequent to which adequate corrective measures, wherever required, may be initiated.

Reply of the Government

The recommendation of the Committee has been noted. All the Presiding Officers have been directed to send a monthly return on pendency of cases to help the Ministry maintain a centralized data.

(No.G-25015/4/2016-B&A)

(Recommendation No. 13)

The Committee find that no legal/financial support is provided to the petitioners for fighting their cases in these Courts. Most of the cases which reach these courts relate to contract workers against contractors/principal employer. It is a known fact that the contract workers being poor and illiterate/semi-literate, dread to file complaints and fight court cases against the contractors/principal employer who usually threaten to retrench/terminate their services. Needless to say, this compels other contract workers too to quietly bear various forms of exploitation by the contractors/ employers. The Committee, therefore, desire that aggrieved contract workers be provided with legal support to fight court cases so that justice is meted out and a sense of confidence is instilled in them to raise complaints against take on the contractors/ principal employers, whenever they exploitation/harassment.

Reply of the Government

Section 36 of the Industrial Disputes Act, 1947, provides that, 'No party to a dispute shall be entitled to be represented by a legal practitioner under the Act in any proceeding before a Court.' It also provides that, 'In any proceeding before a Labour Court, Tribunal or National Tribunal, a party to a dispute may be represented by a legal practitioner with the consent of the other parties to the proceeding and with the leave of the Labour Court, Tribunal or National Tribunal, as the case may be.'

The above provision has been made with a view to provide level playing field to the workers since they may not be financially sound to afford the services of legal practitioners.

(No.G-25015/4/2016-B&A)

(Recommendation No. 14)

The Committee note that a provision of Rs.6.65 lakh was made in the 2015-16 BE to all the CGITs for holding Lok Adalats during the year. The provision was reduced to Rs.1.50 lakh at the RE stage and out of this an expenditure of Rs.1.12 lakh has been incurred by the CGITs. The Committee further note that a total of 22 Lok Adalats were held during 2015-16 wherein 237 cases were taken up and 111 cases were resolved/disposed of. In view of the pivotal role played by the Lok Adalats in disposing of the cases on fast-track mode and providing succour, the Committee recommend that budgetary provisions for holding Lok Adalats be enhanced suitably

and the monitoring mechanism be strengthened to ensure maximum utilisation of funds so as to facilitate speedier disposal of the pending cases.

Reply of the Government

The recommendation of the Committee has been noted. A provision of Rs.5.30lakh has been made in BE 2016-17 for holding of Lok Adalats. The Presiding Officers have been advised to hold more and more Lok Adalats to dispose of maximum number of cases.

(No.G-25015/4/2016-B&A)

(Recommendation No. 15)

The Committee note that a new scheme namely the Pradhan Mantri Rojgar Protsahan Yojana is commence in the year 2016-17 with an allocation of Rs.1000 crore. The Committee further note that the contours of the Scheme are yet to be finalized. In view of the importance of the Scheme in 50 providing of large scale employment, the Committee desire that necessary ground work/formalities be chalked out and finalized at the earliest so that the earmarked funds are gainfully utilised and the very purpose of the Scheme is achieved. The Committee further desire that while finalizing the Scheme, special emphasis and preference be accorded to the contract/casual/muster roll workers so that their employment is formalized and they are brought under the social security net.

Reply of the Government

The guidelines for the Scheme namely “Pradhan Mantri Rojgar Protsahan Yojana” have been finalised and issued on 09.08.2016. The Scheme has been designed to incentivise employers for generation of new employment where Government of India will be paying the 8.33% EPS contribution of the employer for first three years in respect of new employees drawing pay up to Rs. 15,000 per month.

(No.G-25015/4/2016-B&A)

(Recommendation No. 16)

The Committee find that the total active membership of EPFO is 3.8 crore which has remained almost the same during the last four years. The Central Provident Fund Commissioner (CPFC) has submitted that in the year 2010 the number of active members was 2.81 crore, which has increased to 3.8 crore as on 31.03.2015. As per the statistics of the Labour Bureau, about 12 million people join the jobseekers' queue every year. The Ministry, in their deposition before the Committee, also admitted that around one crore people get added to the employable workforce every year. In the given 51 circumstances, if 50,000 people get job each year, then there would have been a corresponding increase in the number of active membership. The Committee feel that there is approximately the same number of workers, i.e., around three crore who are entitled but are yet to be covered by the EPFO. The Committee recommend that the EPFO, ESIC and CLC (C) office may coordinate and reconcile their figures so

that at least the number of workers registered with each organization may be covered under the EPFO/ESIC wherever applicable.

Reply of the Government

The observation of the Committee has been noted. The establishment data of ESIC as available through the Shram Suvidha Portal has been obtained. EPFO is in the process of analysing the data to verify the variation in membership between the data of EPFO & ESIC. Based on the analysis necessary follow-up action will be taken by EPFO.

(No.G-25015/4/2016-B&A)

(Recommendation No. 17)

The Committee note that there is no available data about the percentage of total industrial workforce and the number of persons entitled to be covered. Moreover the 'Shram Suvidha Portal' could yet reportedly capture only a very insignificant part data of the vast workforce entitled to be covered under various labour laws including on EPF, ESI, etc. The CPFC has assured the Committee that they would make a study on this and that they are making strenuous efforts to cover all the members outside this scheme and bring them is to the EPFO fold. The Committee further note that the EPFO is in the process of linking Aadhaar with UAN to avoid any duplication of 52 membership. The Committee feel that this is a step in the right direction and desire the EPFO to accord equal importance to the work of identification and coverage of workers of uncovered industries so that both the works are carried out simultaneously.

Reply of the Government

Establishment wise data is not available in respect of industrial worker. However, EPFO has taken following steps for extending the coverage of industrial workers under the ambit of EPF and MP Act, 1952:

- a. EPFO has observed the months of April, 2016 and May, 2016 as “compliance for Construction Workers” months. During the exercise, office-wise targets were prescribed reflecting the minimum number of construction workers which must be enrolled by each office.
- b. EPFO has initiated efforts to cover workers in industries like fishing, coffee, tobacco, spices, private university, dental and Medical colleges, NACO, BRO, NRHM societies etc.
- c. Central analysis and Intelligence Unit (CAIU) is collecting data from various sources like inspector of Factories, UGC, Medical Council of India, Dental Council of India, Export Units, Ministry of Commerce for spices, tobacco etc to utilize it for extension of EPFO to these establishments.

(No.G-25015/4/2016-B&A)

(Recommendation No. 18)

The Committee are deeply concerned to note that recently the EPFO has amended the rules where an employee who either moves to another company or leaves the job will not be allowed to withdraw the employer's share until retirement or in case of death. The Committee are not convinced with the Ministry's submission that the employer's contribution primarily goes to the pension fund and the amendment has been done keeping in view that the employee may get the money when he is not able to work, as it would apply only when full employment is there. The fact of the matter is, as on date, any employee who is retrenched or leaves the job for any reason and cannot get another job for life or to say for four-five years, there would be no contribution from either side and the biggest loser will be the temporary employee who will not be allowed to withdraw his accumulations. The Committee understand that 53 Government has taken steps to roll back the provision. The Committee would like to be apprised of the steps taken by the Government in this regard. The Committee also emphasise that ministry should exercise due diligence and vigil to ensure that whenever any reforms are proposed for the labour sector, such provisions should fully protect the interests of labourers/ workers.

Reply of the Government

Paragraph 68NNNN of EPF Scheme, 1952 introduced vide notification NO. GSR.158(E) dated 10.02.2016 where by members were allowed to withdraw only his/her own share of contribution including interest in case of cessation of service, has since been withdrawn by the Government vide order dated 19.04.2016. The observations of the committee have been noted for future compliance.

(No.G-25015/4/2016-B&A)

(Recommendation No. 19)

The Committee note that the Insured Persons (IPs) are entitled for unemployment allowance under this Scheme. The Ministry have, admitted before the Committee that from the date of implementation of the Act, this part has rarely been used. The Committee take a serious note of the gross violations of the statutory provisions by not giving unemployment allowance to entitled persons, most of whom are not even aware of this provision of the Act. The Committee call upon the Ministry to invariably adhere to the statutory provisions, besides giving wide publicity through the print and the electronic media so that the needy and entitled IPs are able 54 to approach the ESIC on their own for getting the stipulated allowance, whenever they are out of employment.

Reply of the Government

ESI Corporation is providing the Unemployment Allowance to those Insured Persons who have been rendered unemployed due to certain conditions mentioned in the ESIC Act. IPs and their families will also be entitled for medical care from ESI dispensaries / hospitals for such periods, the unemployment allowance is payable in the first spell.

The detail in respect of the admitted cases and amount disbursed under this scheme for the last five years is as under:-

Year	No. of cases admitted	Amount disbursed
2011	876	Rs. 1,73,62,937
2012	1348	Rs. 3,05,61,914
2013	909	Rs. 3,03,37,681
2014	888	Rs. 3,37,33,749
2015	1354	Rs. 6,75,24,456

ESIC has made concerted efforts to make the scheme more popular amongst the Insured Persons and employers. Advertisements have been published in National dailies from time to time.

(No.G-25015/4/2016-B&A)

(Recommendation No. 21)

It is very surprising as well as disturbing that during evidence, the Ministry informed that where the contract workers are not members of the ESIC for any reason, the ESIC will cover them in the Rs.250/- p.m. Scheme. The contract workers are already lawfully entitled for coverage under ESI Act and it is the obligation of Ministry and ESIC to bring all the contract workers under the coverage of ESIC. The Committee apprehend that if the ESIC ever tries to cover the contractor workers under the new Scheme, then most of the contractors would try to find an escape route from the existing set-up. Resultantly, the ultimate sufferer would be the worker. The Committee, therefore, recommend that the ESIC must ensure to bring under coverage all the contract workers in industries and establishments as per the ESI Act and should also 56 concentrate on covering the workers under uncovered unorganized sector.

Reply of the Government

All contractual workers working in factories/establishments registered with ESI and drawing wages upto Rs. 15000/- p.m are covered under ESI Act. Inspections are conducted to take action against employers in case any default comes to notice.

So far as contract workers under unorganized sectors are concerned, ESIC is formulating schemes on pilot basis for auto-rickshaw drivers, rickshaw-pullers, domestic workers and Aganwari/Asha workers.

(No.G-25015/4/2016-B&A)

(Recommendation No. 22)

The Committee note that the ESIC is proposing to extend the medical facility to some of the chosen sections of unorganised workers on payment of Rs.250/- p.m. The Committee, during their study visits to different places, noticed that there is always a shortage of medicines for their IPs. In the present scenario, the Committee are concerned about the availability of medicines to the beneficiaries. The Committee understand that one of the reasons for shortage of medicines is due to non-entering into a new Rate Contract. The Committee are concerned to observe that the Rate Contract in vogue was entered into in the year 2011 and thereafter the same is being renewed year after year that too without any plausible reason. The Committee feel that sticking to the old Rate Contract and not revising the formulary will make the ESIC more dependent on local purchases, besides administering outdated medicines to the beneficiaries. The Committee, therefore, urge that the ESIC may enter into a new Rate 57 Contract at the earliest and make provisions for timely revision of formulary in its own interest.

(No.G-25015/4/2016-B&A)

Reply of the Government

1. A new Rate Contract No.139 has been finalized in replacement of earlier Rate Contract No. 136.
2. Another Rate Contract No. 140 has already been floated to replace Rate Contract No 138.

(Recommendation No. 23)

The Committee note that a decision has been taken by the Ministry to take over 12 hospitals and 292 dispensaries run by the Labour Welfare Organisation and hand them over to the ESIC. The Committee are aware that the condition of the hospitals and dispensaries which are proposed to be taken over is indeed pathetic. The Ministry have assured that there would be a marked improvement in the condition of these Hospitals and dispensaries after they are taken over. The Committee, while appreciating the optimism exuded by the Ministry, desire that Ministry may take adequate steps to improve their conditions after the takeover, and that the Committee be apprised of the specific and qualitative improvements brought in these Hospitals and dispensaries.

Reply of the Government

Takeover by ESIC of hospitals and dispensaries run by the Labour Welfare Organization was approved in-principle during 167th meeting of ESI Corporation held on 18th December, 2015.

Following up on this agreement a meeting was convened by Labour Secretary, on 03.06.2016 wherein it was decided that ESIC would initially take over the administration of following DGLW hospitals/dispensaries as a pilot project for a period of one year:

1. Telengana: Nirmal Dispensary
2. Madhya Pradesh: Central Hospital, Sagar
3. Bihar: Central Hospital, Biharsharif
4. Andhra Pradesh: Chitoor Dispensary.

The expenditure on running of these hospitals/dispensaries is proposed to be met from the Cess funds managed by DGLW. The takeover of these hospitals/dispensaries is yet to be executed.

(No.G-25015/4/2016-B&A)

(Recommendation No. 24)

During their study visit to Thiruvananthapuram in October 2015, the Committee were informed by the medical/para-medical staff that after the State Government run hospital was taken over by the ESIC, their seniority and promotional avenues were adversely affected as they were put 58 at the bottom of the seniority list. The Committee, while expressing their concern over the future prospects of the employees of the hospitals proposed to be taken over by the ESIC, desire that cases of such employees be considered sympathetically and adequate steps be taken to safeguard their promotional avenues. The Committee may be apprised of the steps taken in this regard.

Reply of the Government

The State Government employees have been absorbed in ESIC on same or equivalent post. They have been given seniority in the respective cadre from the date they are placed in that cadre under State Government. Fixation of seniority and further promotion of absorbed employees in ESIC is being done strictly as per "Terms of Absorption" drafted in consonance with the rules and guidelines provided by DoPT.

In future, in cases of absorption of State Government employees, clearly drafted terms of absorption will be shared with such employees to enable them exercise their option for absorption or otherwise, accordingly.

(No.G-25015/4/2016-B&A)

CHAPTER-III**OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT
DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY****(Recommendation No. 4)**

The Committee note that the cess collection under the Iron Ore, Manganese and Chrome Ore, and Mines Labour Welfare Fund is less as compared to extraction/consumption of Iron Ore in particular, which is not being imported. The Committee are surprised to note from the Ministry's statement that the inspection mechanism is not very strong enough to detect such evasion of cess collection. Emphasising that a deficient inspection mechanism would defeat the very purpose of cess collection, the Committee impress upon the Ministry to put in place an efficacious inspection and monitoring method and take appropriate action against those companies found delinquent in paying cess dues.

Reply of the Government

The Labour Welfare Organization, Ministry of Labour & Employment through its Welfare Commissioners collects cess only in respect of iron ore, Manganese Ore and Chrome ore used for internal consumption in the country. This forms only a negligible part of the total production. Major part of the ore is being exported and the cess on this is collected by the Customs and Central Excise. This does not fall under the purview of the Ministry of Labour and Employment.

It may also be mentioned here that the above cesses have now been abolished by the Finance Act 2016.

(No.G-25015/4/2016-B&A)

CHAPTER-IV

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

(Recommendation No. 2)

The Committee further note that during the Annual Plan 2015-16, the Ministry have fallen short of utilising the Plan outlays in some other schemes as well, viz. Child Labours, Labour Statistics, Workers' Education, etc. where the BE even after substantial reduction in the proposals, could not be fully utilised. The Committee are surprised that though the working areas of the Ministry have shrunk considerably during the last year, they are still unable to utilize even the RE allocations to the maximum. Such consistent failure to utilize the allocated fund has also contribute to reduction in Ministry of Labour's share in overall budget allocations. In view of the fact that the overall fund utilisation scenario would have been far worse had the proposed allocation been approved and granted by the Ministry of Finance, the Committee recommend that the causes of persistent under-utilisation of Plan outlays should be identified and necessary corrective/remedial measures taken for ensuring optimal utilisation of funds during the 2016-17 fiscal.

Reply of the Government

The Budget Estimates for Ministry of Labour & Employment for the year 2015-16 was Rs. 2153.02 crore under Plan Head. Out of this Rs. 1000.00 crore was allocated for "Rashtriya Swasthya Bima Yojana" which was transferred to Ministry of Health & Family Welfare. Another Rs. 380.44 crore was for Training Directorate which was later on transferred to Ministry of Skill Development and Entrepreneurship. Thus, the effective allocation to Ministry of Labour & Employment for the year 2015-16 was Rs. 772.58 crore which included Rs. 320.00 crore for U-win Card scheme. The Plan budget estimates was further reduced to Rs. 339.70 crore at Revised Estimates 2015-16. Ministry had been able to spend Rs. 278.90 crore (AE) during the financial year 2015-16 which is 82.10 % of RE. Table showing BE, RE and actual expenditure in respect of Child Labour, Labour statistics and Workers' Education schemes is as under.

(Rs. In crore)

Sl. No	Schemes	BE	RE	Actual Expenditure	
				(In Crore)	(In percentage against RE)
1	Child Labour	250.00	99.50	93.21	93.68
2	Labour Statistics	43.32	43.32	30.78	71.05
3	Workers' Education	21.20	16.00	11.30	70.63

Savings in Child Labour scheme were on account of less number of Project Societies (about 100) being operational during 2015-16 due to mainstreaming of children. However, following steps have been taken to ensure optimal utilization of funds under Child Labour Scheme during 2016-17:-

- a) The Project Societies which have been closed are being revived by way of conducting fresh survey in those districts for estimating the incidence of child labour and opening the Project Society accordingly. In this regard, funds for conducting survey have been released for about 70 districts.
- b) The guidelines for NCLP have been revised with effect from 1.4.2016. The revised guidelines provide for simplified procedural requirement for release of funds and expanding the coverage of scheme.
- c) Formats for dealing with past-liability cases have been revised to solve old liability cases pending with Project Societies and to ensure smooth functioning of Project Society.
- d) A separate NCLP Portal providing for online submission of documents has been conceptualized and will become operational very soon. This would further expedite the release of funds during 2016-17.
- e) Provision of a separate Monitoring Committee at Central Government level by name of "National Project Monitoring Cell" in the revised guidelines would also ensure strengthening of monitoring system of scheme at Central level.

Actual Expenditure under Labour Employment Statistical System (LESS) during the Financial Year 2015-16 was Rs. 30.78 crore. RE allocations could not be utilized fully as some of the surveys (Occupational Wage Survey, Employment-Unemployment Survey and Quarterly Employment Survey) could not be launched in 2015-16. Launch of NSSO Survey was also delayed in 2015-16. Now all surveys are in full swing and Employment-Unemployment Survey is likely to be launched in September, 2016.

The reason for less spending of the plan budget of Central Board for Workers Education (CBWE) was due to the fact that posts of the Education Officers lying vacant over the years and had lapsed. The proposal for revival of 131 vacant posts (79 of Sr. Education Officer/Education Officers and 52 others) was referred to the Department of Expenditure for approval. The Ministry of Finance, Department of Expenditure has agreed for revival of only 52 posts which includes 14 posts of Education Officers. The approval of this Ministry for revival of 52 posts was conveyed to the Board with direction for filling up these revived posts urgently. Process for revival of remaining posts has already been initiated.

(No.G-25015/4/2016-B&A)

(Recommendation No. 3)

The Committee are distressed to note that the Ministry have been able to spend Rs.112.48 crore only against 39 Rs.207.34 crore in all the five Cess Funds. According to the Ministry the saving was due to economy measures and a general instruction from the Ministry of Finance for 10% cut in Non-Plan expenditure. The Committee are of the considered view that the cess-funds are funds for specified and defined purposes based on scheme/proposal based expenditure for specific labour welfare. Instruction on economy measure cannot apply in the case of cess-funds to justify the failure to spend almost 50 percent of the available fund. The Committee understand that the general instructions are for those Ministries/Departments where the proposed allocation has not been reduced below 50% or it has not been revised downwards at the RE stage. In the instant case, the allocation has been reduced to 30% at the RE stage and hence there was no need to follow the general instruction for 10% cut. While rejecting the submission made by the Ministry for under-utilisation of cess funds meant for the welfare of the workers belonging to the lowest strata of the society, the Committee stress that the implementing mechanism should be strengthened so that the cess funds collected are fully utilised and the benefits welfare 40 Schemes financed through these funds actually reach the intended beneficiaries.

Reply of the Government

Ministry has been able to spend Rs. 171.64 crore against total Budget Provision of Rs. 207.34 crore in all the five Cess Funds. In the four cess funds i.e. 'Mica Mine labour welfare fund', 'Iron Ore Manganese Ore Mines and Chrome Ore Mines Labour Welfare fund', 'Limestone and Dolomite Mines Labour welfare fund' and 'Cine Workers Welfare Fund', the entire Budget allocation of Rs. 37.34 Crore was utilised during the financial year 2015-16. Ministry had been able to spend Rs 134.30 crore against the total budget provision of Rs. 170.00 crore earmarked for the Beedi Workers Welfare Fund. A Provision of Rs 55.12 crore was made under BE 2015-16 for housing subsidy for beedi workers. Out of this amount Rs. 13.80 crore only could be spent. The reason for less utilization of funds was due to poor documentation by the illiterate or less literate beneficiaries.

Government has taken following steps to improve expenditure under the Beedi Workers Cess Fund which has been allowed to continue beyond 01.04.2016:-

- i. Subsidy given to Beedi Workers for construction of houses under the Revised Integrated Housing Scheme has been enhanced from Rs. 40,000 to Rs. 1,00,000 per house per family and which is to be further enhanced to Rs. 1.5 Lakh per house per family.
- ii. Scholarship scheme funded out of cess funds are now being implemented through e-scholarship platform.
- iii. As per the recommendation of the Expenditure Management Commission (EMC), in-principle decision for transfer of the hospitals/dispensaries run by the Labour Welfare Organization to the ESIC has been taken. The detailed modalities in this regard are being finalized.

CHAPTER-V**OBSERVATION/RECOMMENDATION IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE****(Recommendation No. 20)**

The Committee find that the ESIC is extending coverage on an experimental basis to some of the unorganised sector workers, viz. building workers, auto rickshaw drivers, domestic workers, and Anganwadi and Mid Day Meal Scheme workers on contribution of Rs.250/- per month in which four family members would be covered and the benefits would be the same as are made available to the IPs. The Committee are of the view that the contribution amount of Rs.250/- could be considered reasonable for building workers, auto rickshaw drivers and domestic workers keeping in view their earnings per month. But the prescription of a similar amount for the Anganwadi and Mid Day Meal Scheme workers who earn a maximum Rs.800/- to Rs.1000/- p.m. is definitely on the higher side. As most of these Anganwadi. workers cannot afford to pay an amount of Rs.250/- a month out of their meagre earnings, they will be reluctant to opt for the Scheme and, resultantly, they will not be covered under any of the medical coverage schemes. The Committee, therefore, urge that the Anganwadi and Mid-Day 55 Meal workers should be allowed to pay at the same rate/percentage of their wage/honorariums as is applicable to other IPs and the employer's contribution on that account should be borne by the Government of India to make them entitled for same facilities of ESI as available to other IPs.

Reply of the Government

Regarding observations of the Committee for payment of contribution by domestic workers, Aganwari and Mid-day Meal Scheme workers at the same rate / percentage of their wages / honorarium as applicable to other IPs, it is brought to the notice of the Hon'ble Committee that these workers do not come under the definition of "Employee" under Section 2(9) of ESI Act. However, to cover the sections of unorganized sectors like Aganwari, Asha, Mid-Day Meal Scheme's Workers under the ESI Act, a scheme, namely 'Other beneficiaries and members of their family's medical scheme 2010' was formulated by the Central Government. Under the said scheme the beneficiaries are required to pay user charges for availing the benefits under ESI Scheme. The average expenditure in providing primary and secondary care to a beneficiary comes to Rs. 200 p.m. The Government has in principle agreed to share the 50% of this expenditure i.e., Rs100 p.m per beneficiary out of its funds. Schemes in this regard, are under formulation.

(No.G-25015/4/2016-B&A)

New Delhi;
7, December, 2016
16 , Agrahayana, 1938 (Saka)

DR. KIRIT SOMAIYA
CHAIRPERSON,
STANDING COMMITTEE ON LABOUR

STANDING COMMITTEE ON LABOUR**(2016-17)****Minutes of the Sixth Sitting of the Committee**

The Committee sat on Wednesday, the 7th December, 2016 from 1700 hrs. to 1915 hrs. in Room No. '139', Parliament House Annexe, New Delhi.

PRESENT

Dr. Kirit Somaiya - CHAIRPERSON

MEMBERS**LOK SABHA**

2. Shri Satish Chandra Dubey
3. Dr. Arun Kumar
4. Shri Naba Kumar Sarania
5. Shri Dayakar Pasunoori

RAJYA SABHA

6. Shri Ram Narayan Dudi
7. Shri Nazir Ahmed Laway
8. Haji Abdul Salam
9. Shri Amar Shankar Sable
10. Ms. Dola Sen
11. Shri Tapan Kumar Sen
12. Shri Ravi Prakash Verma

SECRETARIAT

- | | | | |
|----|------------------------|---|-----------------|
| 1. | Shri N.C. Gupta | - | Joint Secretary |
| 2. | Smt. Anita B. Panda | - | Director |
| 3. | Smt. Archana Srivastva | - | Under Secretary |

PART - I

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee, convened for consideration and adoption of a Draft Action Taken Report. Giving an overview of the Recommendations made/reiterated in the Draft Action Taken Report, the Chairperson requested the Members to give their suggestions on them, if any.

3. The Committee, then, took up for consideration the Draft Action Taken Report on the Observations/Recommendations of the Committee contained in their Seventeenth Report (Sixteenth Lok Sabha) on Demands for Grants (2016-17) of the Ministry of Labour and Employment and adopted the same.

4. The Committee then authorized the Chairperson to present the Report to both the Houses.

PART-II

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The Committee then adjourned

XX Do not pertain to this report.

APPENDIX-II**(Vide Para No. 3 of the Introduction)****ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON
RECOMMENDATIONS CONTAINED IN THE SEVENTEENTH REPORT OF
THE STANDING COMMITTEE ON LABOUR (SIXTEENTH LOK SABHA)**

	Total	Percentage
I. Total number of Recommendations	24	
II. Observations/Recommendations which have been accepted by Government (Recommendation Para. Nos. 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 21, 22, 23 and 24)	20	83.32%
III. Observations/Recommendations which the Committee do not desire to pursue in view of Government's replies - Para No. 4	01	4.17%
IV. Observations/Recommendations in respect of which Government's replies have not been accepted by the Committee and which requires reiteration – (Recommendation Para. Nos. 2 and 3)	02	08.34%
V. Observations/Recommendations in respect of which replies of Government are of interim in nature- Para No. 20	01	4.17%
		----- 100% -----