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**STANDING COMMITTEE ON LABOUR  
(2018-19)  
(SIXTEENTH LOK SABHA)**

**MINISTRY OF LABOUR AND EMPLOYMENT**

**[Action taken by the Government on the Observations/ Recommendations of the Committee contained in their Thirty-Fourth Report (Sixteenth Lok Sabha) on Demands for Grants (2018-19) of the Ministry of Labour & Employment]**

**FORTY-SEVENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**February, 2019/ Magha, 1940 (Saka)**

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**STANDING COMMITTEE ON LABOUR**  
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**[Action taken by the Government on the Observations/ Recommendations of the Committee contained in their Thirty-Fourth Report (Sixteenth Lok Sabha) on Demands for Grants (2018-19) of the Ministry of Labour & Employment]**

***Presented to Lok Sabha on 07.02.2019***

***Laid in Rajya Sabha on 07.02.2019***



***LOK SABHA SECRETARIAT***

***NEW DELHI***

***February, 2019/ Magha, 1940 (Saka)***

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## **COMPOSITION OF THE STANDING COMMITTEE ON LABOUR**

**(2018-19)**

**DR. KIRIT SOMAIYA - CHAIRPERSON**

### **MEMBERS**

#### **Lok Sabha**

2. Shri Udayanraje Pratapsingh Bhonsle
3. Shri Rajesh Kumar Diwakar
4. Shri Ashok Kumar Dohrey
5. Shri Satish Chandra Dubey
6. Shri Devajibhai Govindbhai Fatepara
7. Shri Satish Kumar Gautam
8. Dr. Boora Narsaiah Goud
9. Shri Rama Chandra Hansdah
10. Shri C. N. Jayadevan
11. Shri Bahadur Singh Koli
12. Dr. Arun Kumar
13. Shri Kaushalendra Kumar
14. Shri Hari Manjhi
15. Shri R. Parthipan
16. Shri Dayakar Pasunoori
17. Shri Hariom Singh Rathore
18. Shri Naba Kumar Sarania (Hira)
19. Shri Kodikunnil Suresh
20. Shri Mulayam Singh Yadav
21. Vacant

#### **Rajya Sabha**

22. Dr. Banda Prakash
23. Shri Ram Narain Dudi
24. Shri N. Gokulakrishnan
25. Shri Nazir Ahmed Laway
26. Shri P.L. Punia
27. Shri Rajaram
28. Shri Amar Shankar Sable
29. Ms. Dola Sen
30. Shri Madanlal Saini
31. Shri Akhilesh Prasad Singh

### **SECRETARIAT**

1. Ms. Rhimjhim Prasad	-	Joint Secretary
2. Shri P.C. Choulda	-	Director
3. Shri C. Vanlaluata	-	Additional Director
4. Shri Mohinder Paul Rana	-	Executive Assistant

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Labour (2018-19) having been authorized by the Committee do present on their behalf this Forty-Seventh Report on Action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty-Fourth Report (Sixteenth Lok Sabha) on Demands for Grants (2018-19) of the Ministry of Labour & Employment.

2. The Thirty-Fourth Report was presented to Lok Sabha and laid in Rajya Sabha on 13<sup>th</sup> March, 2018. The Ministry of Labour and Employment furnished their replies indicating Action Taken on the Observations/Recommendations contained in the Thirty-Fourth Report on 2<sup>nd</sup> July, 2018. The Committee considered and adopted the Draft Report at their sitting held on 6th February, 2019.

3. An analysis of the action taken by the Government on the Observations/Recommendations contained in the Thirty-Fourth 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;**  
**6<sup>th</sup> February, 2019**  
**17<sup>th</sup> Magha, 1940 (Saka)**

**DR. KIRIT SOMAIYA**  
**CHAIRPERSON,**  
***STANDING COMMITTEE ON LABOUR***

## REPORT

### CHAPTER-I

This Report deals with action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty-Fourth Report (Sixteenth Lok Sabha) on Demands for Grants (2018-19) of the Ministry of Labour and Employment.

2 The Thirty-Fourth Report was presented to Lok Sabha and also laid in Rajya Sabha on 13<sup>th</sup> March, 2018. It contained 11 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 – <b>Rec. Para Nos. 35, 44, 51 and 52</b>	<b>Total:04</b> <b>Percentage:36.36</b>
(ii)	Observations/Recommendations which the Committee do not desire to pursue in view of the Government's reply – <b>Nil</b>	<b>Total:00</b> <b>Percentage:00</b>
(iii)	Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration – <b>Rec. Para No. 18, 20 and 59</b>	<b>Total:04</b> <b>Percentage:27.28</b>
(iv)	Observations/Recommendations in respect of which replies of the Government are interim in nature- <b>Rec. Para No. 17, 19, 26 and 64</b>	<b>Total:04</b> <b>Percentage:36.36</b>

**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. Performance of Centrally Sponsored Schemes**

### **(Recommendation Para No. 18)**

4. In their original recommendation, the Committee had observed as under:

"The Committee note the stand taken by the Ministry that inspite of percentage of utilization of funds being around 82% till 21.02.2018, the overall implementation of scheme would not be hampered. The confidence of the Ministry seems ill-timed to the Committee as from the figures furnished by the Ministry, the percentage of expenditure over RE in schemes pertaining to DGFASLI, DGMS, PMRPY and others has been around 50%. Due to regular curtailing of funds as well as their under-utilisation, the efficacy of almost all schemes under implementation can get impacted. The Committee, therefore, exhort upon the Ministry to improve their implementation mechanism with a view to considerably improve their overall performance in physical and financial terms."

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

"Ministry was able to utilize around 92% of the budget allocated against Revised Estimates (RE)2017-18 in the DGFASLI, DGMS, PMRPY schemes.

Sl.No	Scheme	BE 2017-18	RE 2017-18	Expenditure 2017-18	% Exp over RE
1	DGFASLI	47.18	30.19	25.89	85.76
2	DGMS	92.10	72.62	67.92	93.53
3	PMRPY	1000.00	500.00	485.02	97.00

Implementing agencies of the Schemes administered by the Ministry of Labour& Employment have been sensitized to improve the delivery of services significantly so that intended beneficiaries get the benefit of the scheme on time. Regular meetings are held with the Bureau Heads to monitor and review the pace of expenditure."

**6. Concerned to note that the percentage of expenditure over RE in Schemes pertaining to DGFASLI, DGMS, PMPRY had been around 50% and regular curtailing of funds as well as their under-utilisation were negatively imparting the efficacy of Schemes, the Committee had exhorted upon the Ministry to improve their implementation mechanism, which would positively impact their physical and financial performance.**

**From the reply of the Ministry, the Committee note that Ministry of Labour & Employment were able to utilise around 92% of RE funds under DGFASLI, DGMS and PMPRY Schemes during the fiscal 2017-18. However, the Committee also note that percentage expenditure over RE for DGFASLI scheme was only 85.76%. While appreciating the various measures initiated by the Ministry of Labour & Employment for improving their physical and financial performance, the Committee are of considered opinion that a lot more needs to be done to ensure optimum utilisation of sanctioned funds and full achievement of physical targets. They, therefore, reiterate their earlier recommendation that the Ministry of Labour & Employment improve their implementation mechanism so as to considerably improve their financial and physical performance.**

**(Recommendation Para No. 20)**

7. In their original recommendation, the Committee had observed as under:

"The huge workforce in the unorganised sector has engaged serious attention of the Committee for long as they feel that creating a National database of unorganised workers is vital for their welfare and security. However, the scheme has not been progressing satisfactorily. The Committee note that the scheme for providing identity card to all workers in the unorganized sector has remained a non-starter till date. It has now been modified to seeding Aadhar on the platforms without issuance of a smart card in the form of the project of National Platform of Unorganised workers and allotment of an Aadhar Seeded Identification Number (U-WIN), is not fully operational even after a lapse of seven months after its approval in July, 2017. Though the Project Management Unit is in place, the RFP is reportedly still being finalized. The Committee therefore desire that all modalities of the Scheme must be finalised fast, so that the enrollment of workers for U-WIN can at least start this F.Y. across the Country."

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

"The Project was approved by the Government on 11.07.2017. A meeting with representatives from the Ministry and State Government/UT administration was held on 05.09.2017 to discuss the implementation of U-WIN Project. Subsequently, selection process for Project Management Unit (PMU) was initiated and finalized in December, 2017. Thereafter, the PMU started preparing Request for Proposal (RFP) for 'Creation of National Platform of Unorganized Workers and Allotment of an Aadhaar Seeded Identification Number. A preliminary draft of the scope of work was prepared on 22.01.2018 and circulated for feedback. An Industry Consultation session was organized on 20.02.2018 to brief potential bidders and other stakeholders about the scope of work to ensure that the RFP is inclusive and non-restrictive.

RFP has been duly approved by the Hon'ble Minister of Labour& Employment (I/C). It has been uploaded on Central Public Procurement (CCP) Portal and MoLE's website, thus commencing the Bid process management."

**9. Having noted that the Scheme for providing identity card to all workers in the unorganised sector has remained a non-starter due to procedural bottlenecks, the Committee had desired that all modalities of the Scheme must be finalised first, so that enrollment of workers for U-WIN can atleast start in the current fiscal year. However, on perusal of the action taken reply, the Committee are concerned to note that though the Request for Proposal (REP) has been duly approved by the Hon'ble Minister of Labour & Employment and uploaded on Central Public Procurement Portal and the Ministry of Labour & Employment's website, thereby commencing the bid process management, yet the process of issuance of identity card to workers of the unorganised sector is yet to see the light of the day. Deprecating this inordinate delay on the part of the Ministry of Labour & Employment in formalising the modalities of this Schemes. The Committee reiterate their original recommendation and**

**exhort upon the Ministry of Labour & Employment to treat this issue with the alacrity it deserves so that all modalities of the scheme are finalised in good time and the process of enrollment of workers for U-WIN can start at the earliest. They further desire to be apprised of the progress achieved herein.**

### **III. Employees' Provident Fund Organisation (EPFO)**

#### **(Recommendation Para No. 59)**

10. In their original recommendation, the Committee had observed as under:

"The Committee note that there have been reported instances wherein it has come to light that employers have not been depositing the PF contribution deducted from wages of the employee in the PF account, while simultaneously defaulting on their own contribution as well. The Committee view this deliberate oversight on the part of the employee very seriously as due to this, the worker is unjustly being denied his due. In the last 2 years, 2497 such complaints have been received by EPFO out of which 924 complaints have been acted upon. The Committee note that penal actions include recovery, levy of damages as well as interest, prosecution, attachment of property and arrest. They, therefore, recommend that the Ministry issue directions to the EPFO to take stringent penal action against rest of the 1573 complaints early so as to discourage those employers who indulge in such fraudulent activities under the existing EPF&MP Act of 1952. They further desire that a list of defaulters should also be displayed on the website of the Ministry/ EPFO. The Committee opined that the Government should take a policy decision to pay such workers, who are yet to get their statutory benefits of PF & ESI since long, due to the default of the employers, through deposit from the fixed asset/deposit of crores still lying with the appropriate authorities."

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

"Employees' Provident Fund Organisation (EPFO) has issued directions to all RPFCs to take stringent penal action against all defaulting establishments (including establishment against which such complaints have been received in the last two years), in which provident Fund deduction has been made by employer but not paid/ deposited with EPFO, so as to discourage those

employers who indulge in such fraudulent activities under the EPF & MP Act, 1952.

2. Statutory benefits to the employees of defaulting establishments are already available under EPF & MP Act 1952. The employees of such defaulting establishments may get payment, equal to the provident fund amount deducted but not deposited by the employer, from Special Reserve Fund under para 16-A of EPS 1995 Scheme, none of the pensionary benefits under the Scheme shall be denied to any member or beneficiary for want of compliance of the requirement by the employer. However, the employer shall not be absolved of his liabilities under the Scheme.

3. The employees covered under the ESI Scheme are eligible to get legitimate benefits under the Act, even though the contribution has not been paid but is payable by the Employer. The Act has a provision to recover contribution along with Interest and Damages as per rule from the employer for the default in payment of contribution as per policy guidelines. Provisions for such cases where employer fails or neglects to pay any contribution in respect of any employee already exist under Section 68 of ESI Act, 1948.

4. Further, as per Regulation 110, on-line filing of the contribution by the employer in respect of insured persons on monthly basis is essential. ESIC contribution shall be deemed to be payable by an employer, in respect of his employees covered under the Act, as soon as he submits the wage record on monthly basis through the on-line employer portal even though he may not have deposited ESIC contributions online. Such IPs shall be eligible for all benefits under the provisions of ESI Act based upon the status of contribution "Payable" even if it is not paid or paid subsequently by the employer.

5. Hence, the Insured Persons and the beneficiaries of ESI Scheme are provided benefits till the end of benefit period to which corresponding contribution has been either paid or payable. In case the employer fails to pay, benefits are allowed after its confirmation from the employer and appropriate action as per law is initiated to recover the unpaid contribution separately."

**12. During the course of examination of Demands for Grants 2017-18, the Committee were concerned to note of instances wherein employers having deducted the PF contribution from their employees were not depositing the same with the EPFO and defaulting on their own contribution as well. During the last 2 year, 2497 such complaints were received by EPFO out of which 924 complaints had been acted upon.**

Deeply perturbed at these instances, the Committee had recommended that EPFO take stringent penal action in the remaining 1573 cases to discourage employers indulging in fraudulent activities, as well as displaying the list of such defaulters on the web portal of Ministry of Labour & Employment/EPFO. The Committee had further desired that Government should take a policy decision on such workers to ensure that their long overdue statutory benefits of PF&ESI could be met through deposit from fixed asset deposit amounts to crore of rupees lying with appropriate authorities. Rather than initiating action on the Committee's instant recommendation, the Ministry of Labour & Employment have forwarded a stereotype reply explaining the various provision under the EPF&MP Act, 1952 for safeguarding the interests of workers, penal provisions under the Act for erring employers, etc. Strongly deprecating this lackadaisical reply of the Ministry of Labour & Employment, the Committee would like to impress upon them that inspite of the provisions of the EPF&MP Act, 1952, such violations are rampant. The Committee, therefore, desire that the Ministry of Labour & employment look into this vexed issue afresh and work upon the Committee's original recommendation in real earnest and also exhibit the list of defaulters on their web page. They would further like to be apprised of the progress achieved, as they feel that the workers should not suffer/be penalised for employers non-payment.

**CHAPTER-II**  
**OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT**

**(Recommendation Para No. 35)**

The Committee note that the scourge of bonded labour still exists in our country, though this inhumane practice was abolished in the year 1976 by 'The Bonded Labour System (Abolition) Act'. In the opinion of the Committee it is high time that States/UTs work earnestly towards complete elimination of this illegal and inhuman practice once and for all. They further desire that not only penal provisions of this Act be made stringent so that it acts as an effective deterrent to the violators but efforts also be made for setting up fast track courts for conviction of the guilty. The Committee exhort upon MoLE to impress upon all States/UTs to strive towards achieving higher conviction rate in such cases, which even the Ministry agrees to be abysmally low at present. The Committee further desire to be apprised of the progress achieved herein and the steps taken for the rehabilitation of the bonded labourers.

**Reply of the Government**

The Bonded Labour System (Abolition) Act, 1976 provides for a summary trial with imprisonment for a term which may extend to 3 years and also with fine uptoRs.2000/- . For speedy conviction, there is a provision under Section 21 of the Act, according to which the State Government may confer, on an Executive Magistrate, the powers of a Judicial Magistrate of the first class or of the second class for the trial of offences under this Act; and on such conferment of powers, the Executive Magistrate on whom the powers are so conferred, shall be deemed, for the purposes of the Code of criminal Procedure, 1973 (2 of 1974), to be a Judicial Magistrate of the first class, or of the second class, as the case may be.

For Identification and Rescue of Bonded Labourer and Prosecution of Offender, this Ministry has formulated Standard Operating Procedures which, inter alia, impress upon a Designated Magistrate to conclude the Summary Trial within three months from the date of identification or rescue of a Bonded Labour. However, there is a low rate of conviction. Feedback indicate that if it appears to the Designated Magistrate that the accused is also chargeable for offences under some other law for the time being in force (other than the Bonded Labour System (Abolition) Act 1976), the Designated Magistrate has to

commit the entire case along with the case records to the competent court. States are being sensitized in this regard in regional conferences and NHRC workshops.

**(No.G-25015/02/2018-B&A)**

**(Recommendation Para No. 44)**

The Committee note that, as of now, the number of pending cases in CGITs-cum-LCs and National Tribunal during the year 2016-17 is 12,798 and applications pending is 4047. Also the action for filling up vacancies of CGITs-cum-LCs is not keeping pace with the pendency as in 22 CGITs, 11 P.Os are not in position. Being concerned at this state of affairs, the Committee had recommended in its earlier report on Demands for Grants (2016-17) that the Ministry should take urgent steps to clear the back log vacancies at the earliest, so that the enforcement mechanism can be strengthened to effectively deal with violators of Labour Laws who cause undue harassment and hardships to the already vulnerable workers. However, the Committee note that even after the passage of two years, 67 out of 204 sanctioned posts of personnel are vacant in 22 CGITs-cum-LCs. Hence they recommend that the Ministry take up the task of filling up of vacancies in all CGITs-cum-LCs on a war footing. The Committee hope that short listing of candidates as presiding officers in CGITs-cum-LCs in Chandigarh, Dhanbad, Jabalpur, Chennai and Ernakulam shall be expedited soon.

**Reply of the Government**

Ministry had circulated the vacancies of Presiding Officers of CGITs at New Delhi, Chennai, Ernakulum, Chandigarh I & II, Jabalpur, Jaipur, Dhanbad-I & II on 10.08.2017. However, consequent upon notification of Finance Act, 2017 & 'The Tribunals, Appellate Tribunals and other authorities (Qualification, Experience and other conditions of the Members), Rules 2017, the vacancies of Presiding Officers at these 08 stations had to be re-circulated vide this Ministry's letter dated 10.08.2017. Similarly, the vacancies of Presiding Officers at CGIT/NIT, Mumbai, Chandigarh-I & Bangalore, created due to resignation of respective Presiding Officers, were also circulated on 5.9.2017, 16.11.2017 & 28.12.2017 respectively.

A fresh Search-cum-Selection-Committee was constituted with the approval of ACC, communicated vide DOP&T's letter dated 10.01.2018.

Applications received in response to above circulars have been examined by the Search-cum-Selection Committee in its' meetings held on 24.1.2018, 12.02.2018, 13.2.2018, 19.2.2018, 08.05.2018 & 22.05.2018. The Committee has already finalized the panel for 10 CGITs/NIT. The Committee has also shortlisted names for the remaining 11th Vacancy. Further follow-up action is being taken to obtain the approval of competent authority i.e. ACC.

So far as vacancy of 67 out of 204 sanctioned posts in CGIT-cum-Labour Courts/National Industrial Tribunal is concerned, Ministry has already sent requisition to Staff Selection Commission for filling up the post of LDCs and PAs. Vacancies in the Grade of MTS have been intimated to Staff Selection Commission by the concerned Presiding Officers of the CGIT-cum-Labour Courts/National Industrial Tribunals. Till regular staff gets appointed, Presiding Officers of CGITs have been advised to engage staff on outsourcing basis.

**(No.G-25015/02/2018-B&A)**

**(Recommendation Para No. 51)**

The Committee note that Pradhan Mantri Rojgar Protsahan Yojana (PMR PY) was approved on 9th August, 2016 to incentivize employers for generating new employment, where Government will be paying the 8.33% EPS contribution of the employer for new employment. However, the Committee are concerned to note that during the fiscal 2017-18, BE of Rs. 1000 crore was drastically revised downward at RE stage to Rs. 500 crore and the actual utilization was Rs. 440.23 crore (till 15.02.2018). The Ministry have attributed it to the lack of response from the employees in the initial stages and some technical problems faced in Aadhar linking of accounts of beneficiaries for verification of credentials of the new employees. Thus, due to unspent balances, the Ministry of Finance drastically reduced the allocation at RE stage. The Committee have been informed that the sharp reduction in BE 2017-18 appears to have no adverse effect on the implementation of the scheme considering the fact that previous year's funds were still available with EPFO (the implementing agency of PMR PY) which continued to utilise the same during 2017-18. Also, the Ministry have expressed confidence about the scheme gaining momentum this fiscal, while informing generation of employment to the tune of over 26.67 lakh during 2017-18 till February, 2018

through PMRPY. The Committee desire that the report of coverage be verified and a detailed report be submitted to them. They further desire that consolidated efforts be taken now to accelerate the utilization of funds amounting to Rs. 1000 crore allocated this fiscal, to achieve targeted number of newly covered employees and they would like to be apprised about progress of the Scheme at the action taken stage. The Committee are of the view that there is a need to ensure the implementation of the utilisation of the funds from the appropriate account and for the intended purpose. The Committee, therefore, desire that amount is spent strictly as per guidelines of PMRPY.

#### **Reply of the Government**

Recommendation of the Committee has been noted and steps are being taken to accelerate the pace of expenditure as per the PMRPY guidelines.

**(No.G-25015/02/2018-B&A)**

#### **(Recommendation Para No. 52)**

The Committee further observe that the scheme PMRPY implemented by the Ministry of Labour & Employment and PMKVY (Pradhan Mantri Kaushal Vikas Yojana) implemented by Ministry of Skill Development & Entrepreneurship are both aimed to address the need for better employment generation for the youth in the country. Hence, there is a need to develop convergence between the two schemes which would in turn result into better utilisation of funds too. The Committee, therefore, recommend that the Ministry may seriously explore the possibility of developing a coordination mechanism between PMRPY and PMKVY in consultation with its implementing Ministry well in time as doing so in the initial stages of the Schemes would be easier for both the Ministries. The Committee desire to be apprised of the progress on the matter.

#### **Reply of the Government**

PMRPY scheme is designed with the object to incentivize employers for generation of new employment, where Government of India is paying the 8.33 % of EPS contribution of the employer for the new employment. This scheme has a dual benefit, where, on the one hand, the employer is incentivized for increasing the employment base of workers in the establishment, and on the other hand, a large number of workers will find jobs in such establishments. A

direct benefit is that these workers will have access to social security benefits of the organized sector.

“The Cabinet Committee on Economic Affairs on 28.03.2018 has approved to enhance the coverage of PMRKY Cabinet Note where the Government of India will pay full Employer’s contribution (EPF and EPS both) as admissible from time to time w.e.f 01.04.2018 for a period of three years to the new employees and to existing beneficiaries for their remaining period of three years through EPFO. The terminal date for registration of beneficiary through establishment is 31.03.2019”. Whereas, Pradhan Mantri Kaushal Vikas Yojana(PMKVY) is the flagship scheme of the Ministry of Skill Development & Entrepreneurship (MSDE) that enables youth to take up industry-relevant skill training that will help them in securing a better livelihood.

Since, objectives of both the scheme are different hence at present it is not feasible to develop a coordination mechanism between PMRKY & PMKVY. But in future the possibility will be explored by having a meeting between implementing Ministries.

**(No.G-25015/02/2018-B&A)**

### **CHAPTER-III**

#### **OBSERVATIONS/ RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLY**

**NIL**

## **CHAPTER-IV**

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

#### **(Recommendation Para No. 18)**

The Committee note the stand taken by the Ministry that inspite of percentage of utilization of funds being around 82% till 21.02.2018, the overall implementation of scheme would not be hampered. The confidence of the Ministry seems ill-timed to the Committee as from the figures furnished by the Ministry, the percentage of expenditure over RE in schemes pertaining to DGFASLI, DGMS, PMR PY and others has been around 50%. Due to regular curtailing of funds as well as their under-utilisation, the efficacy of almost all schemes under implementation can get impacted. The Committee, therefore, exhort upon the Ministry to improve their implementation mechanism with a view to considerably improve their overall performance in physical and financial terms.

#### **Reply of the Government**

Ministry was able to utilize around 92% of the budget allocated against Revised Estimates (RE)2017-18 in the DGFASLI, DGMS, PMR PY schemes.

Sl.No	Scheme	BE 2017-18	RE 2017-18	Expenditure 2017-18	% Exp over RE
1	DGFASLI	47.18	30.19	25.89	85.76
2	DGMS	92.10	72.62	67.92	93.53
3	PMR PY	1000.00	500.00	485.02	97.00

Implementing agencies of the Schemes administered by the Ministry of Labour& Employment have been sensitized to improve the delivery of services significantly so that intended beneficiaries get the benefit of the scheme on time. Regular meetings are held with the Bureau Heads to monitor and review the pace of expenditure.

**(No.G-25015/02/2018-B&A)**

### **(Recommendation Para No. 20)**

The huge workforce in the unorganised sector has engaged serious attention of the Committee for long as they feel that creating a National database of unorganised workers is vital for their welfare and security. However, the scheme has not been progressing satisfactorily. The Committee note that the scheme for providing identity card to all workers in the unorganized sector has remained a non-starter till date. It has now been modified to seeding Aadhar on the platforms without issuance of a smart card in the form of the project of National Platform of Unorganised workers and allotment of an Aadhar Seeded Identification Number (U-WIN), is not fully operational even after a lapse of seven months after its approval in July, 2017. Though the Project Management Unit is in place, the RFP is reportedly still being finalized. The Committee therefore desire that all modalities of the Scheme must be finalised fast, so that the enrollment of workers for U-WIN can at least start this F.Y. across the Country.

### **Reply of the Government**

The Project was approved by the Government on 11.07.2017. A meeting with representatives from the Ministry and State Government/UT administration was held on 05.09.2017 to discuss the implementation of U-WIN Project. Subsequently, selection process for Project Management Unit (PMU) was initiated and finalized in December, 2017. Thereafter, the PMU started preparingRequest for Proposal (RFP) for 'Creation of National Platform of Unorganized Workers and Allotment of an Aadhaar Seeded Identification Number. A preliminary draft of the scope of work was prepared on 22.01.2018 and circulated for feedback. An Industry Consultation session was organized on 20.02.2018 to brief potential bidders and other stakeholders about the scope of work to ensure that the RFP is inclusive and non-restrictive.

RFP hasbeen duly approved by the Hon'ble Ministry of Labour& Employment (I/C). It has been uploaded on Central Public Procurement (CCP) Portal and MoLE's website, thus commencing the Bid process management.

### **(No.G-25015/02/2018-B&A)**

### **(Recommendation Para No. 59)**

The Committee note that there have been reported instances wherein it has come to light that employers have not been depositing the PF contribution deducted from wages of the employee in the PF account, while simultaneously defaulting on their own contribution as well. The Committee view this deliberate oversight on the part of the employee very seriously as due to this, the worker is unjustly being denied his due. In the last 2 years, 2497 such complaints have been received by EPFO out of which 924 complaints have been acted upon. The Committee note that penal actions include recovery, levy of damages as well as interest, prosecution, attachment of property and arrest. They, therefore, recommend that the Ministry issue directions to the EPFO to take stringent penal action against rest of the 1573 complaints early so as to discourage those employers who indulge in such fraudulent activities under the existing EPF&MP Act of 1952. They further desire that a list of defaulters should also be displayed on the website of the Ministry/ EPFO. The Committee opined that the Government should take a policy decision to pay such workers, who are yet to get their statutory benefits of PF & ESI since long, due to the default of the employers, through deposit from the fixed asset/deposit of crores still lying with the appropriate authorities.

### **Reply of the Government**

Employees' Provident Fund Organisation (EPFO) has issued directions to all RPFCs to take stringent penal action against all defaulting establishments (including establishment against which such complaints have been received in the last two years), in which provident Fund deduction has been made by employer but not paid/ deposited with EPFO, so as to discourage those employers who indulge in such fraudulent activities under the EPF & MP Act, 1952.

2. Statutory benefits to the employees of defaulting establishments are already available under EPF & MP Act 1952. The employees of such defaulting establishments may get payment, equal to the provident fund amount deducted but not deposited by the employer, from Special Reserve Fund under para 16-A of EPS 1995 Scheme, none of the pensionary benefits under the Scheme shall be denied to any member or beneficiary for want of compliance of the requirement by the employer. However, the employer shall not be absolved of his liabilities under the Scheme.

3. The employees covered under the ESI Scheme are eligible to get legitimate benefits under the Act, even though the contribution has not been paid but is payable by the Employer. The Act has a provision to recover contribution along with Interest and Damages as per rule from the employer for the default in payment of contribution as per policy guidelines. Provisions for such cases where employer fails or neglects to pay any contribution in respect of any employee already exist under Section 68 of ESI Act, 1948.

4. Further, as per Regulation 110, on-line filing of the contribution by the employer in respect of insured persons on monthly basis is essential. ESIC contribution shall be deemed to be payable by an employer, in respect of his employees covered under the Act, as soon as he submits the wage record on monthly basis through the on-line employer portal even though he may not have deposited ESIC contributions online. Such IPs shall be eligible for all benefits under the provisions of ESI Act based upon the status of contribution “Payable” even if it is not paid or paid subsequently by the employer.

5. Hence, the Insured Persons and the beneficiaries of ESI Scheme are provided benefits till the end of benefit period to which corresponding contribution has been either paid or payable. In case the employer fails to pay, benefits are allowed after its confirmation from the employer and appropriate action as per law is initiated to recover the unpaid contribution separately.

**(No.G-25015/02/2018-B&A)**

## **CHAPTER-V**

### **OBSERVATION/RECOMMENDATION IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE**

#### **(Recommendation Para No. 17)**

The Committee are concerned to note the financial performance of the Ministry of Labour & Employment year after year. During the fiscals 2015-16 and 2016-17, funds allocated under BE were revised downward at RE stage and the actual expenditure was even lower. Most of the reasons attributed for the same were purely procedural in nature like non-receipt of utilization certificates, receipt of less number of proposals, late approval of schemes etc. The same trend continued in the fiscal 2017-18 too. The Committee feel that the time has come when the Ministry need to adopt a prudent financial management system, reduce as far as possible the multi-agency clearances for a scheme and motivate the implementing agencies to be equal and active partners in all schemes of the Ministry of Labour & Employment. The Committee firmly hold that if their instant recommendation is earnestly implemented by all concerned, then the fiscal/budgetary management system of the Ministry will improve manifold.

#### **Reply of the Government**

Ministry has been making all efforts for making budgetary exercise more prudent. While making the budgetary provisions for various schemes, realistic approach is being followed by the Ministry considering various aspects like trend of utilization of funds during the previous year, future commitments under the schemes, scope of increasing number of intended beneficiaries etc. Further, Bureau Heads have also been directed to strictly adhere to a duly approved Monthly Expenditure Plan so that at the end of the financial year 2018-19, expenditure in respect of Ministry of Labour & Employment conforms to the budgetary provisions. Secretary L&E is also taking regular meetings with Bureau Heads to review the pace of expenditure.

**(No.G-25015/02/2018-B&A)**

### **(Recommendation Para No. 19)**

Continuous under-utilisation of funds meant for providing scholarships due to procedural bottlenecks has been a matter of concern to the Committee. They feel that the Ministry's plea that the process of receiving applications lasts till 30th October, the process of verification takes another 30 days and the payment files are only received in second half of January, whereas RE is decided by Ministry of Finance on the basis of expenditure upon September, may result in deserving and needy students being deprived of scholarships, which otherwise could go a long way in their educational and socio-economic upliftment. The Committee, therefore, impress upon the Ministry to address this issue so that a lasting solution can be found to fast track the procedures and funds are allocated as envisaged. They desire to be apprised of the progress achieved herein.

#### **Reply of the Government**

Ministry has taken up the matter with the DBT mission since the entire process of having applications online, fixing of deadlines etc., is done by the National Scholarship Portal managed by NIC and monitored by DBT mission. DBT has been requested to ensure that the payment files are received in this Ministry by July so that payments could be made by September instead of the present system wherein the payment files are received towards the end of the financial year. DBT has been further requested to take up the matter with the Ministry of Finance so that funds allocated for scholarship are not reduced at RE stage and also funds allocated for scholarships are not subjected to economy restrictions imposed by Ministry of Finance from time to time.

**(No.G-25015/02/2018-B&A)**

### **(Recommendation Para No. 26)**

The Committee express their concern on the slow paced utilization of funds during the first quarter of the last fiscal as the expenditure was to the tune of Rs. 195.94 crore only. Though the pace picked up in the second quarter to Rs. 2598.04 crore, it fell to Rs. 1660.87 crore in the third quarter. The total utilization for the first three quarters was Rs. 4454.85 crore out of total allocation of Rs. 7378.85 crore. It is due to the slow pace of utilization in the first quarter that BE funds are reduced at RE stage. The Committee desire that the implementing agencies be motivated not only to improve upon their first quarter performance, but also work towards a well-balanced utilization of funds in all four quarters of a financial year to ensure optimum allocation and utilization of funds.

#### **Reply of the Government**

Ministry was able to utilize an amount of Rs.6528.57croreagainst the total allocation of Rs.7378.85 crore, which is around 88.48% of the total budget for 2017-18. Bureau Heads were advised to ensure that they start incurring expenditure from the month of April itself. Ministry is expected to achieve its financial and physical targets in 2018-19.

**(No.G-25015/02/2018-B&A)**

**(Recommendation Para No. 64)**

The Committee note that the Government issued a Gazette notification no. 593(E) providing a minimum pension of Rs. 1,000/- per month for member/ widow(er)/ disabled/ nominee/ dependent parent pensioners, Rs. 750/- per month for orphan pensioners and Rs. 250/- per month for children pensioners. The notification was effective from 01.09.2014 and valid for the year 2014-15 only. Further the Central Government has also approved the proposal for continuation of the amendment of disbursement of minimum pension of Rs. 1,000/- per month beyond 2014-15. On the Committee's query regarding increase in pension amount, the Ministry have submitted that the Employee Pension Scheme is a self sustaining fund and there are no plans for enhancing the monthly pension of Rs. 1000 due to the financial implications. While lauding this pension initiative taken by the Government, the Committee are of the firm opinion that this is too meager an amount which will not be able to fulfill even the basic monthly needs and requirements of a pensioner. They, therefore, recommend that Government undertake an assessment of the pension scheme with particular reference to the right of sustenance of the pensioners and based on the result, consider revision of the amount accordingly.

**Reply of the Government**

The Ministry is aware of the problems of EPS pensioners and has, therefore, constituted a High-Empowered Monitoring Committee on 04.01.2018 for complete evaluation and review of the EPS, 1995 Scheme.

**(No.G-25015/02/2018-B&A)**

**New Delhi;**  
**6<sup>th</sup> February, 2019**  
**17<sup>th</sup> Magha, 1940 (Saka)**

**DR. KIRIT SOMAIYA**  
**CHAIRPERSON,**  
**STANDING COMMITTEE ON LABOUR**

## **Appendix-I**

### **STANDING COMMITTEE ON LABOUR**

**(2018-19)**

#### **Minutes of the Twelfth Sitting of the Committee**

The Committee sat on Wednesday, the 6<sup>th</sup> February, 2019 from 1030 hrs. to 1100 hrs. in Room No. 95-A, Chairperson's Chamber, Parliament House, New Delhi.

#### **PRESENT**

**Dr. Kirit Somaiya – CHAIRPERSON**

#### **MEMBERS**

##### **LOK SABHA**

2. Shri Ashok Kumar Dohrey, MP
3. Shri Satish Chandra Dubey, MP
4. Shri Rama Chandra Hansdah, MP
5. Shri C. N. Jayadevan, MP
6. Shri Kaushalendra Kumar, MP
7. Shri R. Parthipan, MP
8. Shri Hariom Singh Rathore, MP

##### **RAJYA SABHA**

9. Shri Ram Narain Dudi, MP
10. Shri P.L. Punia, MP
11. Shri Amar Shankar Sable, MP
12. Shri N. Gokulakrishnan, MP
13. Shri Madanlal Saini, MP

#### **SECRETARIAT**

1.	Ms. Rimjhim Prasad	-	Joint Secretary
2.	Shri P.C. Choulda	-	Director
3.	Shri C. Vanlalruata	-	Additional Director
4.	Shri Kulvinder Singh	-	Under Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee, convened for consideration and adoption of the following draft Reports:

(i)	XX	XX	XX	XX
(ii)	Action Taken by the Government on the Observations/ Recommendations of the Committee contained in their 34 <sup>th</sup> Report on Demands for Grants (2018-19) of the Ministry of Labour & Employment;			
(iii)	XX	XX	XX	XX
(iv)	XX	XX	XX	XX
(v)	XX	XX	XX	XX
(vi)	XX	XX	XX	XX
(vii)	XX	XX	XX	XX

3. The Committee took up the Draft Reports one by one for consideration/ adoption and adopted the same without any addition/ modification.

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

**The Committee then adjourned.**

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XX Does 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 THIRTY-FOURTH REPORT OF  
THE STANDING COMMITTEE ON LABOUR (SIXTEENTH LOK SABHA)**

	<b>Total</b>	<b>Percentage</b>
I. Total number of Recommendations	11	
II. Observations/Recommendations which have been accepted by Government (Recommendation Para. Nos. 35, 44, 51 and 52)	04	36.36%
III. Observations/Recommendations which the Committee do not desire to pursue in view of Government's replies - Nil	00	00%
IV. Observations/Recommendations in respect of which Government's replies have not been accepted by the Committee and which requires reiteration – Recommendation Para Nos.18, 20 and 59	04	27.28%
V. Observations/Recommendations in respect of which replies of Government are of interim in nature- Recommendation Para Nos. 17, 19, 26 and 64	04	36.36%
	-----	100%
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