

**STANDING COMMITTEE ON LABOUR  
(2005-06)**

**FOURTEENTH LOK SABHA**

**MINISTRY OF LABOUR AND EMPLOYMENT**

**DEMANDS FOR GRANTS  
(2006-2007)**

**THIRTEENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**May 2006/Vaisakha 1928 (Saka)**

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**Presented to Lok Sabha on 17 May 2006**

**Laid in Rajya Sabha on 17 May 2006**



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NEW DELHI**

**May 2006/Vaisakha 1928 (Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR  
(2005-06)**

Shri Suravaram Sudhakar Reddy – CHAIRMAN

**MEMBERS  
LOK SABHA**

2. Shri Furkan Ansari
3. Shri Joachim Baxla
4. Shri Santasri Chatterjee
5. Shri Munawwar Hassan Chaudhary
6. Shri Sukhdev Singh Dhindsa
7. Shri Thawar Chand Gehlot
8. Dr. Satyanarayan Jatiya
9. Shri Virendra Kumar
10. Smt. Sushila Kerketta
11. Shri Rajesh Kumar Manjhi
12. Shri Ananta Nayak
13. Shri Bassangouda Patil (Yatnal)
14. Shri Lal Mani Prasad
15. Shri Chandradev Prasad Rajbhar
16. Shri Mohan Rawale
17. Dr. Dhan Singh Rawat
18. Smt. C.S. Sujatha
19. Shri Parasnath Yadav

**RAJYA SABHA**

20. Shri Gandhi Azad
21. Shri Debabrata Biswas
22. Ms. Pramila Bohidar
23. Shri K. Chandran Pillai
24. Shri Dilip Ray

**SECRETARIAT**

- |    |                  |   |                    |
|----|------------------|---|--------------------|
| 1. | Shri N.K. Sapra  | - | Joint Secretary    |
| 2. | Shri R.S. Misra  | - | Deputy Secretary   |
| 3. | Shri N.K. Pandey | - | Under Secretary    |
| 4. | Shri S.K. Saxena | - | Assistant Director |

## INTRODUCTION

I, the Chairman of the Standing Committee on Labour 2005-06 having been authorised by the Committee to submit the Report on their behalf, present this Thirteenth Report of the Ministry of Labour and Employment on Demands for Grants, 2006-2007.

2. The Committee considered the Demands for Grants pertaining to the Ministry of Labour and Employment for the current year i.e. 2006-2007 which were laid on the Table of the House on 14 March 2006. Thereafter, the Committee took evidence of the representatives of the Ministry of Labour and Employment on 10 April 2006. The Committee considered and adopted the Report at their sitting held on 10 May 2006.

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

4. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report.

**NEW DELHI;**

**10 May, 2006**

**20 Vaisakha, 1928 (Saka)**

**Suravaram Sudhakar Reddy**

**Chairman**

**Standing Committee on Labour**

## CHAPTER I

### IMPLEMENTATION STATUS OF THE RECOMMENDATIONS MADE IN FIFTH REPORT ON DEMANDS-FOR-GRANTS (2005-06) RELATING TO THE MINISTRY OF LABOUR AND EMPLOYMENT

The Standing Committee on Labour presented their Fifth Report on Demands for Grants (2005-06) relating to the Ministry of Labour and Employment on 25.4.2005. Out of 21 recommendations, 4 recommendations (3,8,11 and 12) were accepted by the Government. The Committee did not desire to pursue 7 recommendations (1,2,4,7,13,15 and 17) in view of the replies given by the Government. In respect of 3 recommendations (6,14 and 19) the replies of the Government were not accepted and reiterated by the Committee in their Seventh Report. Replies of the Government were interim in nature in respect of 7 recommendations (5,9,10,16,18,20 and 21). The Standing Committee on Labour presented their Seventh Action Taken Report on 14.12.2005. The Minister of Labour and Employment made a statement on implementation of the recommendations in Lok Sabha on 20.2.2006.

#### I. A Gist of recommendations which were accepted by the Government

Rec. No.3: **Labour Tribunals, Courts of Enquiry and Conciliation Boards**: - The Ministry of Labour and Employment has stated that the efforts would be made to organize more Lok Adalats during the current year to settle backlog of industrial disputes. **This issue has been examined by the Committee in this report and recommended to make Lok Adalats Scheme more popular in order to generate more awareness amongst litigating parties so that funds could be fully utilized.** Rec.No. 8 – **Beedi Workers Welfare Fund** – The concerned State Governments have been requested to revise the rates for beedi workers so that minimum wages for beedi workers in none of the States remain less than National Floor Level Minimum Wage. Rec. No.11 – **Employees State Insurance Corporation** – The ESI Corporation has approved extension of ESI Scheme in remaining areas of 39 Municipal Corporations and Cantonment Boards and in areas of 1,147 Municipalities in phased manner. Rec.No.12 – **Employees State Insurance Corporation** - Regarding realizing the arrears, the Ministry stated that 100% target of arrears was achieved during the year 2004-05

#### II Gist of recommendations which were not pursued by the Committee in view of the Government's replies:

Rec.No.1: **General Performance** - Regarding strengthening the monitoring mechanism over the spending on various schemes, the Secretary (Labour and Employment) personally reviews the progress of the Schemes. **This issue has been examined by the Committee in this report and recommended the Ministry to improve their planning and coordination between the Ministry and the implementing agencies.** Rec.No.2: **Labour Tribunals, Courts of enquiry and Conciliation Board**: The Committee was informed that efforts will be made to organize more Lok Adalats during the current year and 84 cases were settled. Rec.No.4: **Labour Tribunals, Courts of Enquiry and Conciliation Board**: All the old 17 CGITs' have been computerized and 5 new CGITs, at Delhi II, Ernakulam and Guwahati have been computerized while Ahmedabad and Chandigarh II are yet to be computerized. Rec.No.7 - **Beedi Workers Welfare Fund** – Regarding Special coverage drive, a team of about 40 officers conducted surprise inspection of the five cases in West Bengal. Their records were seized. The expected increase in membership is about 70,000. Rec. No. 13 – **Employees State Insurance Corporation** -The scheme of Revolving Fund is functioning to ensure regular availability of drugs and dressings and equipments are available and functional Rec.No. 15 – **Employees State Insurance Corporation** - The Central Board of Trustees (CBT), EPFO has to consider the proposal regarding enhancing the wage ceiling after taking into account the financial implications for the Employees Pension Scheme, 1995. The Government shall take a view after receipt of CBT recommendations. Rec No. 17: **Employees Provident Fund Organisation** -It may not be feasible to provide additional relief to the pensioners by taking into account the rise in prices of essential commodities as the Employees' Pension Scheme, 1995 is a funded scheme, which is Valued annually by a Valuer appointed by the Central Government and additional relief is granted if the Fund so permits. Accordingly, on the basis of the first four Valuations, the Government has released relief to the existing pensioners resulting in additional benefits.

#### III. Gist of recommendations for which were reiterated by the Committee in their Seventh Report is as under:

Rec.No. 6: **Beedi Workers Welfare Fund** - The Committee reiterated their recommendation to issue identity cards to the remaining beedi workers with the cooperation of State Governments. In the final action taken reply the Ministry has stated that the State Governments have been requested to launch a fresh campaign and issue identity cards. Rec. No. 14 : **Employees State Insurance Scheme** -The Committee reiterated their recommendation to fill the vacancies of medical and para-medical staff in the hospitals and dispensaries within six months. In the final action taken

reply, the Ministry has stated that steps have been taken to fill the vacant posts. Rec No. 19: **Unorganized Sector Workers Social Security Scheme** - Committee reiterated their recommendation to bring an umbrella legislation exclusively for the agricultural workers. In the final action taken reply, the Ministry has stated that proposal of a separate comprehensive legislation is again being taken up with the State Governments.

#### IV. Gist of recommendations on which replies were interim in nature

Rec.No. 5 : **Labour Tribunals, Courts of Enquiry and Conciliation Boards** – The Ministry has now revised the Pay Scales of Presiding Officers of the CGIT-cum-Labour Courts w.e.f 01.07.1996. Rec.No. 9: **Beedi Workers Welfare Fund** - It was, inter-alia, informed that at present, in the light of the recommendation of the Committee on Non-Plan Expenditure, no new project for setting up of hospitals/ dispensaries can be considered. Rec.No.10: **Employees State Insurance Scheme** - It was, inter-alia, informed that the matter regarding increase in wage ceiling is being again placed before the ESI Corporation for consideration. Rec.No.16:**Employees Provident Fund Scheme** -It was, inter-alia, informed that as and when the fund so permits, the Valuer recommendation will be taken into account while considering the issue of the additional relief to the pensioners. **Rec.No.18: Unorganized Sector Workers Social Security Scheme** -\_The proposal is being examined in consultation with concerned social partners as well as the National Advisory Council and the National Commission for Enterprises on the Unorganized Sector. Rec.No.20: **Participation of Workers in Management** -The Participation of Workers in Management Bill, 1990 would require some modifications to reflect changes in economic and social parameters since 1990. It has been decided to pursue the Bill with some modifications after discussions/ consultation with the social partners in a tripartite fora. Rec.No.21: **Payment of Bonus Act** -A proposal to enhance the eligibility limit of bonus from Rs.3,500/- to Rs.7,500/- and calculation ceiling from Rs.2,500/- to Rs.3,500/- as per the recommendations of the Second National Commission on Labour is under examination in consultation with the stakeholders.

## CHAPTER II

### INTRODUCTORY

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

2.2 The implementation of the policies in regard to the above matters is also the responsibility of the State Governments concurrently with the Central Government.

2.3 The Demands for Grants asked for by the Ministry are given under Demand No. 59.

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

- |    |      |  |
|----|------|--|
| 1. | 2225 | Welfare of SC/ST and Other Backward Classes. |
| 2. | 2230 | Labour Employment and Training.              |
| 3. | 2251 | Secretariat Social Service                   |
| 4. | 2552 | Lump sum Provisions for North Eastern Region |
| 5. | 3601 | Grants-in-aid to State Governments.          |
| 6. | 4250 | Capital Outlay on other Social Services.     |
| 7. | 6250 | Loans for Other Social Services              |

2.5 It has been stated in the Performance Budget that the Planning Commission made an allocation of Rs. 232.48 crore during the year 2005-2006 out of which Rs.13.00 crore were transferred to Ministry of Urban Affairs and Poverty Alleviation. Further a provision of Rs. 23.25 crore was kept for ongoing/proposed schemes in the North Eastern Region and Sikkim..

2.6 Budget Estimates of the Ministry for the year 2006-2007 are placed at Rs.1,643.58 crore (Plan Rs.311.36 crore and Non-Plan Rs. 1,332.22 crore). The Planning Commission made an allocation of Rs. 336.76 crore towards Plan Budget for the year 2006-2007 out of which Rs.25.40 crore have been transferred to Ministry of Urban Affairs and Poverty Alleviation for incorporation in the Budget document of that Ministry for Capital Works to be executed during 2006-2007. Further, a provision of Rs.33.68 crore has been made for ongoing/proposed schemes in the North Eastern Region and Sikkim.

2.7 The Ministry has furnished the following statement showing Budget Estimates/Revised Estimates and expenditure for the year 2005-2006 alongwith the percentage of expenditure: -

<b>Statement showing BE/RE for year 2005-06 and actual expenditure incurred under Plan/Non Plan Schemes during 2005-06 (upto 28.02.2006) alongwith % expenditure on BE/RE.</b>					
<b>PLAN</b>	<b>Figures in Lakhs</b>				
<b>ITEM</b>	<b>B.E 2005-2006</b>	<b>R.E 2005-2006</b>	<b>EXP. UP TO February , 2006</b>	<b>% OF EXP OVER B.E UP TO February 2006</b>	<b>% OF EXP OVER R.E UP TO February 2006</b>
<b>Research &amp; Statistics</b>					
<b>(a) Central Scheme</b>	<b>577.00</b>	<b>623.00</b>	<b>533.01</b>	<b>92.38</b>	<b>85.73</b>
<b>(b) Grants in aid scheme</b>					
<b>Industrial Relations</b>					
<b>a) CLC</b>	<b>254.00</b>	<b>282.00</b>	<b>241.77</b>	<b>95.19</b>	<b>85.73</b>
<b>b) Strengthening of Adjudication Machinery</b>	<b>120.00</b>	<b>212.00</b>	<b>162.59</b>	<b>135.49</b>	<b>76.69</b>



c) Holding of Lok Adalat	5.00	2.00	0.32	6.40	16.00
d) Scheme on education and Trg.to promote workers participation in management					
<b>Working condition &amp; Safety</b>					
a) DGFASLI	87.00	90.00	76.91	88.40	85.46
b) DGMS	335.00	240.00	150.53	44.93	62.72
<b>Labour Education</b>					
a) CBWE	814.00	814.00	846.17	91.67	91.67
b) NLI	270.00	270.00	297.50	110.19	110.19
<b>Rehabilitation of bonded labour-Grants in aid</b>					
	107.00	100.00	59.48	55.59	59.48
<b>Improvement in Working Conditions of Child/Women labour</b>					
a) Child Labour	12,479.00	11,545.00	10,350.77	82.95	89.66
b) Women Cell	26.00	31.00	5.98	23.00	19.29
<b>Employment</b>					
a) Central Scheme	130.00	100.00	83.28	64.06	83.28
<b>Training</b>					
a) Central Scheme	1,684.00	1,684.00	1,394.04	82.76	82.78
b) Grant-in-aid to State	2,540.00	1,540.00	750.82	29.66	48.75
<b>Others</b>					
<b>Other Item</b>					
i) InformationTechnology	100.00	50.00	49.14	49.14	98.28
ii) Grants-in-aid to research and Academic Institutions	25.00	20.00	5.58	22.32	27.90
iii) Training scheme for Personnel	0.00				
<b>Welfare of SC/ST &amp; other backward Classes</b>					
	70.00	72.00	54.95	78.50	76.32
<b>Lump sum Provision for Schemes on North Eastern States</b>					
	2,325.00	2,325.00	11,88.81	51.13	51.13
<b>Total</b>	<b>21,948.00</b>	<b>20,000.00</b>	<b>16,251.02</b>	<b>74.05</b>	<b>81.26</b>

<b>NON-PLAN MINOR HEAD WISE</b>		<b>Figures in Lakhs</b>				
Sl. No.	ITEM	B.E 2005-2006	R.E 2005-2006	EXP. UP TO February 2006	% of exp over BE up to February 2006	% of exp over RE up to February 2006
1	Secretariat social service	1,633.90	1,585.00	1,300.82	79.61	82.07
2	Research & Statistics	525.00	525.00	472.79	90.06	90.06

<b>3</b>	<b>Industrial Relations</b>					
	a) CLC	1,740.00	1,719.00	1,622.53	93.25	94.39
	b) Labour Tribunal Courts of enquiry	185.00	200.00	161.56	87.33	80.78
	c) Board of Arbitration	23.00	26.00	22.54	98.00	86.69
	d)Wage Cell	4.00	4.00	2.28	57.00	57.00
<b>4</b>	<b>Working condition &amp; Safety</b>					
	a) DGFASLI	980.00	980.00	825.80	84.27	84.27
	b) DGMS	1,900.00	1,840.00	1,628.79	85.73	88.52
<b>5</b>	<b>Labour Education</b>					
	a) CBWE	1,800.00	1,620.00	1,519.25	84.40	93.78
	b) NLI	200.00	180.00	180.00	90.00	100.00
<b>6</b>	<b>LABOUR WELFARE SCHEMES</b>					
	Mica Mines Labour Welfare Scheme	138.00	145.00	100.51	72.83	69.32
	Iron Ore Mines - Central Scheme	1,175.00	1,191.00	810.76	69.00	68.07
	Limestone dolomite Labour Welfare- Central Scheme	850.00	960.00	609.15	71.66	63.45
	Beedi Worker Welfare i) Central Scheme	9,400.00	13,379.00	11,536.90	122.73	86.23
	ii) Grant-in-aid to State	250.00	250.00	0.00	0.00	0.00
	iii) Capital Outlay					
	Cine Workers Welfare	83.00	101.00	72.12	86.89	71.41
	<b>Total DGLW:</b>	<b>11,896.00</b>	<b>16,026.00</b>	<b>13,129.44</b>	<b>110.37</b>	<b>81.93</b>
<b>7</b>	<b>Transfer to Reserve Fund</b>	<b>11,550.00</b>	<b>16,105.00</b>	<b>14,108.11</b>	<b>122.15</b>	<b>87.60</b>
<b>8</b>	<b>Social Security</b>	<b>71,350.00</b>	<b>76,353.00</b>	<b>71,349.00</b>	<b>100.00</b>	<b>93.45</b>
<b>9</b>	<b>International Cooperation</b>					
	a) India Contribution to ILO	698.00	698.00	538.65	77.17	77.17
	b) India subscription to ISSA	3.00	3.00	2.46	82.00	82.00
	c) Others	2.00	2.00	0.00	0.00	0.00
<b>10</b>	<b>Employment</b>	<b>1,800.00</b>	<b>1,800.00</b>	<b>1,672.44</b>	<b>92.91</b>	<b>92.91</b>
<b>11</b>	<b>Training</b>					
	Central Scheme	2,620.00	2,589.00	2,445.42	93.34	94.45
<b>12</b>	<b>Other Item</b>					
	i) Welfare Of Emigrant Labour Wrong booking	0.00	0.00	0.17	0.00	0.00
	ii) Other Items	52.00	60.00	13.59	26.13	22.65
<b>13</b>	<b>Welfare of SC/ST &amp; others backward classes</b>	<b>195.00</b>	<b>211.00</b>	<b>183.71</b>	<b>94.21</b>	<b>87.07</b>
	<b>Total</b>	<b>1,09,156.90</b>	<b>1,22,526.00</b>	<b>1,11,179.35</b>	<b>101.85</b>	<b>90.74</b>

2.8 It has been observed from the above Statement that the percentage expenditure over R.E. on some of the Schemes up to February 2006 is not up to the mark under the Plan Scheme such as Holding of Lok Adalat, DGMS, Rehabilitation of Bonded Labour-Grants-in-aid, Women Cell, Training – (b) Grants-in-aid to State, other items and Lump sum Provision for Schemes on North Eastern States

2.9 It has also been observed that there is a reduction of allocation of Rs. 19 crore and 48 lakh at R.E. stage and the percentage of expenditure over B.E. in the first and second quarters is 13.79 and 37.64 respectively.

2.10 When asked about the reasons for less expenditure and about the reduction of funds at R.E. stage by the Planning Commission, the representatives of the Ministry of Labour and Employment, during the course of evidence, stated as under:-

“...that in Lok Adalats, expenditure has not picked up. There are many reasons. I would like to confine myself only to a few important reasons which are not favourable for conducive expenditure. The entire thing is agreement based in which the employer as well as the worker come to certain agreement. Then only Lok Adalat will be effective. During the year 2005-06, 124 cases were settled and lot more cases are in the pipeline, which are expected to be taken up during this year. Our effort would be to spend much more than what has been allocated. Despite the less expenditure, Lok Adalats will continue with great vigour. There are around 15,000 cases pending. A number of cases are being disposed of. So, our effort is that through the CGIT we should settle more cases. .”

2.11 Explaining about the low pace of expenditure in the first few quarters, the representative of the Ministry stated as under:-

“.... It is a fact that in the first few quarters, we had a low pace of expenditure. This was mainly because of the computerization proposal that took up in the DGMS and the non-finalization of the rate under the DGS&D. So, these purchases, though the orders were placed could not be finalized. ....The similar position was in respect of construction activities that was going in DGMS. The booking problem did arise but the expenditure was there. It was only in the last quarter that it reflected itself through reconciliation of the figures. As you have rightly pointed out, we take all possible steps at our disposal to improve the pace of expenditure in the beginning quarter this year.”

2.12 The Ministry in its written reply furnished to the Committee has stated that the percentage expenditure over RE is less due to :

- a) Delay in finalization of DGS&D rate contract
- b) Delay in book debit of account in respect of work done through CPWD
- c) Non-receipt of the materials purchase through DGS&D rate contract

The percentage of expenditure over BE in the 1st and 2<sup>nd</sup> quarters is less due to :

- a) Non-receipt of EFC approval in respect of plan scheme “MID”
- b) Non-finalization of some construction work through CPWD
- c) Delay in finalization of DGS&D rate contract.

2.13 In its written reply furnished to the Committee, the Ministry has further stated that success of Lok Adalats depends on adequate awareness among the litigating parties of its effectiveness. Ministry of Labour and Employment has been emphasizing on Presiding Officers of CGIT's to hold as many Lok Adalats as possible at regular intervals and ensure optimum utilization of funds allocated. The CGIT-cum-Labour Courts are holding awareness campaigns and, with the passage of time, it is expected that the litigating parties would become sufficiently aware of the usefulness of this method of redressal of disputes and, with it, utilization of the funds would also go up considerably in the years to come.

2.14 Regarding the low expenditure in rehabilitation of bonded labour issue, it was stated as under:

" We are implementing a Centrally-sponsored Scheme for rehabilitation of bonded labour. In fact, this rehabilitation of the bonded labour is done by the State. They identify, make and conduct surveys and then release, when identified, and the rehabilitation is done. The Central Government is giving Rs.10,000 as its share. The State Government's share is also Rs.10,000. In fact we do not receive demands from State. This is one major reason. The States normally say that they do not have bonded labour in their States. That is why, we have to surrender Rs.21 lakh this year because we have not received the full proposal. Secondly, even where proposals come, they do not give us the utilization certificates of the earlier years.”

2.15 In a written reply furnished to the Committee, the Ministry has replied that under the Rehabilitation of Bonded Labour Scheme, a proposal for release of Rs.308 lakh was received from the State Government of Andhra Pradesh during the current financial year (2005-06), however, the amount could not be released since utilization certificates for Rs.169.90 lakh released during 2003-2004 are still awaited from the State Government. Likewise, a proposal for release of Rs.85 lakh was received from the State Government of Tamil Nadu during the current Financial Year (2005-06). However, the amount could not be released since utilization certificates for Rs.47.90 lakh from out of Rs.256 lakh released during 2000-2001 and 2001-2002 are still awaited from State Government.

2.16 In training Grant-in-Aid Scheme (DGE&T), there was a saving to the tune of Rs.3 crore mainly due to delay in approval of two Centrally Sponsored Schemes by Cabinet Committee on Economic Affairs (CCEA).

2.17 During the course of evidence, the members were of the view that the figures of beedi workers in the country are not correct and as such once again survey must be conducted because there is a large number of beedi workers who have not registered themselves. Regarding construction of houses, members further observed that the funds will be sanctioned to a beedi worker only when he deposits Rupees five thousand. If he does not do so he will not be sanctioned funds. In their opinion a beedi worker will not be able to deposit such a big amount.

2.18 Regarding Hospitals at Sagar (Madhya Pradesh), Mukkadal (Tamil Nadu) and Bihar Sharief (Bihar) for beedi workers, the Ministry has stated that the OPD is functioning at Bihar Sharief hospital. Other functions will start on the appointment of doctors and para-medical staff and when necessary equipments are procured. In case of Mukkadal, the construction work is also almost complete and they are in the process of procurement of equipments. For appointment of doctors, the Directorate General of Health Services have already been requested to post doctors in the said hospital and requisite funds are being released as and when required by the CPWD for this purpose. There is constant follow up on the progress of work.

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

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

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

2.22 The Committee note that the expenditure on Holding of Lok Adalat is Rs.0.32 lakh which comes to 16 per cent of RE upto February 2006. The Committee also note that out of 15,000 industrial dispute cases, the Lok Adalats have been able to settle only 2,000 cases so far out of which 124 cases were settled during the year 2005-06. During the course of discussions, the Committee were informed that expenditure on Lok Adalats has not been satisfactory because of disagreement between the employers and the workers. In the opinion of the Committee the raison d’etre of setting up of Lok Adalats is defeated if the cases regarding industrial disputes are not settled promptly which in turn increase the sufferings of workers. The Committee, therefore, strongly recommend that the Ministry should make all out efforts to utilize the funds earmarked for setting up of Lok Adalats so that the number of pending cases are settled without further loss of time. Efforts should also be made to popularize this scheme by generating awareness amongst the litigating parties so that the increasing trend in piling up of cases is checked, which will in turn enable the workers to get justice in time.

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

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

## CHAPTER III

### REPORT

#### DEMANDS FOR GRANTS

**Major Head: 2230**

**Main Head: 11**

**(A) DIRECTORATE-GENERAL OF MINES SAFETY (DGMS)**

3.1 Mineral constitutes the backbone of the economic growth of any nation and India has been eminently endowed with this gift of nature. Progressive industrialization witnessed the rise in demand and hence production of various minerals. Growth of mining under the impact of successive Five Year Plans has been phenomenal. To take care of the enhanced targets, mechanization of mining activities has taken place. Under the Constitution of India, Safety, Welfare and Health of workers employed in mines are the concern of Central Government (Entry 55 – Union List Article 246). The Mines Act, 1952 and the Rules and Regulations framed thereunder regulate the objective. These are administered by the Directorate-General of Mines Safety (DGMS), under the Union Ministry of Labour. Apart from administering the Mines Act and Subordinate Legislations there under, DGMS also administers other allied legislations.

3.2 The Directorate-General of Mines Safety is a subordinate office under the Ministry of Labour with its Headquarters at Dhanbad (Jharkhand) and is headed by the Director-General of Mines Safety. At the Headquarters, the Director General is assisted by specialist staff-officers of Mining, Electrical and Mechanical Engineering, Occupational Health, Statistics, Law, Survey, Administration and Accounts disciplines. The Headquarters Office also has a Technical Library and S&T Laboratory as a back-up support to the organisation. This Field organisation has a two-tier network. The entire country is divided into Six Zones, each under the charge of a Deputy Director-General. There are three to four Regional Offices under each zonal office. Each Region is under the charge of a Director of Mines safety. There are in all 21 such Regional Offices. Five sub-regional offices have also been set up in important areas of concentrated mining activities away from Regional Offices. Each of these is under the charge of a Deputy Director. Besides having inspecting officers of Mining cadre in each Zone, there are officers of Electrical and Mechanical Engineering and Occupational Health disciplines.

3.3 The Ministry has furnished the following details of expenditure as under:

(Rupees in thousands)					
Sl. No.	Name of the scheme	Expenditure during 2005-06*			BE 2006-07
		BE	RE	Actual expenditure	
1	2	3	4	5	6
1.	<b>DGMS (MAIN)</b>	<b>1,84,040</b>	<b>1,78,065</b>	<b>1,65,657</b>	<b>1,95,495</b>
2.	<b>EXAM</b>	<b>5,960</b>	<b>5,935</b>	<b>4,693</b>	<b>7,205</b>
Total (Non-Plan)		190000	1,84,000	1,703,50	2,027,00
Plan Schemes:					
1.	<b>SOMA</b>	<b>7,500</b>	<b>6,255</b>	<b>5,968</b>	<b>16,000</b>
2.	<b>S&amp;T</b>	<b>10,500</b>	<b>9,107</b>	<b>9,375</b>	<b>10,000</b>
3.	<b>SSEX</b>	<b>7,500</b>	<b>4,900</b>	<b>4,439</b>	<b>7,500</b>
4.	<b>PIF</b>	<b>13,000</b>	<b>10,678</b>	<b>10,604</b>	<b>500</b>
5.	<b>MSC</b>	<b>2,000</b>	<b>1,600</b>	<b>1,562</b>	<b>15,000</b>
6.	<b>MID</b>	<b>5,000</b>	<b>1,460</b>	<b>1,427</b>	
Total (Plan)		45,500	34,000	33,375	49,000

\* Provisional figures



3.4 The Ministry has furnished the statement showing the year-wise number of inspections and enquiries carried by the officers of the DGMS during the last three years as under:-

Year	No. of inspections				No. of Enquiries				Grand Total
	Coal	Metal	Oil	Total	Coal	Metal	Oil	Total	
2003	5,574	3,247	246	9,067	966	427	13	1,406	10,473
2004	5,214	2,983	228	8,425	834	436	8	1,278	9,703
2005	5,247	3,107	295	8,649	933	372	30	1,335	9,984

3.5 Violations observed during the inspections in various mines were intimated to the management. All the fatal accidents were enquired into, the cause and responsibility of accidents were identified and suitable action such as warning letters, stoppage of increment, demotion to next grade, etc. arising out of the above inspections & enquiries, further actions such as issuance of improvement notices & prohibitory orders and launching of prosecutions were also taken, as per the details given below:-

YEAR	Prosecutions launched	COAL MINES				NON-COAL MINES			
		Notices Issued		Orders Issued		Notices Issued		Orders Issued	
		Section 22(1) or 22A(1)	Reg. 103	Section 22(1A) or 22(3)	Reg. 103	Section 22(1A) or 22(3)	Reg. 108	Section 22(1A) or 22(3)	Reg. 108
2003	39	127	Nil	65	Nil	38	2	185	2
2004	44	147	Nil	62	Nil	56	Nil	251	1
2005*	32	124	Nil	36	Nil	94	1	123	Nil

\* Provisional figure

3.6 Regarding the physical target fixed by DGMS and the targets actually achieved during the last three years, year-wise, the Ministry has furnished the following statement showing the targets and achievements as under:-

Year #	Target	Achievement
2003-2004	10152	9747
2004-2005	8830	8261
2005-2006*	9000*	9152

# Year pertains to financial year

\* Figures are upto February, 2006 (target is on pro-rata basis)

3.7 On being asked about the number of accidents which had occurred in mines, the Ministry has furnished the following statement showing the number of fatal and serious accidents that occurred in mines during the last three years:-

Year	Coal			Metal			Oil		
	Number of accidents			Number of accidents			Number of accidents		
	Fatal	Serious	Total	Fatal	Serious	Total	Fatal	Serious	Total
2003	83	563	646	51	147	198	1	21	22
2004	89	962	1051	57	150	207	2	38	40
2005	103	907	1010	43	88	131	2	14	16

N.B: Figures of 2004 and 2005 are provisional. Data for 2005 are as on 31.12.2005.

The statement showing the details of workers killed and seriously injured in underground and opencast coal mines during the last three years is as under:-

Year	Below ground				Opencast				Above ground			
	No. of accident		No. of persons		No. of accident		No. of persons		No. of accident		No. of persons	
	Fatal	Serious	Killed	Inj.	Fatal	Serious	Killed	Inj.	Fatal	Serious	Killed	Inj.
2003	46	380	46	398	23	82	30	90	14	101	19	102
2004	49	757	49	77	33	82	34	87	7	123	7	12

4				8								6
200	54	682	75	69	28	93	28	96	21	132	21	13
5				9								6

3.8 The imponderability of fresh roof, which is almost continuously broken, is a challenge to mining engineers world over. DGMS has taken several initiatives to prevent accidents due to fall of roof. This includes introduction of roof bolting technology in the mines, reduction of manpower at the working places through mechanization and raising the standard of front line supervisors.

3.9 In respect of reduction of accidents due to dumpers and trucks, the following steps have been taken:

- (i) Using higher capacity trucks and dumpers thus engaging less number of vehicles for the same output,
- (ii) Not using spotters and khalasi,
- (iii) Fixing accountability on management for ensuring maintenance of contractors' trucks,
- (iv) Implementation of traffic rules.

3.10 A number of circulars have been issued regarding accident due to dumpers and trucks advising management for strict implementation of Traffic Rules and vocational training rule to the persons employed specially through contractors.

3.11 The Ministry in its written reply furnished to the Committee has admitted that there has been increase in the number of fatal accidents in coal mines which is a matter of concern. Whereas it is the responsibility of the mine management to carry out mining in a safe manner, DGMS is taking special initiatives to curb the rising trend.

3.12 An analysis of fatal accidents company-wise, for the year 2005 indicates that increase in accident had been in coal mines of M/s. ECL, BCCL, SECL & MCL. Special safety drives are proposed to be carried out in these subsidiaries of M/s. Coal India Limited. The CMDs of all these companies are being addressed on the subject seeking their proposals to curb the rising trend. Apart from this, a special meeting is proposed to be organized at M/s. Coal India Limited also.

3.13 On being asked about the complete general inspection in coal mines which is required at least once in a year is made once in 2-3 years and in non-coal mines and many small mines remain uninspected for 3-5 years, the Ministry has stated that a general inspection or complete inspection involves physical inspection of all the districts, old workings, important surface features and other installations etc. Even after optimizing of resources, with the existing strength of inspecting officers, it will not be physically possible to make complete inspection of all coal mines once a year.

3.14 Regarding the number of prosecution cases launched against the erring managements/officials in the mines and cases disposed of during the last three years and the steps taken to dispose of the cases quickly, the Ministry has furnished the following Table :-

<b>Year</b>	<b>Launched</b>	<b>Disposed</b>	<b>Pending</b>
2003	39	03	36
2004	44	03	41
2005	32	02	30

3.15 The Ministry of Labour and Employment has requested different High Courts for setting up of Designated Courts to dispose of the cases under the Mines Act.

3.16 The Ministry of Labour and Employment in consultation with Ministry of Law, Justice and Company Affairs requested the Registrar-General of various High Courts where the cases are pending to designate one Judicial Magistrate/Metropolitan Magistrate in the District exclusively to deal with the cases under the Mines Act, 1952. The responses received from various courts are as under:

Name of the High Court	Response received
Allahabad	Agreed
Patna	Agreed
Rajasthan	Agreed
Tamil Nadu	Agreed
Andhra Pradesh	Agreed
Mumbai	Not agreed as more pendency of cases under other Acts
Punjab & Haryana	Not agreed as cases are very meager
Madhya Pradesh	Not agreed

3.17 Registrar General of other Courts have been reminded to expedite their replies. The penalties prescribed for different categories of offences under the Mines Act, 1952 are very meagre. To enhance the penalties, a proposal for the amendment of the Mines Act, 1952 is under consideration.

3.18 The details of considerable number of pending cases State-wise i.e. more than 50 in numbers are as under.

Sl. No.	State	No. of pending cases
1.	Haryana	61
2.	Madhya Pradesh	105
3.	Jharkhand	231
4.	Maharashtra	53
5.	Orissa	77
6.	Rajasthan	189
7.	West Bengal	58

3.19 When asked about the staff complement of DGMS, the Ministry has stated that DGMS has a total sanctioned strength of 996 persons with 775 in position as on 31.12.2005 as per the following details:-

Sl. No.	Group	Sanctioned	In position
1	A	177	133
2	B	104	90
3	C	468	368
4	D	247	184
	<b>TOTAL</b>	<b>996</b>	<b>775</b>

3.20 There are 164 sanctioned posts of Group - A inspecting officers against which only 127 officers are in place. The Ministry of Labour and Employment, while finalizing the Action Plan for Direct Recruitment has made efforts to retain all the posts of Inspecting Officers, i.e. Deputy Director of Mine Safety in DGMS organisation. These posts are entry level posts in DGMS and are essential for effective inspection of mines. Recently, 9 posts of Deputy Director of Mines Safety (Mining) have been selected by the Union Public Service Commission and their joining is under process. The proposal for revival of other vacant posts is under consideration.

3.21 Shortage of manpower in DGMS has very much affected the periodicity of inspection in mines. Within its available resources, safety statutes are implemented by augmenting the inspection from ISOs and Workmen's Inspectors. Safety awareness programme are propagated by organizing Safety Weeks in different companies. Modern techniques like Risk Assessment and Safety Management have been introduced for better safety in mines.

3.22 The Ministry has stated that a general inspection or complete inspection involves physical inspection of all the districts, old workings, important surface features and other installations, etc. Even after optimizing of resources, with the existing strength of inspecting officers, it will not be physically possible to make complete inspection of all coal mines once a year. The inspection of mines, which are prone to danger due to inundation and explosion, are noted in this Directorate and given priority in inspection schedule. Generally, they are inspected once in a year. The violations observed during inspections are brought to the notice of management through issuing violation letter, notice or order, as deemed fit.

3.23 The Ministry has stated that there is no central law on safety, health and welfare of workers applicable beyond the limit of Territorial Waters. In the year 1997, the Ministry of Labour and Employment proposed to extend through a suitable amendment in the existing Oil Mines Regulations, 1984 applicable upto territorial water to cover off-shore operations beyond territorial water. The matter was considered by the Rajya Sabha Committee on Subordinate Legislation in 1997 but the same was not approved.

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

3.25 The Committee regret to note that the number of prosecution launched against the erring managements are piling up year after year as the disposal rate is very meagre in a year. The Committee also note that the Ministry of Labour and Employment in consultation with the Ministry of Law, Justice and Company Affairs has requested the Registrar-General of various High Courts to designate one Judicial Magistrate/Metropolitan Magistrate in the District exclusively to deal with the cases under the Mines Act, 1952. Although, the High Courts of Allahabad, Patna, Rajasthan, Tamil Nadu, and Andhra Pradesh have agreed to the proposal but most of the States where pendency of cases is large in number are yet to follow suit. The Committee, therefore, strongly desire that the remaining High Courts should be persuaded to designate the Judicial Magistrate to liquidate the pending cases.

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

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

**MAJOR HEAD: 2230**

**Sub head: 08**

**(B) DIRECTORATE GENERAL FACTORY ADVICE SERVICE & LABOUR INSTITUTES (DGFASLI)**

3.28 The Directorate General, Factory Advice Service & Labour Institutes (DGFASLI), Mumbai which is an attached office of the Ministry of Labour functions as a technical arm of the Ministry on matters concerned with safety, health and welfare of workers in factories and ports/docks. It assists the Central Government in formulation and review of policy and legislation on occupational safety and health in factories and ports; maintains a liaison with Factory Inspectorates of States and Union territories in regard to the implementation and enforcement of provisions of the Factories Act, 1948; renders advice on technical matters; enforces the Dock Workers (Safety Health & Welfare) Act, 1986; undertakes research in industrial safety, occupational health, industrial hygiene, industrial psychology, etc.; and provides training mainly in the field of industrial safety and health, including one year Diploma Course in "Industrial Safety, three-months Post Graduate Certificate Course in Industrial Health {Associate Fellow of Industrial Health (AFIH)}, six-weeks course in Industrial Hygiene Techniques, and One month's Specialised Certificate Course in Safety and Health for Supervisory Personnel working in Hazardous Process Industries.

3.29 The DGFASLI organisation comprises the headquarters; five Labour Institutes and 11 Inspectorates of Dock Safety. The Headquarters in Mumbai has the following divisions/cells:

Factory Advice Service & Statistics Cell  
Dock Safety  
Awards

3.30 The Central Labour Institute in Mumbai started working in 1959. Over the past 47 years, the Institute has grown and assumed the status of a major National Resource Centre handling inter alia important issues such as Industrial Safety, Industrial Hygiene, Industrial Ergonomics, Major Accident Hazards Control and Construction Safety etc.

3.31 The different divisions at the Institute undertake activities such as carrying out Studies and Surveys, organising training programmes, seminars and workshops, rendering services such as technical advice, Safety Audits, testing and issuance of performance reports for personal protective equipment, delivering talks, etc. Some of these facilities that are not available in certain regions are extended to such regions as and when necessary.

3.32 The Regional Labour Institutes (RLIs) located in Kolkata, Chennai and Kanpur are serving the respective regions of the country. Each of these institutes have the following divisions/sections:-

Industrial Safety  
Industrial Hygiene  
Industrial Medicine  
Staff Training and Productivity  
Communication  
Major Accident Hazards Control  
Computer Centre

3.33 The Ministry has furnished the statement showing the Budget Estimates, Revised Estimates, actual expenditure incurred by the Directorate General of Factory Advice Service & Labour Institutes during the year 2005-06 and the BE for the year 2006-07 as under:-

**(Rs. in Thousands)**

	<b>B.E.</b>	<b>R.E.</b>	<b>Actual expd.</b>	<b>B.E.</b>
	<b>2005-06</b>	<b>2005-06</b>	<b>Upto Feb., 06</b>	<b>2006-07</b>
Non Plan	98000	98000	79934	109500
Plan	8700	9000	7670	109200

**3.34** Regarding the Study conducted by DGFASLI to ascertain the status of safety, health and working conditions in various types of operations/processes/industries during the last 3 years, following details of the findings of such studies and surveys year-wise are as under:-

Sl. No	Title	Status
1.	Port Safety Committee Revisited: A National Follow-up Study on the Structure and Functioning of the Port Safety Committees	Completed in 2003
2.	Occupational health study in cashew industries	Completed in 2003
3.	Assessment of capabilities & management of occupational safety and health in the state of Goa	Completed in 2003
4.	Assessment of capabilities & management of occupational safety and health in the state of West Bengal	Completed in 2003
5.	Assessment of Capabilities and Management of Occupational Safety in the National Capital Region of Delhi	Completed in 2003
6.	Assessment of capabilities and management of occupational Safety & Health in the state of Tamil Nadu	Completed in 2003
7.	Assessment of Capabilities at Management of OSH in the State of Uttar Pradesh.	Completed in 2003
8.	Safety Audits in Ports	Completed in 2003
9.	Ergonomic study on Beedi workers	Completed in 2004
10.	National Study on Asbestos	Completed in 2004
11.	Survey of Occupational Safety & Health Management System, Implementation in Indian Industry.	Completed in 2004
12.	Occupational health profile of VDT workers	Completed in 2004
13.	Assessment of capabilities & management of occupational safety and health in the state of Maharashtra.	Completed in 2004
14.	Assessment of Capability and Management of Occupational Safety & Health in the State of Orissa	Completed in 2004
15.	Assessment of capabilities & management of occupational safety & health in the state of Andhra Pradesh.	Completed in 2004
16.	Dust Control system in Quartz grinding units of Beawer, Ajmer	Completed in 2004
17.	Assessment of capabilities & management of occupational safety and health in the Union Territory of Chandigarh	Completed in 2004
18.	Joint Inspection of MAH units in Rajasthan	Completed in 2004
19.	Assessment of Capabilities and Management, Safety and Health in Madhya Pradesh	Completed in 2004
20.	Guarding of Point of operation in Cold rolling mill	Completed in 2004
21.	Enquiry of Fire Incident at Ordinance Factory, Khemaria, Jabalpur	Completed in 2004
22.	National Study on "Status of work Environment in Asbestos Products Manufacturing Units – Evaluation of Airborne Asbestos Fibres"	Completed in 2005
23.	Assessment of Capability and Management of Occupational Safety & Health in the State of Assam	Completed in 2005
24.	Assessment of capabilities & management of occupational safety and health in the State of Gujarat	Completed in 2005
25.	Assessment of Capability and Management of Occupational Safety & Health in the State of Rajasthan	Completed in 2005
26.	Study of Occupational environment in Asbestos units of Devgarh, Rajasthan.	Completed in 2005

**3.35** The national studies are conducted and the results of the same are communicated to concerned industries, associations and the Chief Inspectors of Factories of the States/UTs for implementation and follow-up action respectively. Further, the unit level studies and safety audits were carried out at the request of the management to ascertain the status in the specified area and to suggest suitable control measures. The findings and recommendations are communicated to the units where such studies are conducted for implementation.



3.36 The 47<sup>th</sup> Conference of Chief Inspectors of Factories was held at Mumbai from 6 to 8 February 2006. The major issues discussed during the Conference inter alia, include National Study on Occupational Health Profile of the VDT Operators; amendment to Schedule XXVII prescribed under Model Rule 120; Work Permit for working at height; grounds/conditions under which licenses can be refused/cancelled; banning of Asbestos; association of DGFASLI officers in accident investigations; amendment to Second Schedule of the Factories Act, 1948 (Amended); amendment to definition of factory in the industries (Development & Regulation) Act, 1951; Special Economic Zones Act, 2005; appointment of Safety Officers under Section 40-B; Schedule II of Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 (As Amended in 2000); restrictions on employment of women – Section 66; inclusion of power generation under Section 87; application money for recognition of Competition Persons; exemption under Section 65 (2) of the Factories Act, 1948 regarding exceptional place of work – specifying actual period; coverage of petrol pumps under the Factories Act, 1948; Schedule on all furnaces including induction furnaces under Model Rule 120; applicability of Section 2(k) to Petrol Pumps dispensing LPG; application of Safety and Health provisions of Building and Other Construction Workers (B&OCW) Act, 1996 in respect of building and other construction work within the premises of a factory; Constitution of National Accreditation Board for accrediting safety auditors, institutions providing safety services, competent persons etc; need for defining the term Railway Running Shed and Fire Fighting Provisions under Section 38.

3.37 The decisions taken during the Conference were communicated to all the participating delegates. Further, the Working Groups/ Task Force have been constituted comprising CIFs of the representing States/UTs to deliberate upon the issues of highest concern and to prepare the documents for further discussion during the next conference. The Directorate General, Factory Advice Service and Labour Institutes is pursuing the matter with the State Governments for implementation of the decisions taken during the Conference.

3.38 On being asked about the implementation of new plan schemes proposed in the Tenth Five Year Plan under Plan and Non-Plan Schemes, the Ministry has stated that during the 10<sup>th</sup> Five Year Plan, the following new plan schemes were proposed:-

- a. Design & Execution of National Level Awareness Campaign in the Identified Seven Segments of the Unorganized Sector.
- b. Competence Building in Enforcement Agencies and Development of Enforcement Strategies and Guidelines.
- c. Strengthening of Occupational Safety & Health Strategies in Priority Hazardous Chemical Processes.
- d. National Board on Occupational Safety and Health.

3.39 However, as the objectives of the first two proposed Plan Schemes were similar to the activities already being performed under the existing Plan Scheme “Central Board for Workers’ Education”, the Planning Commission had merged these schemes with the existing scheme. Similarly, the Plan Scheme “Strengthening of Occupational Safety & Health Strategies in Priority Hazardous Chemical Processes” has activities similar to that of the existing scheme namely, “Establishment of a System of Chemical Safety and Monitoring of Occupational Health Status of Workers Employed in Hazardous Industries”, therefore, similar action was advised by the Planning Commission.

3.40 The remaining Plan Scheme viz. “National Board on Occupational Safety and Health” was examined and was not found feasible earlier, but as per the suggestion of Planning Commission, the revised Plan Scheme proposed by DGFASLI is under examination.

3.41 The Ministry has informed that the Working Group was constituted by the Planning Commission to prepare the 10<sup>th</sup> Five Year Plan on Occupational Safety and Health at workplaces.

The major recommendations include:

- i. Preparing a National Policy on Occupational Safety and Health.
- ii. Framing of General Legislation on Occupational Safety and Health.
- iii. Constitution of Apex Body on Occupational Safety and Health.
- iv. Creating an independent National Level Accrediting Agency.
- v. Enhancing Technical Skill and Exposure of Enforcement Agency to the Latest Techniques in Occupational Safety and Health.
- vi. Development of Standard Work Procedures or Safe Work Procedures, Code of Best Practices, Training and Awareness Campaigns, etc.

- vii. Sector Specific Recommendations in respect of Factories & Ports were also given which included granting autonomy to CLI and RLIs, appointment of qualified Safety Officers in all Ports and Docks, bringing Inland Container Depots under the purview of Dock Workers (Safety, Health & Welfare) Act, 1986, conducting independent Safety Audit Facilities (covered under Section 2(cb)).
- viii. Awareness Campaign on Occupational Safety and Health in unorganized sectors and training of enforcement agencies.

3.42 The Draft National Policy on Occupational Safety and Health & Environment at Workplace was framed by the Core Group constituted for this purpose. The draft policy was circulated amongst the Central Ministries and State Labour Departments including Central Unions, NGOs etc. for offering comments. The comments received were discussed in the National Conference held at Vigyan Bhavan, New Delhi on 17 September, 2003. On the basis of inputs received, a final draft of the policy prepared by the Ministry has been circulated to all the administrative Ministries for their comments.

3.43 The General legislation was drafted and sent to State Governments/UTs for seeking comments. 19 States have offered their comments. A proposal to set up a National Accreditation Board is under examination.

3.44 The activity of designing and execution of National Level Awareness Campaign and Competence Building in Enforcement Agencies and Development of Enhancement Strategies and Guidelines in the Identified Seven Segments of the Unorganised Sector is being implemented as a part of the workers' education programme under the existing Plan Scheme "Central Board of Workers' Education" as advised by the Planning Commission. The proposal to give autonomy to CLI and RLIs is under examination.

3.45 Regarding the general legislation on Occupational Safety and Health to secure the safety and health of workers at work, the Ministry has informed that the Working Group on Occupational Safety and Health for the 10<sup>th</sup> Five Year Plan constituted by the Planning Commission recommended for a general legislation to secure the safety and health of workers at work. A Committee was set up under the Chairmanship of DGFASLI to consider this recommendation. The draft Bill prepared by the Committee, which was based on the Occupational Safety and Health Bill, 2002 was circulated amongst the State Governments/UTs for their comments. The comments are awaited from the State Governments of Arunachal Pradesh, Haryana, Himachal Pradesh, Jammu & Kashmir, Kerala, Manipur, Sikkim and Uttaranchal. The comments received from 26 State Governments/UTs compiled by the DGFASLI are under examination.

3.46 The Ministry has furnished a statement showing the sanctioned and working strength of organization under Technical and Administrative Units of DGFASLI as under:-

Units	Technical		Administrative		Total	
HQ	14	7	47	39	61	46
CLI, Mumbai	100	68	93	82	193	150
RLIs	81	53	80	66	161	119
IDSs	22	14	34	30	56	44
Total	217	142	254	217	471	359

## DOCK SAFETY

3.47 Regarding the reported accidents (Fatal and Non Fatal) in the dockyards/ports, it has been stated as under:-

Year	Fatal	Non-fatal	Total
2003	29	191	220
2004	28	201	229
2005	30	208	238

The main reasons for the accidents in the dockyards/ ports are as under :-

- i. Unitized and break bulk cargo – The main reasons for the accidents under this category are due to unsafe handling of bags, rails, coils, pipes, billets, timber logs, etc.
- ii. Means of transportation – The main reasons for the accidents under this category are due to unsafe operation of lorries, tractor-trailers, which includes inadequate supervision, unsafe acts on the part of the drivers, cleaners, etc.
- iii. Handling of containers – The main reasons for the accidents under this category are due to unsafe handling of containers, failure of lifting machineries, unsafe transportation of containers, etc.

3.48 All the fatal and serious accidents are investigated by the Inspectors of Dock Safety to find out probable causes. On the basis of findings and analysis of the accidents, appropriate measures are taken like issuing of warning orders, prosecution, advising the port authorities and other port users, discussing and drawing up suitable action plans in the port Safety Committee Meetings etc., depending upon the seriousness of the contraventions of the provisions under the statutes to prevent recurrence.

3.49 Considering the means of transportation as the major cause for the fatal accidents in the ports, the directions have been issued by the DGFASLI to undertake the following measures for controlling these accidents:-

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

3.50 The number of ships and oil tankers inspected during the last three years by the Inspectors of Dock Safety are as under :-

<b>Year</b>	<b>Number of ships and oil tankers inspected</b>
2003	1,423
2004	1,630
2005	1,495

3.51 Generally, the nature of findings vis-à-vis breach of Regulations were concerned with safe handling of cargo, maintenance of lifting machineries/gears, means of access from ship to shore, deck to holds, working spaces, etc.

3.52 The Inspectors of Dock Safety issues Improvement Notices and Prohibition Orders, whenever required to the Owner, Master or Officer-in-charge of the ship, Employer of dock workers, etc. citing the breach of Regulations with directions to comply with the requirements specifying time limits, whenever required.

3.53 The Inspectors ensure that the remedial actions are being carried out by Owner, Master or Officer-in-charge of the ship, Employer of dock workers etc. Based on the compliance Report submitted by them, the re-inspection is done by the Inspector, if felt necessary. Many a times, the Inspectors ensure the compliance on the spot.

3.54 Regarding setting up of Inspectorate of Dock Safety at Ennore Port, it has been stated that the Inspectorate of Dock Safety at Ennore Port has not yet been set up as per the scale laid down in the Schedule appended to the Regulation as a proposal for creation of necessary posts and setting up of Inspectorate at Ennore is under consideration. The IDS, Chennai presently looks after the activities at Ennore Port.

## **REGIONAL LABOUR INSTITUTE, FARIDABAD**

3.55 On being asked whether the Regional Labour Institute at Faridabad is still in the formative stage it has been stated that the construction of the building of the Regional Labour Institute (RLI), Faridabad is nearing completion and is expected to be ready by June, 2006. The matter is being pursued with the concerned agencies, such as CPWD, HUDA etc. by the officer of DGFASLI, stationed at Faridabad for its early completion.

3.56 Ministry has further stated that the land was taken over from the Government of Haryana on 2 March 2000. The construction of the building has started in May 2003 and is expected to be completed by June 2006. Once the construction of the building is completed and handed over to DGFASLI, necessary infrastructure is proposed to be put in place by the end of the financial year 2006-2007. Further, a proposal for creation of 14 posts in the first phase in RLI, Faridabad is being examined in consultation with the Ministry of Finance, Department of Expenditure, who have sought some additional information which is being collected from DGFASLI. Till the posts are created and the officers are positioned, limited activities with the assistance of officers from CLI / RLI, Kanpur will be carried out.

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

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

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

3.60 The Committee note that there are numerous legislations, e.g. Dock Workers (Safety, Health and Welfare) Act, 1986; Factories Act, 1948, Mines Act, 1952, etc. dealing with Occupational Safety and Health (OSH) in a fragmented manner resulting in duplication in some areas. The Committee have been informed that the draft Bill on the Occupational Safety and Health Bill, 2002

was prepared and circulated amongst the State Governments/UTs. for their comments. 26 State Governments/UTs. have so far furnished their comments which are under examination of DGFASLI. The Committee fail to understand as to why the Government has not been able to bring an umbrella legislation on occupational safety and health even after a lapse of 4 years. The Committee, therefore, desire that an umbrella legislation on safety and health of workers should be enacted without further delay to secure the safety and health of workers against the risk.

Major Head: 2230

Main Head: 05:04

**(C) Minimum wages**

3.61 The object of Minimum Wages Act, 1948 is to provide for fixation/revision of minimum wages in employments in unorganized sector in which the workers due to illiteracy, being not well organized and having no effective bargaining power are vulnerable to exploitation.

3.62 Wages in the organized sector are determined through negotiations and settlements between employer and employees. In unorganized sector, where labour is vulnerable to exploitation due to illiteracy and lack of effective bargaining power, minimum rates of wages are fixed both by Central and State Governments in the scheduled employments falling within their respective jurisdictions under the provisions of the Minimum Wages Act, 1948. The act binds the employers to pay to the workers the minimum wages so fixed from time to time.

3.63 As regards, the frequency of wage revision, the Minimum Wages Act, 1948 stipulates that review/revision of minimum wages in the scheduled employment should be undertaken at intervals not exceeding five years. The National Commission on Labour (1969) recommended that this period should be reduced to two years. At the 31<sup>st</sup> Session of the Labour Ministers' Conference held in July 1980, it was concluded that minimum rates of wages may be reviewed and revised, if necessary, within a period of not exceeding two years or on rise of 50 points in the Consumer Price Index Number, whichever is earlier. An amendment proposal to provide for revision of minimum wages every two years, where the minimum wage is not linked to Consumer Price Index, is under consideration of the Government.

3.64 The Central Government has made a provision of Variable Dearness Allowance (VDA) linked to Consumer Price Index in all the 45 scheduled employments under its sphere. The component of Variable Dearness Allowance is revised twice a year effective April and October based on the increase in the Consumer Price Index. Twenty five States/Union Territories have already adopted VDA as a component of minimum wage.

3.65 Applicability in State Sphere:- The State Governments are the appropriate Government for the scheduled employments under their jurisdictions. The number of scheduled employments in the State Sphere in 1447.

3.66 The Central Government has been taking up with the State Governments from time to time the issue relating to minimum wages through discussion in various fora and letters. Based on the recommendations of the National Commission on Rural Labour, the State Governments have also been advised to introduce V.D.A. linked to Consumer Price Index, alongwith the Minimum Wages, Revise the minimum wages every two years, unless there is a provision of Variable Dearness Allowance linked to Consumer Price Index; and Strengthen the enforcement machinery.

3.67 It has been informed that the Minimum Wages Act, 1948 has neither defined nor laid down any norms / criteria for fixation of minimum wages. In the absence of any standard methodology, the norms recommended by the Indian Labour Conference, in 1957 are taken into account while fixing the minimum wages which are as follows: -

- a) 3 consumption units for one earner.
- b) Minimum food requirements of 2,700 calories per average Indian adult.
- c) Clothing requirements of 72 yards per annum per family.
- d) Rent corresponding to the minimum area provided for under Government's Industrial Housing Scheme.
- e) Fuel, Lighting and other miscellaneous items of expenditure to constitute 20% of the total minimum wage.

3.68 There was a judicial pronouncement also in the year 1992 when the Supreme Court delivered a historic judgment in the case of Reptakos & Co. vs. its workers that the children's education, medical requirement, minimum recreation including festivals/ceremonies, provision for old age, marriage etc. should further constitute 25% of the minimum wage and used as a guide in fixation of minimum wage. The appropriate Governments keep the above said norms and judicial pronouncement in view while fixing/revising the minimum wages.

3.69 A Working Group was set up under the Minimum Wages Act, in September 2002 by the Central Advisory Board “to go into codification of the concept of Minimum Wages, listing out guidelines based on critical evaluation of various parameters and also to study the problems in implementation of Minimum Wages”. The Working Group visited the States of Chhattisgarh and Orissa and made in-depth analysis of the ground realities and detailed discussion, recommended the following norms for fixation of minimum wages:

- a) The norm of 3 consumption units, i.e. 2 adults plus 2 children for one earner.
- b) Minimum food requirement of 2,700 calories per average Indian adult. This incidentally synchronizes almost with 2,668 calories of basket of food items worked out as per capita food consumption in rural area reported by NSSO (55<sup>th</sup> Round) Consumer Expenditure Survey in 1999-2000, which may be accordingly calibrated with reference to NSSO quinquennial Surveys.
- c) The clothing requirement in terms of per capita expenditure as estimated by NSSO Consumer Expenditure Survey.
- d) The expenditure on fuel, lighting and miscellaneous as per ILC norms and expenditure on children’s education, medical requirement etc. as per Supreme Court Judgment should also be determined by the results of Consumer Expenditure Survey conducted by NSSO.

3.70 Based on the norms suggested by the Working Group and its acceptance by the Central Advisory Board subsequently in its meeting held on 19.12.2003, national floor level minimum wage was revised upwards to Rs. 66/- per day with effect from 1.02.2004. However, the national floor level minimum wage is only persuasive in nature, without any statutory backing. All the States are requested to fix/revise minimum wages in scheduled employments where the minimum wages are less than the national floor level minimum wage.

3.71 When asked whether in certain scheduled employment in some of the States the minimum wages are quite low and have not been revised even after a lapse of five years, the Ministry has stated that under the provisions of the Minimum Wages Act, 1948, both Central and the State Governments are the appropriate Governments to fix and revise minimum wages in the scheduled employments under their respective jurisdictions. As per Section 3 of the Act, the appropriate Government shall review the minimum rates of wages at such intervals, as it may think fit, such intervals not exceeding five years, the minimum rates of wages so fixed and revised the minimum rates. It further provides that where for any reason the appropriate Government has not reviewed the minimum rates of wages fixed by it in respect of any scheduled employment within any interval of five years, nothing contained in this clause shall be deemed to prevent it from reviewing the minimum rates after the expiry of the said period of five years and revising them, if necessary, and until they are so revised the minimum rates in force immediately before the expiry of the said period of five years shall continue in force. The Appropriate Governments are reviewing and revising the minimum wages at regular interval if required.

3.72 As regards minimum wages in States, there is wide spread inter-state disparity in the minimum wages across States due to variations in socio-economic and agro-climatic conditions, income, prices of essential commodities, paying capacity, productivity and local conditions etc. With a view to minimize the disparity in minimum wages in various States, the concept of national floor level minimum wage was floated and it stands at Rs. 66/- per day w.e.f. 1.2.2004. All the States have been requested to ensure that in none of their scheduled employments, the minimum wage is below the national floor minimum wage.

3.73 Regarding the revision of National Level minimum wage on the basis of rise in consumer price index for the industrial workers it was informed that in order to reduce the disparity in minimum wages across the country, the Central Government has mooted the concept of the national floor level minimum wage. It was fixed at Rs.35/- per day in 1996, increased subsequently to Rs.40/- per day in 1998, Rs.45/- per day in 1999 and Rs.50/- per day in 2002. Presently, it stands at Rs.66/- per day w.e.f. 1.2.2004. The national floor level minimum wage applies to all employments including agriculture.

3.74 A statement showing range of minimum wages for the unskilled workers in different States is at Statement-I

3.75 A statement showing the position about enforcement of M.W. Act in Central Sphere during the last three years is at Statement-II



3.76 On being asked whether the State Governments/UTs are revising the wages wherever there is a rise of 50 points in Consumer Price Index, the Central Government introduced the concept of Variable Dearness Allowance (VDA) linked to Consumer Price Index (CPI) in 1989. This was based on the recommendations of the Labour Ministers' Conference held in 1988 to evolve a mechanism to protect the minimum wage against inflation. The VDA is revised twice a year effective 1 April and 1 October depending on the rise in the CPI. The Central Government and twenty six State Governments and Union Territory Administrations as indicated at Statement -I (by asterisk) have informed adoption of VDA as a component to raise minimum wage after every six months.

3.77 The Central Government has been impressing upon the remaining State Government/U.Ts from time to time to adopt the concept of VDA.

3.78 When asked whether the Government has any proposal to reduce the period of revision of minimum wages to 2 years from existing 5 years and the steps taken in this regard, the Ministry has stated that the proposal would require in-depth discussion among the stake-holders.

3.79 When asked about the number of cases filed/prosecution launched, settled and pending under Minimum Wages Act during the last three years (Years-wise and State-wise) and whether the enforcement machinery is adequate to check the irregularities/malpractices in implementing the minimum wages in the Centre and also in the States/UTs. the Ministry has furnished two statements showing enforcement of Minimum Wages Act in the Central and the State Sphere enclosed in Statements **IV and V**.

3.80 Since the enforcement in the State Sphere is ensured by the State enforcement machinery, the respective State Governments decide about the strength of the enforcement machinery. In the Central Sphere, however, a need has been felt to augment the strength of the Central Industrial Relations Machinery and their mobility should be increased through better transport facilities for wider coverage of establishments and inspections at lesser intervals in order to ensure effective implementation of the labour laws including Minimum Wages Act. In the present circumstances, it has become almost impossible to get the posts created to augment the enforcement machinery in the Central Sphere.

3.81 The Central Government introduced the concept of Variable Dearness Allowance (VDA) linked to Consumer Price Index (CPI) in 1989. This was based on the recommendations of the Labour Ministers' Conference held in 1988 to evolve a mechanism to protect the minimum wage against inflation. The VDA is revised twice a year effective 1 April and 1 October depending on the rise in the CPI. The Central Government and twenty six State Governments and Union Territory Administrations as indicated at Statement-II (by asterisk) have informed adoption of VDA as a component to raise minimum wage after every six months.

3.82 When asked whether the Government is proposing to make the enforcement effective by prescribing deterrent punishment under all the enactments as the existing penalty prescribed under different enactments does not act as deterrent and it is easier to pay penalty than to appoint a person for maintaining records and registers, the Ministry has informed that there is a penal provision of fine up to Rs. 500/- or imprisonment up to 6 months or both for contravention of provision of Section 12 relating to payment of minimum wages and under section 13 relating to rules/orders fixing hours for a normal working day etc. Prescribed penalties have a reasonable deterrence.

**STATEMENT I**

**RANGE OF MINIMUM WAGES FOR UNSKILLED WORKERS IN DIFFERENT STATES/UTs.**

S No	State/Union Territory	Range of Minimum Wages per day (in rupees)
(1)	(2)	(3)
	<b>Central</b>	<b>61-115</b>
	<b>States/Union Territories</b>	
1.	Andhra Pradesh*	45-110
2.	Arunachal Pradesh	55-57
3.	Assam*	48-97
4.	Bihar*	66-71
5.	Chhattisgarh*	53-79
6.	Goa	56-94
7.	Gujarat*	50-99
8.	Haryana*	94
9.	Himachal Pradesh	70
10.	Jammu & Kashmir	66
11.	Jharkhand*	68
12.	Karnataka*	56-99
13.	Kerala*	72-174
14.	Madhya Pradesh*	57-87
15.	Maharashtra*	44-149
16.	Manipur*	70-72
17.	Meghalaya*	70
18.	Mizoram	91
19.	Nagaland	66-70
20.	Orissa*	53
21.	Punjab*	91
22.	Rajasthan*	73-76
23.	Sikkim	85
24.	Tamil Nadu*	54-150
25.	Tripura*	50-66
26.	Uttar Pradesh*	57-110
27.	Uttaranchal*	62-95
28.	West Bengal*	44-123
29.	Andaman & Nicobar	100-107
30.	Chandigarh*	114
31.	Dadra & Nagar Haveli*	89
32.	Daman & Diu*	75
33.	Delhi*	126
34.	Lakshadweep*	70
35.	Pondicherry	45-100

\*State which has adopted Variable Dearness Allowance as component of minimum Wages.

**Statement II****Statement showing the position about enforcement of M.W. Act in Central Sphere during last three years.**

Year	2002-2003	2003-2004	2004-2005
No.of Inspections	18179	18380	16956
No. of irregularities detected	214643	241023	179551
No. of irregularities rectified	180194	175816	211092
No. of prosecutions launched	5580	5541	6188
No. of cases disposed	3527	3659	3227
No. of convictions	3383	3588	3198
No of acquittals	127	66	29
No. of claims filed	2990	3520	3163

**DETAILS REGARDING ENFORNCEMENT OF MINIMUM WAGES ACT,1948 IN DIFFERENT STATES/ UNION TERRITORIES 2002- 2003**

S No.	Name of the State/UTs	No. of inspections made	No. of irregularities detected	No. of irregularities rectified	No. of claims filed	No. of Claims settled	No. of Person Prosecuted	Amount of fine Realised in rupees
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)
1.	Andhra Pradesh	82578	1679	1160	21939	12978	973	464315
2.	Arunachal Pradesh	10	3	3	-	-	-	-
3.	Assam	4562	983	800	13	8	61	12400
4.	Bihar	242319	48801	39042	17243	1770	-	5305817
5.	Chhattisgarh	NA	NA	NA	NA	NA	NA	NA
6.	Goa	763	923	199	22	11	102	118480
7.	Gujarat	109395	112373	59184	39	3	5389	2050225
8.	Haryana	NA	NA	NA	NA	NA	NA	NA
9.	Himachal Pradesh	1059	901	631	2	1	374	86100
10.	Jharkhand	NA	NA	NA	NA	NA	NA	NA
11.	Jammu & Kashmir	1078	683	564	2	1	120	7500
12.	Karnataka	NA	NA	NA	NA	NA	NA	NA
13.	Kerala	7680	9742	-	25	73	191	188000
14.	Madhya Pradesh	1949	1218	632	74	94	403	298785
15.	Maharashtra	64384	70447	72329	45	38	164	319850
16.	Manipur	NA	NA	NA	NA	NA	NA	NA
17.	Meghalaya	315	NIL	NIL	NIL	NIL	NIL	NIL
18.	Mizoram	NIL	NIL	NIL	NIL	NIL	NIL	NIL
19.	Nagaland	NIL	NIL	NIL	NIL	NIL	NIL	NIL
20.	Orissa	NA	NA	NA	NA	NA	NA	NA
21.	Punjab	6236	102	-	99	87	200	75900
22.	Rajasthan	11076	760	315	223	354	217	37200
23.	Sikkim	The Ministry of Home Affairs has extended the Minimum Wages Act, 1948 in the State of Sikkim vide its notification no. S O 1270(E) dated 31-10.2003.						
24.	Tamil Nadu	153301	10990	1246	2570	2808	2566	1731587
25.	Tripura	219	105	NIL	51	NIL	NIL	3000
26.	Uttar Pradesh	378	NA	9	-	-	-	-
27.	Uttaranchal	4000	1198	499	257	196	278	44375
28.	West Bengal	14591	3058	2744	2	4	183	80213
29.	A & N Islands	150	150	-	23	49	41	6200
30.	Chandigarh	254	181	-	97	57	91	34300
31.	Dadra & Nagar Haveli	33	NIL	NIL	NIL	NIL	2	NIL
32.	Daman & Diu	392	7	7	NIL	NIL	NIL	NIL
33.	Delhi	7534	4616	4030	628	593	488	475050
34.	Lakshadweep	NIL	NIL	NIL	NIL	NA	NIL	NIL
35.	Pondicherry	5170	NIL	NIL	NIL	NIL	NIL	NIL

NA: Not available

**Statement-IV**

DETAILS REGARDING ENFORCEMENT OF MINIMUM WAGES ACT, 1948 DURING 2003- 04

S No.	Name of the State/UTs	No. of inspections made	No. of irregularities detected	No. of irregularities rectified	No. of claims filed	No. of Claims settled/decided	No. of Persons Prosecuted	Amount of fine Realised ( in `000 rupee
1	2	3	4	5	6	7	8	9
	<b>CENTRAL SPHERE</b>	<b>18,587</b>	<b>2,53,141</b>	<b>2,11,115</b>	<b>3,843</b>	<b>3,594</b>	<b>5,599</b>	<b>2,495</b>
	<b>STATE SPHERE</b>							
1.	Andhra Pradesh	52,204	506	404	19,820	15,293	1,185	135
2.	Arunachal Pradesh	120	35	32	Nil	Nil	Nil	Nil
3.	Assam	8,186	1,582	1,173	14	13	Nil	1
4.	Bihar	2,97,439	55,996	55,491	24,590	2,057	54	5
5.	Goa	1,038	3,202	140	9	15	36	30
6.	Gujarat	1,20,550	1,01,364	57,977	4,052	1,134	1,080	1,197
7.	Haryana	5,212	Nil	Nil	2,928	193	829	4,137
8.	Himachal Pradesh	2,476	1,267	1,056	122	91	211	56
9.	Jammu & Kashmir	1,802	382	170	Nil	Nil	230	14
10.	Jharkhand	3112	688	539	147	Nil	Nil	799
11.	Karnataka	43,687	NA	NA	2,145	NA	553	339
12.	Kerala	27,779	44,788	35,635	84	74	490	220
13.	Madhya Pradesh	7,408	1,004	6,404	231	461	1,004	Nil
14.	Maharashtra	1,13,043	1,25,776	79,623	33	117	287	280
15.	Manipur	118	31	9	Nil	Nil	Nil	Nil
16.	Meghalaya	633	Nil	Nil	Nil	Nil	Nil	Nil
17.	Mizoram	Nil	Nil	Nil	Nil	Nil	Nil	Nil
18.	Orissa	29,798	23,535	12,212	57	2	214	13
19.	Punjab	16,464	Nil	Nil	152	170	Nil	162
20.	Rajasthan	7,681	266	113	293	239	251	81
21.	Sikkim	The Minimum Wages Act has been extended to Sikkim w.e.f.1.10.2004.						
22.	Tamil Nadu	1,35,725	7,505	534	2,396	1,995	1,337	835
23.	Tripura	4,932	95	92	91	63	16	16
24.	Uttar Pradesh	39,710	10,512	NA	5,937	7,779	NA	1
25.	Uttaranchal	3,322	1,045	388	223	177	334	27
26.	West Bengal	28,478	6,710	6,340	215	2	1	64

27.	A & N Islands	234	1,170	1,124	24	21	3	8
28.	Chandigarh	62	23	23	38	33	11	8
29.	Dadra & Nagar Haveli	71	28	28	1	Nil	4	Nil
30.	Daman & Diu	295	Nil	Nil	Nil	Nil	Nil	Nil
31.	Delhi **	8,101	6,460	4,880	NA	NA	1,223	NA
32.	Lakshadweep	Nil	Nil	Nil	Nil	Nil	Nil	Nil
33.	Pondicherry	8,589	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (Above States)</b>	<b>9,68,26 9</b>	<b>3,93,97 0</b>	<b>2,64,38 7</b>	<b>63,60 2</b>	<b>29,92 9</b>	<b>9,353</b>	<b>8,424</b>
	<b>GRAND TOTAL</b>	<b>9,86,85 6</b>	<b>6,47,11 1</b>	<b>4,75,50 2</b>	<b>67,44 5</b>	<b>33,52 3</b>	<b>14,95 2</b>	<b>10,919</b>

Note:-1. The information has not been received from the States of Chhattisgarh and Nagaland

\*\* Relates to the Calendar Year i.e. 2004

NA – Not Available



		to Sikkim w.e.f 1.10.04										
17.	Tripura	6611	193	193	-	-	-	-	-	-	-	-
18.	Uttar Pradesh	212	187	196	893	2310	10944	29	2125	63649	259	259
19.	Uttaranchal	4363	834	396	140	136	42	298	229	393	110	110
20.	West Bengal	29952	7465	7360	Nil	1	743	159	157	38	86	-
21.	A&N Islands	84	420	420	1	Nil	-	-	-	-	-	-
22.	Chandigarh	207	257	171	53	37	417	86	33	145	18	18
23.	Dadra & Nagar Haveli	78	24	24	-	-	-	-	-	-	-	-
24.	Delhi	8045	6113	4604	-	-	-	1218	-	-	-	-
25.	Lakshadweep	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
26.	Pondichery	7532	-	-	-	-	-	-	-	-	-	-

The information has not yet been received from the remaining States/UTs

**NA- Not Available**



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

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

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

Major Head: 2230

Sub- Head: 03:102

**(D) APPRENTICESHIP TRAINING SHCEME UNDER THE APPRENTICES ACT, 1961**

3.86 The Apprentices Act, 1961 was enacted to regulate the programme of training of apprentices in the industry so as to conform to the prescribed syllabi, period of training etc. As laid down by the Central Apprenticeship Council; and to utilize fully the facilities available in industry for imparting practical training with a view to meeting the requirements of skilled manpower for industry, Act makes it obligatory on the part of employers both in Public and Private Sector establishments having requisite training infrastructure as laid down in the Act, to engage apprentices in 254 groups of industries covered under the Act.

3.87 DGE&T is responsible for implementation of the Act in respect of Trade Apprentices in the Central Government Undertakings and Departments. It is done through six Regional Directorates of Apprenticeship Training located at Kolkata, Mumbai, Chennai, Hyderabad, Kanpur and Faridabad. State Apprenticeship Advisers are responsible for implementation of the Act in respect of Trade Apprentices in State Government Undertakings/Departments and Private Establishments.

3.88 The Central Apprenticeship Council is an Apex Statutory Body. It advises the Government on laying down of policies and prescribing norms and standards in respect of Apprenticeship Training Scheme (ATS). It is tripartite by constitution with members from Government both Central and State UTs, Employers & Trade Unions. Union Labour Minister is the Chairman and Minister of State for Education in the Union Ministry of HRD is the Vice Chairman.

3.89 The details regarding the training seats located, seats utilized and percentage of utilization of seats of the Trade Apprentices, Graduate, Technician and Technician (Vocational) Apprentices in the States/UTs under the Apprentices Act 1961 during the last year 2004-2005 is as under:

Details of Seats Utilisation in respect of Graduate Apprentices

State/UT	Seats located	Position as on 30-09-2004	
		Seats utilized	% utilization
<b>Andhra Pradesh</b>	<b>2348</b>	<b>2048</b>	<b>87</b>
<b>Arunachal Pradesh</b>	<b>57</b>	---	---
<b>Assam</b>	<b>209</b>	<b>20</b>	<b>10</b>
<b>Bihar</b>	<b>8</b>	<b>1</b>	<b>13</b>
<b>Chhattisgarh</b>	<b>309</b>	<b>85</b>	<b>28</b>
<b>Goa</b>	<b>204</b>	<b>109</b>	<b>53</b>
<b>Gujarat</b>	<b>1437</b>	<b>649</b>	<b>45</b>
<b>Haryana</b>	<b>373</b>	<b>156</b>	<b>42</b>
<b>Himachal Pradesh</b>	<b>17</b>	<b>4</b>	<b>24</b>
<b>J&amp;K</b>	<b>34</b>	---	---
<b>Jharkhand</b>	<b>25</b>	<b>141</b>	<b>564</b>
<b>Karnataka</b>	<b>2267</b>	<b>1296</b>	<b>57</b>
<b>Kerala</b>	<b>1416</b>	<b>532</b>	<b>38</b>
<b>Madhya Pradesh</b>	<b>615</b>	<b>223</b>	<b>36</b>
<b>Maharashtra</b>	<b>4906</b>	<b>2082</b>	<b>42</b>
<b>Manipur</b>	<b>28</b>	---	---
<b>Meghalaya</b>	<b>28</b>	---	---
<b>Mizoram</b>	---	---	---
<b>Nagaland</b>	<b>25</b>	---	---
<b>Orissa</b>	<b>136</b>	<b>67</b>	<b>49</b>

<b>Punjab</b>	<b>426</b>	<b>48</b>	<b>11</b>
<b>Rajasthan</b>	<b>268</b>	<b>176</b>	<b>66</b>
<b>Tamil Nadu</b>	<b>2856</b>	<b>2092</b>	<b>73</b>
<b>Tripura</b>	<b>193</b>	<b>32</b>	<b>17</b>
<b>UP &amp; Uttaranchal</b>	<b>1568</b>	<b>867</b>	<b>55</b>
<b>West Bengal</b>	<b>357</b>	<b>367</b>	<b>103</b>
<b>A &amp; N Islands</b>	<b>41</b>	<b>5</b>	<b>12</b>
<b>Chandigarh</b>	<b>25</b>	<b>8</b>	<b>32</b>
<b>Daman, D &amp; N Haveli</b>	<b>27</b>	<b>4</b>	<b>15</b>
<b>Delhi</b>	<b>373</b>	<b>211</b>	<b>57</b>
<b>Sikkim</b>	<b>2</b>	<b>---</b>	<b>---</b>
<b>Pondicherry</b>	<b>84</b>	<b>113</b>	<b>135</b>
Total	20662	11336	55

Source: Department of Education, Ministry of Human Resource Development

Details of Seats Utilisation in respect of Technician Apprentices

Position as on 30-09-2004

State/UT	Seats located	Seats utilized	% utilization
<b>Andhra Pradesh</b>	<b>4449</b>	<b>2202</b>	<b>49</b>
<b>Arunachal Pradesh</b>	<b>26</b>	<b>2</b>	<b>8</b>
<b>Assam</b>	<b>521</b>	<b>153</b>	<b>29</b>
<b>Bihar</b>	<b>49</b>	<b>28</b>	<b>57</b>
<b>Chhattisgarh</b>	<b>472</b>	<b>118</b>	<b>25</b>
<b>Goa</b>	<b>268</b>	<b>71</b>	<b>26</b>
<b>Gujarat</b>	<b>1831</b>	<b>719</b>	<b>39</b>
<b>Haryana</b>	<b>1298</b>	<b>469</b>	<b>36</b>
<b>Himachal Pradesh</b>	<b>81</b>	<b>32</b>	<b>40</b>
<b>J &amp; K</b>	<b>52</b>	<b>6</b>	<b>12</b>
<b>Jharkhand</b>	<b>285</b>	<b>104</b>	<b>36</b>
<b>Karnataka</b>	<b>3466</b>	<b>1762</b>	<b>51</b>
<b>Kerala</b>	<b>2258</b>	<b>1610</b>	<b>71</b>
<b>Madhya Pradesh</b>	<b>1111</b>	<b>178</b>	<b>16</b>
<b>Maharashtra</b>	<b>7089</b>	<b>1635</b>	<b>23</b>
<b>Manipur</b>	<b>99</b>	<b>2</b>	<b>2</b>
<b>Meghalaya</b>	<b>81</b>	<b>2</b>	<b>2</b>
<b>Mizoram</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Nagaland</b>	<b>112</b>	<b>---</b>	<b>---</b>
<b>Orissa</b>	<b>840</b>	<b>593</b>	<b>71</b>
<b>Punjab</b>	<b>1012</b>	<b>413</b>	<b>41</b>
<b>Rajasthan</b>	<b>875</b>	<b>347</b>	<b>40</b>
<b>Tamil Nadu</b>	<b>6604</b>	<b>5757</b>	<b>87</b>
<b>Tripura</b>	<b>178</b>	<b>48</b>	<b>27</b>
<b>Uttar Pradesh</b>	<b>5331</b>	<b>3157</b>	<b>59</b>
<b>Uttaranchal</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>West Bengal</b>	<b>1495</b>	<b>482</b>	<b>32</b>
<b>A &amp; N Islands</b>	<b>112</b>	<b>50</b>	<b>45</b>
<b>Chandigarh</b>	<b>147</b>	<b>87</b>	<b>59</b>
<b>Daman &amp; Nagar Haveli</b>	<b>33</b>	<b>3</b>	<b>9</b>

<b>Delhi</b>	<b>841</b>	<b>162</b>	<b>19</b>
<b>Sikkim</b>	<b>6</b>	<b>---</b>	<b>---</b>
<b>Pondicherry</b>	<b>204</b>	<b>661</b>	<b>324</b>
Total	41226	20853	51

Source: Department of Education, Ministry of Human Resource Development

Details of Seats Utilization in respect of Technician (Vocational) Apprentices

Position as on 30-09-2004

State/UT	Seats located	Seas Utilized	% utilization
<b>Andhra Pradesh</b>	<b>710</b>	<b>967</b>	<b>136</b>
<b>Arunachal Pradesh</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Assam</b>	<b>4</b>	<b>4</b>	<b>100</b>
<b>Bihar</b>	<b>773</b>	<b>568</b>	<b>73</b>
<b>Chhattisgarh</b>	<b>192</b>	<b>6</b>	<b>3</b>
<b>Goa</b>	<b>174</b>	<b>13</b>	<b>7</b>
<b>Gujarat</b>	<b>1295</b>	<b>76</b>	<b>6</b>
<b>Haryana</b>	<b>997</b>	<b>406</b>	<b>41</b>
<b>Himachal Pradesh</b>	<b>1</b>	<b>1</b>	<b>100</b>
<b>J &amp; K</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Jharkhand</b>	<b>8</b>	<b>51</b>	<b>638</b>
<b>Karnataka</b>	<b>1377</b>	<b>531</b>	<b>39</b>
<b>Kerala</b>	<b>1127</b>	<b>395</b>	<b>35</b>
<b>Madhya Pradesh</b>	<b>539</b>	<b>20</b>	<b>4</b>
<b>Maharashtra</b>	<b>5800</b>	<b>471</b>	<b>8</b>
<b>Manipur</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Meghalaya</b>	<b>7</b>	<b>---</b>	<b>---</b>
<b>Mizoram</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Nagaland</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Orissa</b>	<b>4</b>	<b>---</b>	<b>---</b>
<b>Punjab</b>	<b>337</b>	<b>22</b>	<b>7</b>
<b>Rajasthan</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Tamil Nadu</b>	<b>5463</b>	<b>2596</b>	<b>48</b>
<b>Tripura</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>UP &amp; Uttaranchal</b>	<b>771</b>	<b>181</b>	<b>23</b>
<b>West Bengal</b>	<b>28</b>	<b>9</b>	<b>32</b>
<b>A &amp; N Islands</b>	<b>3</b>	<b>---</b>	<b>---</b>
<b>Chandigarh</b>	<b>89</b>	<b>73</b>	<b>82</b>
<b>Daman, Nagar Haveli</b>	<b>39</b>	<b>11</b>	<b>28</b>
<b>Delhi</b>	<b>417</b>	<b>141</b>	<b>34</b>
<b>Lakshadweep</b>	<b>---</b>	<b>---</b>	<b>---</b>
<b>Pondicherry</b>	<b>111</b>	<b>97</b>	<b>87</b>
Total	20266	6639	33

Source: Department of Education, Ministry of Human Resource Development

Details of Seats Utilisation in respect of Trade Apprentices in State Sector

Position as on 30-06-2005

State/UT	Seats located	Seats utilized	% utilization
<b>Andhra Pradesh</b>	<b>6393</b>	<b>6504</b>	<b>102</b>
<b>Arunachal Pradesh</b>	<b>18</b>	<b>4</b>	<b>22</b>
<b>Assam</b>	<b>32</b>	<b>30</b>	<b>94</b>
<b>Bihar</b>	<b>1007</b>	<b>334</b>	<b>33</b>
<b>Chhattisgarh</b>	<b>1170</b>	<b>553</b>	<b>47</b>
<b>Goa</b>	<b>1016</b>	<b>696</b>	<b>69</b>
<b>Gujarat</b>	<b>26704</b>	<b>18829</b>	<b>71</b>
<b>Haryana</b>	<b>7378</b>	<b>5767</b>	<b>78</b>
<b>Himachal Pradesh</b>	<b>2008</b>	<b>1234</b>	<b>61</b>
<b>J &amp; K</b>	<b>1623</b>	<b>1456</b>	<b>90</b>
<b>Jharkhand</b>	<b>1662</b>	<b>1911</b>	<b>115</b>
<b>Karnataka</b>	<b>21480</b>	<b>16673</b>	<b>78</b>
<b>Kerala</b>	<b>7446</b>	<b>7075</b>	<b>95</b>
<b>Madhya Pradesh</b>	<b>3754</b>	<b>2300</b>	<b>61</b>
<b>Maharashtra</b>	<b>45645</b>	<b>26994</b>	<b>59</b>
<b>Manipur</b>	<b>80</b>	<b>34</b>	<b>43</b>
<b>Meghalaya</b>	---	---	---
<b>Mizoram</b>	---	---	---
<b>Nagaland</b>	---	---	---
<b>Orissa</b>	<b>3319</b>	<b>2698</b>	<b>81</b>
<b>Punjab</b>	<b>5058</b>	<b>3234</b>	<b>64</b>
<b>Rajasthan</b>	<b>7073</b>	<b>2890</b>	<b>41</b>
<b>Tamil Nadu</b>	<b>27580</b>	<b>15731</b>	<b>57</b>
<b>Tripura</b>	<b>139</b>	<b>136</b>	<b>98</b>
<b>Uttar Pradesh</b>	<b>19150</b>	<b>14490</b>	<b>76</b>
<b>Uttaranchal</b>	<b>2153</b>	<b>979</b>	<b>45</b>
<b>West Bengal</b>	<b>3249</b>	<b>3141</b>	<b>97</b>
<b>A &amp; N Islands</b>	<b>41</b>	<b>37</b>	<b>90</b>
<b>Chandigarh</b>	<b>261</b>	<b>181</b>	<b>69</b>
<b>D &amp; N Haveli</b>	<b>70</b>	<b>63</b>	<b>90</b>
<b>Daman &amp; Diu</b>	<b>88</b>	<b>88</b>	<b>100</b>
<b>Delhi</b>	<b>6094</b>	<b>5068</b>	<b>83</b>
<b>Pondicherry</b>	<b>922</b>	<b>756</b>	<b>82</b>
Total	202613	139886	69

Details of Region wise Seats Utilisation in respect of Trade Apprentices in Central Sector

Position as on 30-06-2005

Region	Seats located	Seats utilized	% utilization
<b>RDAT, Kolkata</b>	<b>5772</b>	<b>5298</b>	<b>92</b>
<b>RDAT, Chennai</b>	<b>6386</b>	<b>5913</b>	<b>93</b>
<b>RDAT, Faridabad</b>	<b>2975</b>	<b>2061</b>	<b>69</b>
<b>RDAT, Hyderabad</b>	<b>5863</b>	<b>5803</b>	<b>99</b>
<b>RDAT, Kanpur</b>	<b>6576</b>	<b>5300</b>	<b>81</b>
<b>RDAT, Mumbai</b>	<b>4239</b>	<b>3801</b>	<b>90</b>
Total	31811	28176	89

3.90 Both methods of persuasion and prosecution are adopted for achieving optimum utilization of seats. Due to the concerted efforts, the utilization of seats in the Central Sector has improved from 87% in the year 2003 to 89% in the year 2005. In the State Sector, the number of seats utilized has increased from 135045 to 139886 during this period.

3.91 In order to meet the challenges of technological advancement in the Industry and economic globalization, new trades are designated and existing trades in which there are no employment prospects are deleted from time to time. A list of new trades designated during the last three years is enclosed.

#### **Service Sector Trades under the Apprentices Act, 1961**

<u>Sl. No.</u>	<u>Name of the Trade</u>
1.	Welder ( Gas & Electric)
2.	Motor Vehicle Body Builder
3.	Electrician
4.	Wireman
5.	Auto Electrician
6.	Winder (Armature
7.	Carpenter
8.	Plumber
9.	Mason (Building Constructor)
10.	Furniture & Cabinet Maker
11.	Mechanic Watch & Clock
12.	Refrigeration & Airconditioning Mechanic
13.	Mechanic (Motor Vehicle)
14.	Mechanic (Diesel)
15.	Mechanic (Tractor)
16.	Driver-cum-Fitter
17.	Auto Mechanic (Two Wheeler/Three Wheeler)
18.	Tailor (Men)
19.	Tailor (Women)
20.	Tailor (General)
21.	Mechanic Agricultural Machinery
22.	Horticulture Assistant
23.	Pump Operator Cum Mechanic
24.	Electronics Mechanic
25.	Mechanic Television (Video)
26.	Photographer

27. Beautician
28. Hair Dresser
29. Health and Slimming Assistant
30. Painter (General)
31. Data Preparation & Computer Software
32. Programming and Systems Administration Assistant

3.92 On being asked about the efforts made by the Government for creation of additional jobs for the apprentices, it was stated that the following guidelines prescribed by Hon'ble Supreme Court of India in its judgement dated 12.1.1995 in Civil Appeal No. 4347-54 of 1990 of U.P. State Transport Corporation & ANR Versus UP Parivahan Nigam Shishkh Sangh & Others has been brought to the notice of all concerned: -

- (i) Other things being equal, a trained apprentice should be given preference over direct recruits.
- (ii) For this trainee would not be required to get his name sponsored by any employment exchange. The decision of this Court in Union of India versus Hargopal AIR SC 1227 would permit this.
- (iii) If age bar would come in the way of the trainee, the same would be relaxed in accordance with what is stated in this regard, if any, in the concerned service rules. If the service rules being silent on this aspect, relaxation to the extent of the period for which the apprentice had undergone training would be given.
- (iv) The concerned training institute would maintain a list of persons trained year wise. The persons trained earlier would be treated as Senior to the persons trained later. In between the trained apprentices, preference shall be given to those who are senior.

3.93 The surveys/resurveys of establishments identified under the Act for location of seats is a continuous process. In the Central Sector, 300 surveys/resurveys have been conducted during 2004-2005. Similarly, the State Apprenticeship Advisers conduct surveys/resurveys on continuous basis. The number of establishments brought under the provision of the Act has increased from 19500 in year 2003 to 20850 in June 2005.

3.94 Both methods of persuasion and prosecution are adopted for achieving optimal utilization of seats. Due to the concerted efforts made by the Central and State Apprenticeship Advisers, the number of seats of trade apprentices utilized has increased from 162221 in year 2003 to 168062 in year 2005.

3.95 Regarding the defaulting establishments, it has been stated that there were 350 defaulting establishments in respect of trade apprentices in the Central Sector in the year 2003. Due to continuous persuasive efforts and legal notices, the number has been brought down to 150 in the year 2005. As a last resort, prosecution is launched against defaulting establishments. Presently prosecution cases against 3 establishments in the Central Sector are pending.

3.96 On being asked whether the provision of 3% reservation for persons with disabilities is being implemented in Apprenticeship Training, the Ministry has stated that Administrative instructions have been issued to all concerned to ensure that 3% of located seats are reserved for physically handicapped persons in engagement as apprentices. In order to facilitate engagement of persons with disabilities as apprentices, physical standards have been relaxed in respect of 44 trades for hearing impaired, 63 trades for visually impaired and 40 trades for orthopedically handicapped.



3.97 The number of persons with disabilities engaged as apprentices in different categories are as follows: -

TradeApprentice	-	718
Graduate Apprentice	-	35
Technicians Apprentice	-	65
Technician Vocational Apprentices	-	12

3.98 When asked whether the existing system of apprenticeship training needs any revamping on any aspect, particularly keeping in view the changing needs for skilled personnel, Ministry in its written reply furnished to the Committee has stated that the new trades are designated from time to time and existing trades in which there are no employment prospects are deleted from the list of designated trades. The trades/subject fields designated during the last three years is as follows:

**Graduate/Technician Apprentices**

- i) Packing Technology

**Technician (Vocational) Apprentices**

- i) Printing Technology

**3.99**            The Committee note with concern the present level of utilization of seats located for trade apprentices in establishments both in the Central and State Sectors, the percentage of which is 89% and 69%, respectively. The situation is dismal in this regard particularly in Faridabad (69%), under Central Sector and less than 50% in Arunachal Pradesh, Bihar, Chattisgarh, Goa, Manipur, Rajasthan and Uttaranchal in the State Sector. The position in respect of seats located and seats utilized in Graduate, Technician and Technician (Vocational Apprentices) is even worse, i.e. only 46%. The Committee are distressed to note that the percentage of seats located and seats utilized in respect of persons with disabilities in Central and State Sectors is less than 3. The Committee are not happy with the situation and, therefore, urge the Ministry to take up the matter with both the Central and State establishments urgently so that the gap between the seats located and utilized is bridged in all the trades. Also 3% seats reserved for persons with disabilities should be fully utilized in all the trades. For this the matter may be taken up with the Ministry of Human Resource Development and the State Governments on priority. Steps taken and progress achieved in this regard should be communicated to the Committee at regular intervals.

**Major Head: 2230**

**Sub-Head: 07:01**

**(E) STRENGTHENING OF NATIONAL VOATIONAL TRAINING INSTITUTE (NVTI) AND REGIONAL VOCATIONAL TRAINING INSTITUTES (RVTIs)**

3.100 The Women's Vocational Training Programme in Ministry of Labour was launched in 1977, aimed at the social development & economic growth of women through vocational training. A separate Women's Cell was formed for the purpose, which has developed into the Women's Occupational Training Directorate. This Directorate is responsible for designing & pursuing long term policies related to Women's Vocational training in the country.

3.101 A network of Institutes, both under the Central & State Sector, have been set up for extending skill training facilities to women, which aim at stimulating employment among women of various socio-economic levels and different age group.

3.102 Under the Central Sector, the Institutional Network includes 11 Institutes, providing training facilities exclusively for women in skills having high wage-employment and self-employment potential. The institutes set up under the Women's Occupational Training Directorate are: (I) National Vocational Training Institute (NVTI) for Women, NOIDA (1977) and (ii) Regional Vocational Training Institutes (RVTIs) for Women at Mumbai (1977), Bangalore (1977), Thiruvananthapuram (1983), Hisar (1986), Kolkata (1986), Tura (1986), Allahabad (19991), Indore (1992), Vadodara (1993) and Jaipur (1994) (Figures in bracket show the year of establishment)

3.103 The NVTI at NOIDA and RVTIs at Bangalore, Thiruvananthapuram, Jaipur, Allahabad, Kolkata and Tura are housed in their own permanent premises. RVTI Mumbai is operating from a permanent building provided by the State Government of Maharashtra in 1986. The RVTIs at Hisar, Indore and Vadodara are operating from the temporary premises given by the respective State Government. For construction of permanent building for RVTI Hisar, the State Government of Haryana has allotted the land measuring about 6.5 acres at Panipat. Land, measuring about 5 acres has been identified for RVTI Indore in the premises of ESIC hospital at Indore. For RVTI Vadodara, the State Government of Gujarat has already allotted the land.

3.104 Hostel facilities are available at NVTI-Noida and RVTIs at Bangalore, Mumbai, Jaipur, Thiruvananthapuram, Kolkata, Tura and Allahabad.

3.105 The Ministry has furnished a Statement showing the amount of Plan funds allocated to NVTI/RVTIs for the last three financial years together with the actual expenditure incurred upto February, 2006 and also the percentage of expenditure incurred on each of the NVTI and RVTIs as under:

<i>Rs in Lakhs</i>										
Sl. No.	SCHEMES	2003-04			2004-05			2005-06		
		BE	Exp.	% Exp.	BE	Exp.	% Exp.	BE	Exp.	% Exp.
									( upto Feb. '06 )	
1	NVTI Noida	45.26	49.92	110.30%	35.38	55.34	156.42%	55.93	59.25	105.94%
2	RVTI Mumbai	10.70	10.65	99.53%	8.52	8.88	104.23%	10.33	8.81	85.29%
3	RVTI Bangalore	20.07	20.62	102.74%	12.74	14.25	111.85%	14.05	13.54	96.37%
4	RVTI Thiruvananthapuram	44.93	47.08	104.79%	39.06	49.94	127.85%	51.63	44.40	86.00%
5	RVTI Hisar	30.05	29.69	98.80%	25.00	26.27	105.08%	29.45	25.84	87.74%
6	RVTI Kolkata	39.67	37.73	95.11%	34.33	54.46	158.64%	59.32	37.82	63.76%
7	RVTI Tura	31.92	32.85	102.91%	24.88	29.49	118.53%	31.33	27.22	86.88%
8	RVTI Allahabad	33.59	50.74	151.06%	34.79	44.67	128.40%	42.53	46.57	109.50%
9	RVTI Indore	29.40	29.10	98.98%	26.34	30.95	117.50%	32.36	29.97	92.61%
10	RVTI Vadodara	18.47	19.77	107.04%	19.37	20.90	107.90%	23.13	16.60	71.77%
11	RVTI Jaipur	42.79	55.94	130.73%	36.34	53.50	147.22%	47.94	52.08	108.64%
	<b>TOTAL</b>	<b>346.85</b>	<b>384.09</b>	<b>110.74%</b>	<b>296.75</b>	<b>388.65</b>	<b>130.97%</b>	<b>398.00</b>	<b>362.10</b>	<b>90.98%</b>

3.106 When asked whether most of the Institutes do not have their own buildings and the construction work has been badly affected and delayed, the Ministry in its written reply furnished to the Committee has stated that at present there are 11 institutes functioning under Women Training Wing of DGE&T. Out of these 10 are Regional Vocational Training Institutes (RVTIs) for Women, located at Mumbai, Bangalore, Thiruvananthapuram, Hisar, Kolkata, Tura, Allahabad, Indore, Vadodara and Jaipur and one is a National Vocational training Institute for Women at Noida, as apex centre.

3.107 Out of 11 institutes, 8 institutes have their own permanent buildings. Three RVTIs viz. at Hisar, Vadodara and Indore do not have their permanent buildings but are functioning from temporary accommodation provided free of cost by the State Governments. The proposal for construction of buildings for these 3 institutes was included in the New Tenth Plan Scheme, viz. "Building, equipment and establishment for RVTIs at Kolkata, Hisar, Allahabad, Tura, Jaipur, Vadodara and Indore". This scheme was under consideration of Planning Commission for their approval and was approved in January, 2005. After this, EFC Memorandum for revised cost was prepared and it had to be modified twice as per observations of the Planning Commission. EFC Memorandum for revised cost has now been circulated and the EFC meeting is scheduled to be held on 20<sup>th</sup> March, 2006. The construction of buildings for the three institutes would be taken up after the EFC approval.

3.108 A Statement showing institute wise number of trainees trained for full time (regular) and short-term courses is given below. With the help of sanctioned posts we could have run only 116 courses, however, special efforts have been made to increase trainees output by operating 60 additional adhoc courses with the help of contract faculty and guest faculty. For adhoc courses, special approval of the Integrated Finance is obtained on year to year basis, trend would be continued for the next training session also, which would commence in August 2006.

Sl. No.	Institute	2003-2004			2004-2005			2005-2006 (upto Jan.'06)		
		Regular	Short-Term	Total	Regular	Short-Term	Total	Regular	Short-Term	Total
		1	NVTI- NOIDA	539	675	1214	902	517	1419	540
2	RVTI- MUMBAI	246	78	324	262	176	438	204	344	548
3	RVTI -BANGALORE	312	149	461	397	485	882	381	387	768
4	RVTI- THIRUVANANTHAPURAM	252	156	408	301	135	436	284	164	448
5	RVTI- HISAR	123	34	157	129	12	141	76	37	113
6	RVTI- KOLKATA	117	51	168	197	77	274	124	227	351
7	RVTI- TURA	73	59	132	105	46	151	94	84	178
8	RVT- ALLAHABAD	227	151	378	324	455	779	263	578	841
9	RVTI- VADODARA	126	30	156	152	0	152	118	40	158
10	RVTI- JAIPUR	361	452	813	441	477	918	333	216	549
11	RVTI- INDORE	151	101	252	207	139	346	163	157	320
	<b>TOTAL</b>	<b>2527</b>	<b>1936</b>	<b>4463</b>	<b>3417</b>	<b>2519</b>	<b>5936</b>	<b>2580</b>	<b>2897</b>	<b>5477</b>

3.109 4500 target women have been provided a holistic package of services under the pilot project. 70% of these have been engaged in decent wage/self-employment. The target of the project was to train 2000 women against which, 4500 women have been trained. The pilot project has ended in September, 2005.

3.110 Training materials in respect of Vocational Skills, Soft Skills and Entrepreneurial areas have been developed and these can be replicated for further training facilities to be developed.

**3.111 Ministry has furnished a statement showing the present position (as on 1<sup>st</sup> March,2006) of faculty posts and action taken, in brief as under:**

<b>Posts</b>	<b>Sanctio ned</b>	<b>Filled</b>	<b>Vaca nt</b>	<b>Remarks</b>
Training Officers (T.O.)	94	49	45	<p>Posts are vacant w.e.f. different dates starting from Aug. '96.</p> <p>Panel of 6 candidates was available. For one post revival of posts was available and the candidate has joined in Sept,05. Proposal for revival of 5 posts was sent to M/o Finance, they agreed for 1 post only, and the incumbent has joined in Jan.,06. Out of remaining 4 posts, UPSC has been requested to allow us to adjust two incumbents in ATIs instead of NVTI/RVTIs. However, during the year 2005-06 two have also resigned for better opportunities.</p> <p>Another proposal for revival of two posts was sent to M/o Finance, on two submissions they have not agreed, once again the proposal has been sent to them.</p> <p>SIU has recommended abolishing of 31 T.O. posts. M/o Finance was requested twice for allowing us to retain these posts for taking up additional courses, they have not agreed, once again the proposal is being sent to them with additional information.</p> <p>Action is being taken to fill up 8 posts by promotion.</p> <p>Filling up posts is also related to Economy instructions, restricting filling up of posts which are vacant for more than 6 months and clearance from the Screening Committee.</p>
Vocational Instructors (V.I.)	64	41	23	<p>Posts are vacant w.e.f. different dates starting from Aug. '96.</p> <p>Earlier advertisements were given to fill up 15 posts on deputation basis but suitable candidates could not be found. Therefore, it is proposed to fill up these posts by direct recruitment. The recruitment and communal roster have been revised for filling up all the 23 posts. Advertisement for inviting applications would be sent shortly to CEE.</p> <p>Filling up posts is also related to Economy instructions, restricting filling up of posts which are vacant for more than 6 months and clearance from the Screening Committee.</p>
<b>Total</b>	<b>158</b>	<b>90</b>	<b>68</b>	

3.112 When asked whether there is any proposal to develop the NVTI and RVTIs in order to ensure optimal and proficient utilization of the infrastructure created, the Ministry has stated that infrastructure facilities at NVTI / RVTIs are already being utilized at the optimum level and in the proficient manner, some of the points to highlight are: -

- i. During last 3 years training capacity of NVTI / RVTIs has been increased by around 50 per cent in long term and short term courses. Within the available infrastructure additional training courses were organized by engaging faculty on contract basis i.e., more proficient way of using the infrastructure.
- ii. Under the pilot project on “Decent Employment for Women in India” the existing facilities at NVTI were used for training of Trainers of the NGOs and organizing of Pilot training programmes for women beneficiaries
- iii. In 2004, a new training course on “Home Management” was started which imparts training on various facets of life, which a woman comes across. The course is also named as “Training from Kitchen to Computers”.
- iv. To supplement the institutional training, trainees of advanced courses are also attached with the industry to acquaint themselves with the industrial environment.
- v. Curricula of training courses conducted at NVTI / RVTIs is updated to meet the market demands.
- vi. From time to time Trainers of NVTI / RVTIs are also provided training to upgrade their knowledge and skills.

3.113 Regarding outdated machinery in many of the institutes, the representatives of the Ministry stated as under:

”These ITIs have been in existence for 50 years or more. But somehow, vocational training as a subject had lost its shine and appeal to the students community. It is only after the budget announcement of the Hon. Finance Minister that a new focus has been given by the Central Government.”

3.114           The Committee are surprised to note that though the DGE&T provides training facilities to women in the country to increase employability among women of different age groups from various socio-economic strata through NVTI/RVTIs, the percentage of expenditure in RVTI, Kolkata and RVTI Vadodra is in the range of 64- 72 upto February 2006. The Committee also note that 68 vacancies of Training Officers (TO) and Vocational Instructors (VI) are lying vacant since August 1996, thus affecting the normal functioning of these Institutes. The Committee take a serious note of this sorry state of affairs and call upon the Ministry to fill these vacant posts within a year positively. The Committee may also be apprised of the concrete progress in this regard every quarter till needful is done. The Committee further desire that the Government should take immediate steps to replace the obsolete and unserviceable equipments in order to increase the proficiency of the trainees in the specialized fields in all the institutes. The Committee also desire that the funds allocated for the purpose should be fully utilized so that the objectives of the vocational training programmes are achieved to the maximum extent.

3.115           The Committee regret to note that out of 11 RVTIs, 3 are still operating from temporary accommodation provided by the State Governments. The construction work of these three RVTIs at Hissar, Vadodra and Indore has been inordinately delayed as it was proposed to be completed in the Tenth Five Year Plan. The Committee take a serious note of the time lapse in this regard and recommend that the construction work of these Institutes should be completed expeditiously, but within the Tenth Five Year Plan.



**Major Head: 2230**

**Sub Head: 02**

**SOCIAL SECURITY FOR LABOUR –**

**EMPLOYEES PROVIDENT FUND SCHEME**

3.116 The object of the Act is the institution of compulsory contributory Provident Funds, Pension and Insurance for employees. Presently, the following three Schemes are in operation under the Act through the EPFO:-

- Employees' Provident Funds Scheme, 1952
- Employees' Deposit Linked Insurance Scheme, 1976
- Employees' Pension Scheme, 1995

3.117 Presently, the Act is applicable to 180 specified industries/classes of establishments as is specified in Schedule-I of the Act or any activity notified by the Central Government in the Official Gazette and employing 20 or more persons. As on 31<sup>st</sup> March, 2005, there were 4,08,831 establishments and factories covered under the Act with a membership of 411.10 lakh under EPF Scheme, both in the Exempted and Unexempted Sectors. With effect from 01-06-2001, an employee on joining the employment in a covered establishment and getting wages upto Rs. 6,500/- is required to become a member.

3.118 The Ministry has furnished the details of coverage and membership for the last three years as under:

Year	Establishments			Members		
	Exempted	Un-exempted	Total	Exempted	Un-exempted	Total
2002-03	2564	341944	344508	3751222	35747389	39498611
2003-04	2491	367895	370386	3717390	36375093	40092483
2004-05	2423	406408	408831	3896580	37212594	41109174

3.119 Under 'Compliance 2001' programme emphasis was given on voluntary compliance. However, special drives were conducted from time-to-time to detect evasion, under-reporting, etc. During the special drive launched from January 2005 to March 2005 a total of 19854 establishments were covered and 602669 workers were made members of the Fund. Recently, the Organisation has launched the 'Compliance Validation and Analysis Programme 2006' to examine whether the provisions of the Act are being complied with by the establishments in all respect. Under this programme, an exercise is to be carried out wherein at least 1% of the establishments in each Regional Office/Sub-Regional Office would be inspected on a random basis. The number of establishments, which were inspected for thorough audit and scrutiny indicates that non enrollment is prevalent.

3.120 It has been stated that in accordance with Section 2A of the Act where any establishment consists of different departments or branches, whether situated in same place or in different places, all such department or branches are treated as part of same establishment and covered under the Act accordingly. Compliance in respect of such establishments is secured either through the primary establishment or independently. Whenever any information in respect of non-compliance is received appropriate action is taken therefor.

3.121 The number of establishments notified for voluntary coverage during the year 2004-05 was 1127.

3.122 The Act applies with its own force. Hence, the establishments to which the Act applies are required to comply with the provisions of the Act suo-motto. Nonetheless many establishments are brought under purview of the Act on the basis of information received from various quarters. Intelligence circles have been created in the offices to keep track of such establishments and bring them under the purview of the Act. Advertisements for educating the employers have also been issued in the past for this purpose. Special drives have also been launched from time-to-time for this purpose e.g. during a special drive launched during January 2005 to March 2005, 19,854 establishments were covered and 6,02,669 employees were enrolled as member of the Fund.

3.123 On being asked about the status of the proposed amendment of reducing the minimum number of employees for EPF coverage from 20 to 10, the Ministry has stated that a comprehensive proposal for amendment to the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 was considered by the CBT (EPF). However, there was no consensus on reducing the minimum number of employees for Employees' Provident Fund coverage from 20 to 10 and on removing the Schedule-I. Since there was no consensus, the proposal has not made any headway.

3.124 The raising of wage ceiling has a wider impact on EPS 1995, hence unless the impact on EPS 1995 is fully taken care of the rise in wage ceiling may not be appropriate at this stage. A member of the Fund continues to be a member even if he or she crosses the wage ceiling of Rs. 6,500/-. Hence crossing the wage ceiling has no impact on the membership.

3.125 Regarding the number of establishments, which are not depositing the Provident Fund contribution in the office of the Provident Fund Commissioner though they are deducting the amount from the wages of their employees. Also state the action initiated against such defaulting institutions for the last three years and the result achieved thereto, the Ministry has stated that default by the employer including default in remittance of employees' share is detected on the basis of the Computerized Compliance Tracking System (CCTS) and accordingly, action is taken to assess the amount and recovery thereof. However, no separate record in respect of default in remitting the employees' share is maintained. On identification of default by an establishment, action for quantification of dues under section 7A and recovery thereof under section 8 of the Act is taken. The details of 7A finalized and recovery made are given below:

Recovery of Arrears (2002-03 to 2004-05)

(Amount in Crore)

Year	Number of 7A Completed	Recovery made
2002-2003	37,169	885.99
2003-2004	42,336	1,832.70
2004-2005	38,392	1,901.03

3.126 The details of actions taken against defaulters including legal action are given below:

Sl. No.	Actions Taken	2002-2003	2003-2004	2004-2005
1	No. of Prosecution Cases filed u/s 14	2451	952	6361
2	No. of Complaints filed u/s 406/409 of IPC	945	792	684
3	No. of Immovable properties attached	322	377	469
4	No. of Movable properties attached	287	624	297
5	No. of Bank Accounts attached	6390	19278	17459
6	No. of arrests of defaulters	144	121	101

3.127 In order to get the court cases expedited, prayers are made to the courts from time-to-time for expeditious disposal of the cases in the interest of workers. On the instructions of Headquarters, Regional Provident Fund Commissioners have met the Registrars of High Courts for speedy disposal of Provident Fund cases. Besides, these cases are also being monitored in Head Office regularly.

3.128 On detection of default by the employer, action is taken for assessment of dues under section 7A and subsequent recovery thereof. Though a substantial part of old arrears is recovered, the amount of arrears outstanding also keeps on increasing on account of new default. Hence, outstanding dues keep on rising. As the procedure prescribed in the provisions of the Act calls for a series of steps to be taken for recovery of dues, it has some impact on timelines.

3.129 The details of outstanding dues and recovery thereof for the last three years is as under:

Recovery of Arrears (2002-03 to 2004-05)

(Amount in Crore)

Year	Opening Balance	No. of 7A completed during the year	Demand created during the year	Total workload	Recovery made	Balance as on 31 <sup>st</sup> March	% Collection
2002-2003	1336.24	37169	1061.54	2397.78	885.99	1511.79	36.95
2003-2004	1511.79	42336	2183.71	3695.50	1832.70	1862.80	49.59
2004-2005	1862.80	38392	2183.06	4045.86	1901.03	2144.82	46.99

3.130 For recovery of outstanding dues action is taken in accordance with the provisions of the Act which includes prosecution under section 14 of the Act., filing of complaint under section 406/409 of IPC, attachment of movable/immovable property and arrest of defaulters. The organisation is facing difficulties in recovery of outstanding dues, which are not-immediately realizable on account of the following reasons:

- Stays granted by courts/Tribunal.
- Establishments having gone into liquidation/closure/lock-outs.
- Sanction of Instalments by courts/higher authorities.

- Establishment in respect of which Rehabilitation Scheme had been sanctioned by the BIFR.

3.131 Regarding the sanctioned and actual strength of the organization, the Ministry has stated that the Intelligence Circles have been assigned the job of tracking the establishments, which are not-complying in all aspect as well as those establishments, which are coverable but, not covered. Further, the Computerised Compliance Tracking System (CCTS) is designed to detect default on a regular basis so that timely action can be taken in respect of defaulters.

3.132 The details of sanctioned and actual strength of the organisation as on 30.09.2005 are as under:

Group	Sanctioned Strength	In Position	Vacancy Position
A	675	544	131
B	2222	1996	226
C	17948	13932	4016
D	2420	2194	226
TOTAL	23265	18666	4599

3.133 Action for filling up of vacant posts is taken from time-to-time as per guidelines issued by the Government. Recently, 67 Assistant Provident Fund Commissioners and 1602 Social Security Assistants have been recruited and they are in the process of joining.

3.134 When asked whether the major thrust area in the EPFO Scheme is to provide Social Security to all the subscribers for which a Unique Identification Number is allotted to each EPF subscriber and a Unique Business Number is allotted to the employers under Re-inventing EPF, India Scheme which was launched in June 2001 with a view to provide better service to subscribers and employers, the Ministry has stated that The software designed for the implementation of the comprehensively revamped business processes of EPFO under the project, 'Re-inventing EPF India' is currently under testing. So far 29.73 lakh NSSN have been generated and the number of NSSN cards issued is 10.03 lakh. The initial target was fixed at 50 lakh subscribers. Eventually, it is planned to roll out to all regions. However, as the project is to be implemented initially at the 6 Pilot Offices, the priority for allotment of NSSN was given in respect of these offices. The details of data collected from regions is as under:-

**Statement showing the cumulative NSSN Allotment Status as on 13-02-2006**

Office		Total Validated Records	NSSN allotted
101	Regional Office, Delhi	2,71,060	2,70,900
120	Hyderabad	7,10,522	7,03,925
140	Patna	38,657	38,655
170	Goa	26,709	26,707
180	Ahmedabad	1,19,514	1,19,495
200	Fardiabad	1,08,248	1,08,199
220	Shimla	23,049	23,040
230	Ranchi	27,923	27,920
243	Mangalore	3,57,770	3,57,609
270	Trivandrum	54,084	54,080
290	Indore	94,720	94,683

310	Regional Office, Mumbai	2,48,728	23,70,010
340	Guwahati	7,566	7,565
360	Bhubaneshwar	45,393	45,386
380	Chandigarh	1,40,896	1,40,879
402	Kota	1,52,218	1,52,175
410	Chennai	2,05,641	2,05,590
430	Kanpur	15,335	15,335
460	Dehradun	18,163	18,158
470	Kolkata	2,07,411	3,02,760
<b>NDC, New Delhi</b>		<b>29,73,607</b>	<b>29,50,071</b>

3.135 When asked whether there is any proposal to increase the rate of interest from 8.5% on EPF deposit in order to safeguard the interests of subscribers, the Ministry has stated that the declaration of the rate of interest is governed by the provisions of Para 60(1) of the Employees' Provident Fund Scheme, 1952 which stipulates that the Employees' Provident Fund Organization is required to credit interest on the balance available in the accounts of the members at such rate as may be determined by the Central Government in consultation with the Central Board of Trustees. Further, para 60(1) of the Scheme needs to be read with para 60(4) according to which "in determining the rate of interest, the Central Government shall satisfy itself that there is no overdrawal on the Interest Suspense Account as a result of debit thereto, of the interest credited to the accounts of members". Interest earning of EPFO cannot sustain higher rate of interest, however, the interest rate for the coming years would be decided keeping in view the earnings of the Fund

3.136 Regarding the stand taken by Trade Unions, Central Board of Trustees as well as the Ministries of Labour and Finance regarding fixation of rates of interest, the Ministry has stated the Government has declared the rate of interest for the years 2004-05 and 2005-06 @ 9.5% and 8.5% respectively, though the Central Trade Unions have demanded higher rate of interest over the years.

3.137 The Committee are constrained to note that out of the 39.7 crore strong workforce in the country, only 4.11 crore workers have so far been covered under the Employees' Provident Fund Scheme. The Committee also note that during the Special Drive launched from January to March 2005, a total of 19,854 establishments were covered and 6,02,669 workers were made members of the Fund. The Committee are not satisfied with this state of affairs. In the opinion of the Committee, a large number of workers are yet to be covered under the social security cover. The Committee, therefore, strongly recommend that the Government should intensify its efforts vigorously for providing social security cover to every single eligible person both in the organized and unorganized sectors. The Committee desire that special drives may be launched at regular intervals in order to cover more number of establishments. The Committee also recommend that the enforcement officers of the organization should henceforth be earmarked areas and the concerned Assistant Commissioner be made personally accountable for any lapse or laxity in this regard. Further, the Central Office of EPFO should strengthen its monitoring mechanism over the Regional Offices and progress achieved in regard to coverage of establishments should be communicated to the Committee at regular quarterly intervals.

3.138 The Committee regret to note that the outstanding provident fund arrears as on 31.3.2005 are to the tune of Rs.2,144.82 crore while a large number of cases are pending under Sections 7A and 14B of EPF&MP Act and also under section 406/409 of IPC for quite a long time. The Committee, therefore, recommend that the Government should strengthen and gear up its machinery to recover the outstanding dues by taking appropriate legal action against the defaulting establishments besides taking urgent steps for early disposal of pending cases under EPF&MP Act.

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

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

NEW DELHI;  
REDDY  
10 May, 2006  
20 Vaisakha, 1927 (Saka)

SURAVARAM SUDHAKAR  
Chairman  
Standing Committee on Labour

**MINUTES OF THE SIXTEENTH SITTING OF THE STANDING COMMITTEE ON  
LABOUR HELD ON MONDAY, 10 APRIL 2006.**

The Committee met from 1130 hours to 1430 hours in Committee Room 'D', Parliament House Annexe, New Delhi.

**PRESENT**

**Shri Suravaram Sudhakar Reddy – CHAIRMAN**

**MEMBERS**

**LOK SABHA**

2. Shri Furkan Ansari
3. Shri Joachim Baxla
4. Shri Santasri Chatterjee
5. Shri Sukhdev Singh Dhindsa
6. Shri Thawar Chand Gehlot
7. Dr. Satyanarayan Jatiya
8. Shri Virendra Kumar
9. Smt. Sushila Kerketta
10. Shri Rajesh Kumar Manjhi
11. Shri Lal Mani Prasad
12. Shri Chandradev Prasad Rajbhar
13. Shri Mohan Rawale
14. Dr. Dhan Singh Rawat
15. Smt. C.S. Sujatha
16. Shri Parasnath Yadav

**RAJYA SABHA**

17. Shri Gandhi Azad
18. Shri Debabrata Biswas
19. Ms. Pramila Bohidar

**SECRETARIAT**

- |    |                   |   |                    |
|----|-------------------|---|--------------------|
| 1. | Shri N.K. Sapra   | - | Joint Secretary    |
| 2. | Shri R.S. Misra   | - | Deputy Secretary   |
| 3. | Shri N. K. Pandey | - | Under Secretary    |
| 4. | Shri S.K. Saxena  | - | Assistant Director |



REPRESENTATIVES OF MINISTRY OF LABOUR AND EMPLOYMENT

Sl.No.	Name of the Officer	Designation
1.	Shri K.M. Sahni	Secretary
2.	Shri J.P. Singh	Additional Secretary (L&E)
3.	Shri J.P. Pati	Joint Secretary
4.	Smt. Rama Murali	Joint Secretary & FA (L&E)
5.	Shri Manohar Lal	Joint Secretary (DGLW)
6.	Shri K.K. Mittal	Joint Secretary (DGE&T)
7.	Shri Ramesh Inder Singh	DG (ESIC)
8.	Shri A. Vishwanathan	CPFC
9.	Dr. Ashok Sahu	Economic Adviser
10.	Shri S.K.Mukhopadhyay	Chief Labour Commissioner (C)
11.	Shri A.J. Pawar	Insurance Commissioner (ESIC)
12.	Shri Vinod Kumar Pipersenia	Financial Commissioner (ESIC)
13.	Dr. (Ms.) Kamlesh Kalra	Medical Commissioner (ESIC)
14.	Shri S.K. Saxena	DGFASLI
15.	<b>Shri Bhaskar Bhattacharjee</b>	DGMS, Dhanbad
16.	<b>Shri Ranvir Singh</b>	Addl. P.F.C.
17.	Shri Y.P. Sharma	Director, Training
18.	Shri Shahid Meezan	<b>Director, Child Labour</b>
19.	Dr. Harcharan Singh	Director (Coordination)

2. At the outset, the Hon'ble Chairman welcomed Shri K.M. Sahni, Secretary and other officials of the Ministry of Labour and Employment and asked them to brief the members about the budgetary allocations for the year 2006-07 and the expenditure incurred so far on various schemes/programmes undertaken by the Ministry.

3. The Committee then took up evidence of the representatives of the Ministry of Labour and Employment. The important topics discussed in the meeting included (a) General Performance of the Ministry; (b) Minimum Wages (c) Beedi Workers Welfare; (d) Lok Adalats, Labour Tribunals, Courts of Enquiry and Conciliation Boards; (e) Unorganised Sector Workers; (f) Directorate-General of Mines Safety; (g) DGFASLI; (h) Employees' State Insurance Scheme; and (i) Employees' Provident Fund Scheme.

4. The Secretary and other officials of the Ministry replied to the queries raised by the Members. The Chairman also directed the Secretary to send written replies to the Supplementary List of Points within a week.

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

A verbatim record of the evidence was kept.

**{The witnesses then withdrew}**

6. The Committee then decided to hold their next sitting on Wednesday, 3 May 2006 to consider and adopt their two draft Reports on Demands for Grants of the Ministry of Textiles and Ministry of Labour and Employment for the year 2006-07

7. Thereafter, the Chairman informed the members about the Local Visit to be undertaken to National Institute of Fashion Technology, New Delhi at 15.30 hours.

**The Committee then adjourned.**

**MINUTES OF THE SEVENTEENTH SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON WEDNESDAY, 10 MAY 2006.**

The Committee met from 1500 hours to 1730 hours in Committee Room 'C', Parliament House Annexe, New Delhi.

**PRESENT**

**Shri Suravaram Sudhakar Reddy – CHAIRMAN**

**MEMBERS**

**LOK SABHA**

2. Shri Santasri Chatterjee
3. Shri Thawar Chand Gehlot
4. Dr. Satyanarayan Jatiya
5. Shri Lal Mani Prasad
6. Smt. C.S. Sujatha
7. Shri Parasnath Yadav

**RAJYA SABHA**

8. Shri Gandhi Azad
9. Ms. Pramila Bohidar
10. Shri K. Chandran Pillai

**SECRETARIAT**

- |    |                   |   |                    |
|----|-------------------|---|--------------------|
| 1. | Shri N.K. Sapra   | - | Joint Secretary    |
| 2. | Shri R.S. Misra   | - | Deputy Secretary   |
| 3. | Shri N. K. Pandey | - | Under Secretary    |
| 4. | Shri S.K. Saxena  | - | Assistant Director |

2. At the outset, the Hon'ble Chairman welcomed the Members and apprised them about the two Draft Reports on the Demands-for-Grants for the year 2006-2007 of the Ministry of Labour and Employment and the Ministry of Textiles.

3. The Committee first took up the draft Thirteenth Report on Demands for Grants for the year 2006-2007 of the Ministry of Labour and Employment and adopted the same with the following modifications:

- (i) Page No. 9, Para 2.19, line 17 after the word unspent add **“For this the Ministry may address itself with other construction agencies such as State Public Works Departments in order to get the construction work completed well within the time”**.
- (ii) Page 11, Para 2.21, line 3 for the words “The Committee further desire” substitute **“In the opinion of the Committee failure to rehabilitate the bonded labour may lead to socio, economic and political problems in the country. They, therefore, strongly recommend”**
- (iii) Page 12, Para 2.23, lines 4-5,

- (a) for the words “all eligible beedi workers” substitute “**all beedi workers including workers engaged by contractors and “Ghar Khata”**”
- (b) Line 9, after the word “priority” insert “**but before March 2007”**”
- (iv) Page 12, Para 2.24, line 9, after the word “equipments” add “**within a set time frame. The Committee are also of the view that as an interim measure, the Ministry may think to engage ESIC or some other similar agency to administer these hospitals and Beedi Workers Welfare Cess Fund may be utilised for the purpose.**”
- The Committee also desire that a 50 bedded hospital should be set up in Orissa, particularly in Sambalpur region which is highly concentrated zone of beedi workers.”**
- (v) Page 19, Para 3.24, line 16 for the words “and recommend that” substitute “**and, therefore, recommend that the general inspection of coal mines should be done annually. For this the”**”
- (vi) Page 39, Para 3.83, in the end add “**Further, the Committee note that with the passage of time, new employments such as security workers, safai karamcharis and other similar employments have come up. They, therefore, desire that the parent Act should be suitably amended to cover these new employments both in Central and State spheres at the earliest”.**”
- (vii) Page 55, Para 3.114, line 7, for the words “The Committee, therefore desire the Ministry to fill these vacant posts without any delay” substitute “**The Committee take a serious note of this sorry state of affairs and call upon the Ministry to fill these vacant posts within a year positively. The Committee may also be apprised of the concrete progress in this regard every quarter.”**”
- (viii) Page 63, Para 3.140, lines 7-8 delete the words “Interest earnings of EPFO cannot sustain higher rate of interest, however, the interest rate for the coming year would be decided keeping in view the earnings of the fund”

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5. The Committee authorised the Chairman to finalise the above Reports and present the same to Parliament on their behalf.

**The Committee then adjourned.**