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**STANDING COMMITTEE ON LABOUR
(2004-05)**

(FOURTEENTH LOK SABHA)

MINISTRY OF LABOUR AND EMPLOYMENT

**Action taken by the Government on the Recommendations/Observations
contained in the First Report of the Standing Committee on Labour on
Demands for Grants - 2004-2005 of the Ministry of Labour and Employment.**

THIRD REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2005/Phalguna 1926 (Saka)

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(FOURTEENTH LOK SABHA)

MINISTRY OF LABOUR AND EMPLOYMENT

(Action taken by the Government on the Recommendations/ Observations contained in the First Report of the Standing Committee on Labour on Demands for Grants - 2004-2005 of the Ministry of Labour and Employment)

Presented to Lok Sabha on 22.03.2005

Laid in Rajya Sabha on 22.03.2005



**LOK SABHA SECRETARIAT
NEW DELHI**

March, 2005/Phalguna 1926 (Saka)

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COMPOSITION OF THE STANDING COMMITTEE ON LABOUR (2004-05)

Shri P.K. Vasudevan Nair-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. Shri Chandra Pratap Singh
19. Smt. C.S. Sujatha
20. Shri Parasnath Yadav

RAJYA SABHA

21. Shri Gandhi Azad
22. Shri Lekhraj Bachani
23. Shri Jayanta Bhattacharya
24. Shri Debabrata Biswas
25. Ms. Pramila Bohidar
26. Shri Rudra Narayan Pany
27. Shri K. Chandran Pillai
28. Shri Dilip Ray

SECRETARIAT

- | | | | |
|----|--------------------|---|--------------------|
| 1. | Shri P.D.T. Achary | - | Secretary |
| 2. | Shri N.K. Sapra | - | Joint Secretary |
| 3. | Shri R.S. Misra | - | Deputy Secretary |
| 4. | Shri S.K. Saxena | - | Assistant Director |

INTRODUCTION

I, the Chairman of the Standing Committee on Labour having been authorised by the Committee to submit the Report on their behalf, present this Third Report on the action taken by the Government on the recommendations contained in the First Report of the Standing Committee on Labour (Fourteenth Lok Sabha) on Demands for Grants-2004-2005 relating to Ministry of Labour and Employment.

2. The First Report was presented to Lok Sabha and also laid in Rajya Sabha on 19th August, 2004. The Ministry of Labour and Employment furnished their replies indicating action taken on the recommendations contained in that Report on 15.12.2004. The report was considered and adopted by the Standing Committee on Labour at their sitting held on 17 March 2005.

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

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

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

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

**New Delhi;
17 March, 2005
26 Phalgun, 1926 (Saka)**

**P.K. VASUDEVAN NAIR,
CHAIRMAN
STANDING COMMITTEE ON LABOUR**

CHAPTER I

REPORT

1.1 This Report of the Committee deals with the action taken by the Government on the recommendations contained in the First Report (Fourteenth Lok Sabha) of the Committee on Labour on Demands for Grants - 2004-2005 of the Ministry of Labour and Employment.

1.2 The First Report was presented to Lok Sabha and also laid in Rajya Sabha on 19 August 2004. It contained 23 recommendations. Replies of Government in respect of all the recommendations have been examined and are categorised as under :-

- (i) Recommendations/Observations which have been accepted by the Government:
Paragraph Sl. Nos. 2, 3, 7, 8, 9,11,17 and 21.

(Total 8 - Chapter II)

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government:
Paragraph Sl. Nos. 1, 5 , 6, 10, 14, 15, 20 and 22.

(Total 8 - Chapter III)

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:
Paragraph Sl. Nos. 4 , 16, 18 and 23.

(Total 4 - Chapter IV)

- (iv) Recommendations/Observations in respect of which replies are of interim in nature:
Paragraph Sl. Nos. 12, 13, and 19.

(Total 3 - Chapter V)

1.3 The Committee desire that action taken notes on the recommendations contained in Chapter-I and final action taken notes in respect of the recommendations contained in Chapter-V of this Report may be furnished to it urgently, and in any case not later than three months of the presentation of this Report.

1.4 The Committee will now deal with the action taken replies of the Government which need reiteration or merit comments.

**Recommendation (Sl. No.4, Para No.1.23)
Comprehensive legislation for Agricultural Workers**

1.5 The Committee had expressed serious concern that as on date there is no concrete scheme for the welfare of gigantic agricultural workforce in the country and therefore recommended to bring a comprehensive legislation for agricultural workers to provide for minimum social security for them viz. security of employment, hours of work, payment of wages and machinery for settlement of disputes, etc.

1.6 The Ministry of Labour and Employment, in their reply have stated that due to lack of consensus and divergent views of the State Governments, no headway could be made to enact a comprehensive legislation for the agricultural workers. They have further stated that there is a proposal to enact a legislation to regulate the employment and conditions of service of unorganised sector' workers to provide for their safety, social security, health and welfare which will also cover the agricultural workers.

1.7 The Committee have been informed that the Government is proposing to enact a legislation to regulate the employment and conditions of service of workers in unorganized sector which will also cover the agricultural workers. In the opinion of the Committee, although the proposed legislation for the unorganized sector might benefit the agricultural workers a little, it would not be enough to ameliorate the condition of 11 crore agricultural workers. The Committee, therefore, desire that the Government should intensify its efforts and evolve a consensus among the States in the matter. The Committee while reiterating their earlier recommendations urge the Government to take urgent steps to bring an umbrella legislation exclusively for the agriculture labourers at the earliest which could alleviate their sufferings.

Recommendation (Sl. No.16, Para No.2.95)

Amendments to Employees' Provident Funds & Miscellaneous Provisions Act

1.8 The Committee had recommended for amendments in the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 to reduce the minimum number of employees required for EPF coverage from 20 to 10 in all establishments and removal of scheduled industries restrictions in order to check the unfair practices indulged in by unscrupulous employers and also to enlarge the coverage under the Employees' Provident Funds and Miscellaneous Provisions Act.

1.9 The Ministry of Labour and Employment in their reply have stated that a proposal for carrying out amendments to Employees' Provident Funds and Miscellaneous Provisions Act, 1952 was considered by the Central Board of Trustees (CBT) in its Meeting held on 09.07.2002. The employer trustees have vehemently opposed the proposal for reducing the number from 20 to 10. The Board has agreed to the proposed amendments, in principle, and has left the final decision in the matter to the Government. The proposed amendments will be considered by the Government keeping in view the concerns expressed by certain members of the CBT (EPF).

1.10 The Committee take a serious note of the Government's stereo-typed reply that the Central Board of Trustees has agreed to the proposed amendments for reducing the minimum number of employees from 20 to 10 and removal of scheduled industries restrictions in the Employees' Provident Funds and Miscellaneous Provisions Act, in principle. It has, however, left the final decision in the matter to the Cenral Government. The Committee further note that this matter has been pending for consideration of the Central Government for almost a decade and no amendment has been brought forward in the said Act. The Committee, while reiterating their earlier recommendations observe that in the context of globalisation and modern technology in particular, most of the establishments employing less than 20 persons remain uncovered from the purview of the Employees' Provident Funds and Miscellaneous Provisions Act. They, therefore, strongly urge upon the Ministry to suitably amend the provisions of the Act so as to bring more establishments under its ambit.

Recommendation (Sl. No.18, Para No.2.97)

EPF interest rate

1.11 While expressing their deep concern on lowering the rate of interest from 9.5% during the year 2003-04 to 8.5% for the year 2004-05, which is affecting nearly 4 crore EPF subscribers, the Committee were of the opinion that on such important issues concerning workers, the decision should always be taken by consensus. The Committee had, therefore, urged the Government to safeguard the interests of the subscribers while taking a final decision in the EPF interest rate and till such time the status quo in the rate of interest may be maintained.

1.12 The Ministry of Labour and Employment, in their reply have stated that the Central Board of Trustees in its 163rd meeting held on 19.08.2003, had recommended the rate of interest @9.5% p.a. (9% plus 0.5% bonus interest) for the year 2003-04. The same is yet to be ratified by the Ministry of Finance. Further, the CBT in its meeting held on 09.08.2004, recommended the rate of interest @8.5% p.a. for the financial year 2004-05. The same has also not been notified by the Central Government till date. The Ministry of Labour and Employment has already requested the Ministry of Finance to ratify the interest rate for the years 2003-04 and 2004-05.

1.13 The Committee take a serious note of the fact that the Ministry of Finance had not ratified the rate of interest for the years 2003-2004 and 2004-2005. The reply furnished by the Ministry now is no different from the one furnished during examination of detailed Demands-for-Grants for the year 2004-05. The Committee express its deep concern over the delay on the part of the Government in taking a final decision in determining the rate of interest for the year 2004-05. The Committee while reiterating their earlier recommendation desire that status quo in the rate of interest i.e., 9.5% may be maintained in determining the EPF rate of interest and ratify the same for the years 2003-04 and 2004-05 without further delay.

Recommendation (S.No. 23, para 2.126)

INDUSTRIAL SICKNESS

1.14 The Committee had recommended that the issue relating to statutory dues of the public sector employees due to industrial sickness amounting to Rs. 1,365 crore representing the wages, provident fund dues, employees' state insurance dues, etc. should be paid immediately to the CPSU employees in order to protect their interests.

1.15 The Ministry in their reply have stated that as per the recommendations of the Group of Ministers, set up to devise a strategy for liquidation of outstanding statutory dues of the workers of CPSUs, defaulting CPSUs have been advised by the Government to clear outstanding dues to their employees in a time bound manner. As a result of the action initiated by the Government, the outstanding dues of CPSU employees, which were Rs.1,905 crore in respect of 59 CPSUs as on 31.12.2002 declined to Rs. 1,365 crore in 41 CPSUs as on 30.6.2004. The outstanding dues have further declined to Rs.820 crore in 33 CPSUs as on 31.07.2004. Hence, of the 59 CPSUs in respect of whom dues were outstanding as on 31.12.2002, 26 CPSUs have so far cleared their dues.

1.16 The Committee express their serious concern that out of 59 CPSUs in respect of whom statutory dues were outstanding as on 31.12.2002, only 26 CPSUs have so far cleared their dues. The Committee further note that an amount of Rs. 820 crore is yet to be paid as statutory dues to the public sector employees. The Committee are not at all satisfied with the snail's pace at which the matter of payment of statutory dues to the public sector employees is being processed. More than two years have been elapsed since this issue has been taken up. While reiterating their earlier recommendation, the Committee desire that the Ministry of Labour and Employment, being the nodal Ministry, should pursue with the Administrative Ministries to clear all the outstanding dues of the employees of Public Sector Undertakings under their control without further delay. The Committee further desire that the action taken in this regard may be communicated to the Committee.

CHAPTER – II

RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

Recommendation (Sl. No. 2, Para 1.16)

APEX HITECH INSTITUTE, BANGALORE

2.1 The Committee note that the expenditure on Building & Equipment for Apex Hi-tech Institute, Bangalore is zero whereas the allocation made at BE was Rs.10 lakh which was reduced to Rs.0.10 lakh at RE stage. The Committee have been apprised that the proposal for setting up of Apex Hitech Institute at Bangalore was approved by the Expenditure Finance Committee in March 1998 which is still functioning in a limited way with temporary accommodation provided by Foremen Training Institute as the Planning Commission has not agreed to extend 'in principle' approval to construct a separate building. The Committee are not happy with the situation and are of the opinion that the Apex Hi-Tech Institute at Bangalore should have been set up much earlier. The Committee, therefore, desire that the Planning Commission be persuaded once again and necessary approval might be sought to make the Apex Hitech Institute at Bangalore fully functional.

REPLY OF THE GOVERNMENT

2.2 With regard to Building and Equipment for Apex Hitech Institute Bangalore it has been informed that the proposal for seeking "in principle" approval of the scheme – Building & Equipment for Apex Hi-tech Institute, Bangalore was forwarded to the Planning Commission on 8th October 2003. This was not agreed to by the Planning Commission. The Planning Commission is being requested once again to review its earlier decision and accord 'in principle' approval on the scheme. The Ministry shall follow up the matter vigorously so as to make Apex Hi-tech Institute fully functional.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation (Sl. No.3, Para No. 1.20)

Hospitals for Beedi Workers

2.3 The Committee regret to note that the Sagar Hospital (Madhya Pradesh) and Mukkudal Hospital (Tamil Nadu) for Beedi Workers could not be made functional due to non-materialization of construction work which resulted in a saving of Rs.643.34 lakh. The Committee is not happy with the situation as the sanction for establishing these hospitals were issued in October 2001. It is clear that the Ministry's coordination with the Central Public Works Department (CPWD) is not satisfactory. The Committee, therefore, desires that the Ministry should take up the matter with the CPWD at a higher level and have the hospitals constructed at the earliest. The Committee also desires that the posts of medical officers lying vacant in various hospitals for beedi workers should be filled up expeditiously.

REPLY OF THE GOVERNMENT

2.4 The Ministry has taken up the matter of slow progress of construction of hospitals at Sagar (Madhya Pradesh) and Mukkudal (Tamil Nadu) under Beedi Workers Welfare Fund with the Director General, Works, Central Public Works Department (CPWD). It may be noted that OPD Facilities in the Mukkudal Hospital (Tamil Nadu) has been started since 30th July, 2004. Both the Hospitals are likely to be completed by April, 2005. The matter for filling up the vacant posts of Medical Officers has been taken up with the Ministry of Health & Family Welfare.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation (Sl. No. 7, Para No. 2.32)

Directorate General, Factory Advice Services and Labour Institutes

2.5 The Committee note that Directorate General of Factory Advice Service & Labour Institutes is entrusted with an important task of improving safety, health and welfare of workers in the factories and ports/docks, but it has not been very effective in preventing fatal and nonfatal accidents. As many as 24 fatal and 176 non-fatal accidents have occurred during 2002-03 alone. The Committee also note that some of the National Studies on safety, health and working conditions in various types of operations /processing /industries are still under process and there are 112 posts still lying vacant in the organization. The Committee are of view that the organization should carry out more inspections in factories and docks to identify the causes leading to accidents and suggest remedial measures to minimize the accidents. The Committee, therefore, desires that the Ministry should strengthen the organization by providing sufficient manpower to enable it to intensify the activities on improving working conditions, health status of workers and other matters relating to industrial safety in the factories and ports.

REPLY OF THE GOVERNMENT

2.6 As a part of the enforcement activity, all the fatal and serious accidents in the ports are investigated by the Inspectors of Dock Safety to find out the probable causes and suggest remedial measures. On the basis of analysis and findings 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 their recurrence.

2.7 Considering the means of transportation as the major cause for fatal accidents in the ports, the matter was discussed in the Meeting of the Advisory Committee constituted under Dock Workers (Safety, Health and Welfare) Act, 1986. As a follow up, DGFASLI had given directions to all the Port Trusts to undertake the following measures for controlling these accidents.

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

Sincere attempts are being made to complete the National Studies on Safety, Health and working conditions by DGFASLI.

2.8 The Inspections in factories are carried out by the Inspectors of Factories appointed under the Factories Act by the respective State Governments/ UTs. However, DGFASLI carries out inspection in the Docks. The Inspectorates under DGFASLI is making all possible efforts to carry out as many inspections as possible with a view to identify the hazards, create and maintain safe working conditions and prevent accidents.

2.9 Efforts to fill up the vacant posts for strengthening the organisation are being made and recently, requisition to fill up 8 posts of Assistant Director (Safety) was sent to UPSC. It is felt that the enforcement activities of the Inspectorates of Dock Safety would be greatly enhanced with the filling up of the vacant posts through UPSC, as recommended by the Committee.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation / (Sl. No. 8, Para No. 2.33)

Directorate General, Factory Advice Services and Labour Institutes

2.10 The Committee regret to note that some of the States have neither notified the Model Rules framed under Factories (Amendment) Act, 1987 nor notified the MAHC Rules (Major Accidents Hazards Control Rules) which is clearly indicative of poor monitoring done by the Ministry. The Committee are of the view that there should be no compromise in so far as safety and health of the workers is concerned, and therefore, desire the Ministry to persuade the remaining State Governments to notify the Model Rules and MAHC Rules without further delay.

REPLY OF THE GOVERNMENT

2.11 The Model Rules framed under the Factories (Amendment) Act, 1987 have been notified by major states. The newly constituted states such as Chhattisgarh, Uttaranchal and other states having smaller number of major factories, such as Himachal Pradesh, Jammu & Kashmir, Manipur, Mizoram, Nagaland, Tripura and Andaman & Nicobar Islands have not notified these Rules so far.

2.12 The MAHC Rules have also been notified by the major states. During the 44th Conference of CIFs held at Pondicherry from 11–14 February, 2002, it was decided to circulate the Draft Maharashtra State Factories Rules and Major Accident Hazard Control Rules amongst all CIFs. The Chief Inspectors of Factories of the states, who have not notified the Model Rules and the Major Accident Hazard Control Rules, have been requested to notify these rules. The status is monitored during the Annual Conference of Chief Inspector of Factories and they are requested to impress upon their Governments to expedite the notification of these Rules.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation (Sl. No. 9, Para No. 2.34)

Directorate General, Factory Advice Services and Labour Institutes

2.13 The Committee note with dismay that the Ennore Port, which has become a major port in the country, 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 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 during March, 1999 and, therefore, desire that there should not be any further delay in setting up the office of Inspectorate at Ennore Port with full infrastructure.

REPLY OF THE GOVERNMENT

2.14 The activities of Inspections at Ennore are presently being looked after by the Inspectorate of Dock Safety, Chennai in view of the shortage of Assistant Director (Safety) in the DGFASLI organisation. A requisition to fill up 8 posts of Assistant Director (Safety) was sent to the Union Public Service Commission after obtaining the clearance of Screening Committee.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation (Sl. No. 11, Para No. 2.56)

Directorate General of Mines Safety

2.15 The Committee note with utmost concern that during the last 20 years the size of the mining industry has increased many fold whereas staff strength of DGMS remained static at a grossly inadequate level in meeting the safety norms in mines. The Committee also note that the complete general inspection in coal mines should be done at least once in a year whereas it is made once in 2-3 years. The Department has only 131 Inspecting Officers against the sanctioned strength of 163. The Committee are totally distressed over the situation of inadequate inspecting staff which will have serious impact on safety operations in mines. The Committee therefore strongly feel that there should be no compromise in so far as safety of mine workers is concerned, and therefore, recommend that the mine safety enforcement machinery should be strengthened by filling up the posts of inspecting staff without further delay.

REPLY OF THE GOVERNMENT

2.16 All possible efforts are being made to fill up the vacant posts for strengthening the enforcement machinery under DGMS, so as to enable them to make general inspection of all coal mines at least once in a year. A requisition to fill up 9 posts of Deputy Director of Mines Safety was sent to Union Public Service Commission after obtaining the clearance of Screening Committee.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation / (Sl. No. 17, Para No 2.96)

SOCIAL SECURITY SCHEME

2.17 The Committee note that out of 400 lakh subscribers, only 12 lakh have been allotted National Social Security Number (NSSN) under the newly introduced Re-inventing EPF India Scheme. The Committee, therefore, desire that NSSN number should be allotted to every subscriber without further delay so that these are utilized by them for their early settlement of PF claims and pension from any of the offices of Employees' Provident Fund throughout the country.

REPLY OF THE GOVERNMENT

2.18 The National Data Centre is seized of the matter and the data collection activity is under way in coordination with the various field offices. All concerned Regional Offices/Sub Regional Offices/Sub Accounts Offices have adequately been impressed about the importance of the programme.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation / (Sl. No. 21, Para 2.119)

WAGE BOARD FOR WORKING JOURNALISTS AND NON-JOURNALISTS NEWSPAPER EMPLOYEES

2.19 The Committee also desire that the Ministry should also persuade the State Governments of Haryana, Jharkhand, Jammu and Kashmir, Madhya Pradesh, Manipur, Nagaland, Punjab and Uttranchal and the Union territories of Chandigarh and Pondicherry to constitute the Tripartite Committees for speedy and effective implementation of the recommendations of the Wage Boards.

REPLY OF THE GOVERNMENT

2.20 The State Governments of Haryana, Jharkhand, Jammu and Kashmir, Madhya Pradesh, Manipur, Nagaland, Punjab and Uttaranchal and the Union territories of Chandigarh and Pondicherry have been requested recently on 24.09.2004 to take immediate necessary steps to implement the recommendations of the Wage Boards, constitution of Tripartite Committee and to intimate the Ministry of Labour and Employment at the earliest possible of the action taken.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

CHAPTER - III

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

Recommendation / (Sl. No. 1, Para 1.14)

General Performance of the Ministry

3.1 The Committee note that the Ministry of Labour & Employment have improved their expenditure both in Plan and Non-Plan allocation during the year 2003-2004, but the expenditure on some of the schemes such as Welfare of SC/ST job seekers through coaching, guidance and vocational training; Strengthening of NVTI/RVTI for women, Management Information System, Upgradation of Training Infrastructure in DGE&T Institutes; Indo-American Child Labour Project with matching US Grant; Modernisation of Machine Tabulation Unit; Improvement and Strengthening of Enforcement and Implementation System for safety and Health is not upto the mark and in some of the schemes , such as Building and Equipment for Apex Hitech Institute , Bangalore improvement and Strengthening of Training Wing of Central Labour Service Officers; Strengthening of Occupational Safety and Health Strategies in Priority Hazardous Chemical Process, etc, the expenditure is zero. The reasons put forth by the Ministry for less spending or no spending at all on some of the schemes, such as, non-filling up of vacant posts, non-procurement of computer equipment, non-settlement of bills and non-approval of two new Plan Schemes are not convincing to the Committee. The Committee are, therefore, of the opinion that the monitoring and coordination of the Ministry with other implementing agencies are not very effective. The Committee, therefore, desire that the Ministry should improve their planning and coordination with the implementing agencies so that the schemes become functional and the funds allocated are not left unspent. The Committee also desire that the matter may be taken up vigorously with the concerned agencies (UPSC and SSC etc) for filling up the posts lying vacant under various organizations of the Ministry.

REPLY OF THE GOVERNMENT

3.2 (i) In the scheme of Welfare of SC/ST job-seekers through coaching cum guidance Centre, there was a proposal for opening of new Coaching cum-Guidance Centres in the States not covered so far. The Planning Commission, however, wanted an evaluation study of the existing Coaching-cum-Guidance Centres, before they could consider new Centres under this scheme. Therefore, the provision made for new Coaching-cum-Guidance Centres had to be reduced.

As far as modus operandi for improving Planning & Coordination with the implementing agencies, performance of the various training schemes under Training Directorate is concerned, it is informed that the performance is regularly monitored through monthly progress returns and through visits of senior officers to field institutes. Progress of schemes is also regularly reviewed by the Director General / Joint Secretary at the Headquarters. As far as proposals for new schemes are concerned, it is stated that the Planning Commission is being periodically requested to expeditious clearance of the afore-mentioned new schemes. The Ministry of Labour and Employment is in constant touch with them. The reasons for shortfall or no spending in utilization of allocated budget in the schemes of DGE&T are summarized below.

(ii) Strengthening of NVTI/RVTI for women:

Under the Scheme, “Strengthening of NVTI/RVTI for Women”, there was no short fall in utilization of allocated budget during financial year 2003-04 and marginal shortfall in 2001-02. During the year 2002-03, out of the allocated budget of Rs.132 lakh, Rs.31 lakh were diverted for another scheme, namely, “Establishment of additional RVTIs for women” also meant for women training under Plan Scheme Therefore the expenditure under the scheme, “Strengthening of NVTI/RVTI for Women” was Rs.96.03 lakh (negligible shortfall) and for a scheme, “Establishment of additional RVTIs for women” against a budget provision of Rs.133 lakh, the expenditure was Rs.166.77 lakh. As such, there was no shortfall in expenditure for women training schemes.

(iii) Management Information System:

Under the scheme, “Management Information System”, there was only marginal shortfall in expenditure during the Financial Year 2001-02 and Financial Year 2002-03. However, budget estimate for the scheme, for Financial Year 2003-04 was Rs.20 lakh. It was for procurement of computer related equipment. Order worth Rs.19.91 lakh was placed to Directorate General of Supply & Disposal. Though the equipment had been received, Directorate General of Supply & Disposal could not raise all the bills. Thus, technically there was also no shortfall in the expenditure under this scheme.

(iv) Upgradation of Training Infrastructure in DGE&T Institutes:

Budget estimate for the scheme, “Upgradation of Training Infrastructure in DGE&T Institutes” for 2001-02 was Rs.42.60 lakh. Expenditure was Rs.32.63 lakh. Shortfall of Rs.9.97 lakh is due to the fact that though equipment worth Rs.9.0 lakh was supplied by Directorate General of Supply & Disposal to different field Institutes, but the bills could not be raised by them during the Financial Year. During the FY 2002-03 against an allocated budget of Rs.65.0

lakh, expenditure was Rs.62.81 lakh. Shortfall of Rs.2.19 lakh was due to the fact that supply of equipment worth Rs.2.0 lakh to different field Institutes, could not materialize and spilled over to the next Financial Year.

(v) Building & Equipment for Apex Hi-tech Institute, Bangalore

With regard to Building and Equipment for Apex Hitech Institute Bangalore it has been informed that the proposal for seeking “in principle” approval of the scheme – Building & Equipment for Apex Hi-tech Institute, Bangalore was forwarded to the Planning Commission on 8th October 2003. The Planning Commission did not agree to this. The Planning Commission is being requested once again to review its earlier decision and accord ‘in principle’ approval on the scheme. The Ministry shall follow up the matter vigorously so as to make Apex Hi-tech Institute fully functional.

During the Financial year 2003-2004, against a budgetary provision of Rs.67.0 lakh, expenditure was Rs.48.20 lakh. Shortfall of Rs.18.80 lakh was mainly due to the following reasons: -

- Reduction of Budgetary provision at RE Stage by 22%, as per the instructions of Department of Expenditure, Ministry of Finance.
- Though supply order for equipment worth Rs.7.30 lakh was placed, it could not be received during the Financial Year, which resulted in savings.

3.3 As far as improving the overall planning and coordination in the Ministry of Labour and Employment with implementing agencies is concerned, it may be stated that in order to avoid under / non-utilization of Funds under the schemes, instructions have been issued to all concerned to prepare Budget Estimates and Revised Estimates on more realistic basis and to keep provisions only for those schemes which can be implemented effectively during the year. It has also been stressed that the implementing /related agencies may ensure that schemes become functional and the funds allocated are not left unspent. All the Divisional Heads have also been requested to ensure high degree of financial discipline and even flow of expenditure during the year and this is being reviewed in the monthly meeting of all the Divisional Heads under the chairmanship of Secretary (Labour & Employment).

3.4 The reasons for shortfall or no expenditure as against budget allocation under the various schemes other than Training Directorate are given as below:

(a) Indo-American Child Labour Project with matching U.S. Grant:

The Ministry of Labour – US – DOL project is being developed as a follow up of the Joint Statement on “Enhanced Indo-US Cooperation on Eliminating Child Labour” signed between the M/o. Labour and the US, Department of Labour in August 2000. The Scheme of Indo-US Matching grant (Renamed as INDUS Project) a new scheme approved by the Planning Commission in the last financial year of 9th Plan (2001-2002) and the duration of the project is three years. The full expenditure under the Scheme could not be made in the last financial year, as it had not been cleared by CCEA. Under the Project, 20 districts in 4 states namely, Uttar Pradesh, Madhya Pradesh, Tamil Nadu and Maharashtra are to be covered. The US Department of Labour would provide US \$ 20 million (US \$ 13 million for the labour component and US \$ 7 million for the education component) to be matched, with equal funding from the Government of India. The project would be supportive of Government initiatives towards complete elimination of child labour and help to achieve the targets set for the Tenth Plan period. The Project is likely to be started soon. The total beneficiaries under the project would be 80,000 working children from identified hazardous sectors.

(b) Modernization of Machine Tabulation Unit

The reason for low expenditure under the Modernization of Machine Tabulation Unit of Labour Bureau is attributed to the fact that expenditure under the head “Machine Equipment” could not be made as the Internal Finance Division had asked to take stock of the Computers and other Infrastructure already purchased by Labour Bureau.

Due to paucity of time the evaluation of the computer machinery and equipment entrusted to National Informatics Centre could not be undertaken during 2003-2004.

(c) Strengthening of Training Wing of Central Labour Service Officers

The Planning Commission and the competent authorities towards the end of the Annual Plan 2003-2004 approved the Scheme. As a result the Approved Outlay could not be utilized.

(d) With regard to scheme of DGFASLI, it has been reported that the new plan scheme of DGFASLI, viz. “Strengthening of Occupational Safety and Health Strategies in Priority Hazardous Chemical Process” has not yet been approved and hence the expenditure under this plan scheme is NIL. The efforts are being made to get the early approval of the Planning Commission so as to commence the activities under this plan scheme.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation (Sl. No. 5, Para No. 1.27)

CONSTRUCTION WORKERS

3.5 The Committee note that there are more than 17.6 million building and other construction workers in the country and two comprehensive legislations, viz.(a) The Building and Other construction Workers (Regulation of Employment and Conditions of Service) Act, 1996: and (b) The Building and Other Construction Worker's Welfare Cess Act, 1996 have been enacted w.e.f. 20.8. 1996 but only a few State Governments have either notified the rules or constituted the Welfare Boards as mandated in the Acts for the welfare of construction workers. The Committee are not happy with the situation and urged the Ministry to pursue the matter vigorously with all State Governments for implementing the provisions of the Act both in letter and spirit so as to ameliorate the living conditions of workers engaged in the construction work.

REPLY OF THE GOVERNMENT

3.6 Concerted efforts are made and State Governments/UTs are requested regularly to frame State Rules, constitute Welfare Board and implement the Act at the earliest. Of late the Chief Ministers of States/Union Territories have been requested by the Hon'ble Union Labour and Employment Minister to finalize the process and implement the Act preferably by the end of the current financial year.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation (Sl. No. 6, Para No. 1.28)

CONSTRUCTION WORKERS

3.7 The Committee also desire that a survey should be conducted to ascertain the actual number of building and other construction workers engaged in the organized and unorganized sectors in the country.

REPLY OF THE GOVERNMENT

3.8 Data on number of workers engaged in various occupations of the organized and unorganized sector is compiled by the office of the Registrar General (Census) of India and National Sample Survey Organisation (NSSO) as these agencies are having requisite infrastructure and working as a nodal agency on all India basis for survey and compilation of data on various other aspects. As such, it may not be advisable for the Ministry of Labour & Employment to conduct a separate survey to ascertain the number of workers engaged in building and other construction industry as it would be a duplication of work.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation (Sl. No. 10, Para No. 2.35)

Directorate General, Factory Advice Services and Labour Institutes

3.9 The Committee are constrained to note that the Regional Labour Institute at Faridabad is still in the formative stage. Although the Ministry took possession of land from the Haryana Government in March 2000 for construction of a building for RLI at Faridabad, they have not been able to construct their own building even after more than 4 years. The reasons put forth by the Ministry that due to procedural delays in obtaining approval for construction plan from HUDA and passing of tenders by CPWD, etc. are not acceptable to the Committee. The Committee, therefore, desire that the Ministry should make all out efforts to construct their own building without further delay so as to make the Institute fully functional.

REPLY OF THE GOVERNMENT

3.10 The construction of the building of Regional Labour Institute at Faridabad has been entrusted to the CPWD. They have already completed all formalities and the construction of the building is scheduled to commence by the end of October, 2004 and the construction agency has been given a time period of eighteen months (upto March 2006) to complete the construction.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation (Sl. No. 14, Para No. 2.93)

Social Security Scheme

3.11. The committee are constrained to note that out of the 39.7 crore strong workforce in the country, only 4.01 crore workers have so far been covered under the Employees' Provident Fund Scheme. The committees are not happy with this state of affairs. In the opinion of the Committee, a large number of labourers are still to be covered under social security cover. The Committee therefore strongly recommend that the Ministry should intensify the coverage and make the concerned Regional Provident Fund Commissioner responsible for providing social security cover to every single eligible person both in the organized and unorganized sectors.

REPLY OF THE GOVERNMENT

3.12 The working population of the country is estimated to be about 40 crore, which include government employees and private sector employees, employees of informal agricultural sector etc. Institutionalized social security cover is available to State and Central Government employees, members of Employees' Provident Fund sectoral special Provident Funds like Coalmine Provident Fund, Private Provident Fund etc.

3.13 The Employees' Provident Funds & Miscellaneous Provisions Act, 1952 applies to specified activities and has a membership of 4.01 crore. The Act applies to every establishment engaged in any industry specified in Schedule I or in a class of establishments as notified by the Government under Section 1(3)(b) of the Act and employing 20 or more persons. Apart from statutory coverage, the Act also facilitates voluntary coverage if the establishment is not coverable u/s. 1(3) of the Act and the employer & the majority of employees are willing to comply with the provisions of the Act.

3.14 The Compliance Programme of Employees' Provident Fund Organisation lays stress on voluntary compliance by abolishing Inspector Raj. The Organisation has also initiated a serious drive of penalizing the defaulters wherever and whenever detected. The idea is to promote voluntary compliance by increasing the cost of non-compliance by way of imposing penalty and interest.

3.15 As regards workforce in Unorganised Sector, a scheme namely the "Unorganised Sector Workers' Social Security Scheme 2003" was launched recently. The scheme was introduced initially on a voluntary basis. Presently the scheme is under review.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation (Sl. No. 15, Para No 2.94)

SOCIAL SECURITY SCHEME

3.16 The Committee regret to note that the Provident Fund arrears are to the tune of Rs.1862.80 crore as on 31.03.2004 while the number of major defaulters i.e. with default of Rs.10 lakh and above is 1568. The Committee further note that a large number of cases are pending under section 7A, 14 and 14B of Employees' Provident Fund & Miscellaneous Provisions Act, 1952 and also under Sections 406/409 of the Indian Penal Code for a long time. The Committee, therefore, recommend that the Ministry should strengthen and gear up the machinery to recover the outstanding dues by taking appropriate legal actions against the defaulting establishments and also take urgent steps for early disposal of pending cases under various provisions of the EPF & MP Act, 1952.

REPLY OF THE GOVERNMENT

3.17 As on 31.03.2004, the amount of Provident Fund dues to be collected from the defaulting establishments was Rs.1862.80 crore. This is the cumulative arrears over five decades of EPFO. Compared to cumulative contribution collections, the arrears work out to be 1.15% only. Of the outstanding balance of Rs.1862.80 crore, a sum of Rs.1321.49 crore (70.94%) belong to the locked up category. Recovery of this demand is not currently enforceable on account of following reasons: -

1. Disputes in Courts
2. Establishments having gone into liquidation.
3. Establishments declared sick by BIFR
4. Establishments in respect of which rehabilitation scheme had been sanctioned by the BIFR.

3.18 The Employees' Provident Fund Organisation has already initiated special efforts to recover the outstanding unrealizable dues by moving the Courts through appropriate petitions to get the stay orders vacated and by filing timely claims before the official liquidator etc. The Regional Provident Fund Commissioners have been authorized to engage special counsels, if required, depending on the status of the case for early disposal of the cases.

3.19 RPFCS have also been instructed that all pending cases under section 7A and 14B must be decided and total outstanding dues payable by the defaulting establishments be quantified in a short time frame. The status with reference to above is also being monitored by the EPFO Headquarter regularly.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation / (Sl. No. 20, Para 2.118)

Wage Board for Working Journalists and Non-Journalists Newspaper Employees

3.20 The Committee are constrained to note the fact that the implementation of the recommendations of the Manisana Wage Boards for fixation and revision of wages for Journalists and Non-Journalist Newspaper and News Agency employees is the responsibility of the State Governments but even after a lapse of three and a half years, only some of the newspaper establishments have fully implemented the same. Others have either partially implemented or not implemented the recommendations of the Wage Boards which indicates nothing but the poor monitoring by the Central Government. The Committee therefore strongly recommend that the State Governments be persuaded vigorously to implement fully the recommendations of the Wage Boards by the remaining newspaper establishments.

REPLY OF THE GOVERNMENT

3.21 In order to implement the recommendations of the Manisana Wage Boards speedily and effectively, out of 35 States / Union Territories, 17 States / Union Territories have formed the Tripartite Committee. Besides the formation of Tripartite Committee, the State Government of Assam and Orissa have also formed the implementation Cell. In the State of Rajasthan, out of 243 Newspaper Establishments, 207 establishments are one-man establishments. The recommendations of the Wage Boards are not applicable in Mizoram, Sikkim and Dadra & Nagar Haveli because they have very small Newspaper Establishments. Similarly, Meghalaya, Andaman and Nicobar Island and Daman and Diu are not concerned with the recommendations of the Wage Boards as there is no Newspaper Establishments in these States / Union Territories. In compliance with the observations of the Standing Committee, all State Governments/Union Territories have been requested recently on 24.9.04 to take immediate necessary steps to implement the recommendations of the Wage Boards, constitution of Tripartite Committee and to intimate this Ministry at the earliest possible of the action taken.

3.22 A Central Level Monitoring Committee has also been set up at the Centre to monitor the implementation of the recommendations of the Boards. The Committee is headed by the Labour and Employment Adviser of the Ministry of Labour and Employment. Other members of the Committee are Joint Secretary, Ministry of Information and Broadcasting, Chief Labour Commissioner (Central) and Director, incharge, of Wage Board (Member Secretary). Four meetings of the Committee have so far been held on 8.3.2002, 13.11.2002, 6.6.2003 and 28.1.2004. The Committee also visited the States of Assam and West Bengal to review the progress of implementation of the recommendations in those States.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation / (Sl. No. 22, Para 2.120)

WAGE BOARD FOR WORKING JOURNALISTS AND NON-JOURNALISTS NEWSPAPER EMPLOYEES

3.23 The Committee also note that the Second National Commission on Labour has recommended that there is no need for any Wage Board, statutory or otherwise, for fixing wage rate for workers in any industry, but there is a persistent demand from various Employees Unions to constitute New Wage Boards for them. The Committee, therefore, desire that before taking any final decision on the recommendations of the National Commission on Labour, the Government should also consider the demands of the Employees Unions for constituting a New Wage Board

REPLY OF THE GOVERNMENT

3.24 The second National Commission on Labour (NCL), has recommended that there is no need for any Wage Board, statutory or otherwise, for fixing wage rate for workers in any industry. Comments of all State Governments/Union Territories have also been sought on the above-mentioned recommendations of the NCL. The Government is examining the recommendations of the NCL. Keeping in view the sensitivity of the issue, the matter would require further deliberation. As regards, the constitution of next Wage Board, it is stated that the Manisana Wage Board had submitted its recommendations in July, 2000 which were accepted by the Government and notified for implementation in December, 2000 with minor modifications. Therefore, it was felt to be too early to constitute a new Wage Board for the Journalists and non-journalists Workers in Newspaper Industry. However, the observation of the Committee has been noted and it would be considered at the appropriate time.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

CHAPTER - IV

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

Recommendation (Sl.No. 4, Para No. 1.23)

Agricultural Labourers

4.1 The Committee take a note of the fact that there are about 11 crore agricultural labourers who constitute by far the largest segment of the workers in the unorganised sector. The Committee have been consistently recommending to the Government to bring a comprehensive legislation for the welfare of agricultural workers but due to certain reservations expressed by a few State Governments, the proposal for a comprehensive legislation could not be materialized. However, to meet the social security need of the agricultural workers, a scheme, namely the Krishi Shramik Samajik Suraksha Yojana-2001 was launched in 50 identified districts in the country on a pilot basis. Unfortunately, the scheme has not been finally approved by the Planning Commission and the Ministry of Finance. The Committee feel that as on date the Government has no concrete scheme for the welfare of gigantic agricultural workforce in the country. The Committee, therefore, strongly recommend that the Government should take urgent steps to bring in a comprehensive legislation for agricultural workers to provide for minimum social security for them, viz. security of employment, hours of work, payment of wages and machinery for settlement of disputes, etc.

REPLY OF THE GOVERNMENT

4.2 The agricultural workers are among the most vulnerable categories of the unorganised sector workers. Efforts were being made for more than two decades for enacting a comprehensive legislation for the agricultural workers. Agriculture, being a State subject, concurrence of the State Governments was required for bringing the required legislation. However, due to lack of consensus and divergent views of the State Governments, no headway could be made in this regard. It is, therefore, proposed to enact a legislation to regulate the employment and conditions of service of unorganised sector workers and to provide for their safety, social security, health and welfare. The proposed legislation for the unorganized sector workers will also cover the agriculture workers, as agriculture has been listed as one of the scheduled employments in the proposed Bill.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Comments of the Committee
(Please See Para 1.7 of Chapter-I of the Report)

Recommendation (Sl. No. 16 Para No 2.95)

AMENDMENTS TO EMPLOYEES 'PROVIDENT FUNDS & MISCELLANEOUS PROVISIONS ACT.

4.3 The Committee note with deep concern that the suggestion for amendments in the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 made by the Committee in Para-2.36 of their Eleventh Report (10 Lok Sabha) with regard to reducing the minimum number of employees required for EPF coverage from 20 to 10 in an establishment and removal of scheduled industries restrictions have not been implemented by the Ministry which have been agreed to by the Central Board of Trustees in principle but left the matter to the Government for a final decision. In the opinion of the Committee, the Government is not serious in the matter and thus unscrupulous employers continue to indulge in unfair practices. The Committee, therefore, strongly recommend the Ministry to take immediate action to amend the Act in order to check the unfair practices indulged in by unscrupulous employers and also to enlarge the coverage under the EPF & MP Act.

REPLY OF THE GOVERNMENT

4.4 A proposal for carrying out amendments to Employees' Provident Fund and Miscellaneous Provisions Act, 1952 was considered by the Central Board of Trustees (CBT) in its Meeting held on 09.07.2002. The employer trustees have vehemently opposed the proposal for reducing the number from 20 to 10. The Board has agreed to the proposed amendments, in principle, and has left the final decision on the matter to the Government. The proposed amendments will be considered by the Government keeping in view the concerns expressed by certain members of the CBT(EPF).

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Comments of the Committee
(Please See Para 1.10 of Chapter-I of the Report)

Recommendation (Sl. No. 18, Para No 2.97)

EPF INTEREST RATE

4.5 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 employers, employees and Centre/State government. The Committee have been apprised that the Central Board of Trustees in its 163rd meeting held on 19.08.2003 had recommended the rate of interest @ 9.5% to be credited in the accounts of provident fund members for the year 2003-2004 but the same has not yet been ratified by the Ministry of Finance. The Committee also note that the Central Board of Trustees in its meeting held on 9.8.2004 has recommended the interim rate of interest @ 8.5% for the year 2004-05. This interim rate of interest can, however, be enhanced depending on EPF organization's recovery of arrears. The Committee express its deep concern on the lowering of rate of interest which is affecting nearly 4 crore subscribers. In the opinion of the Committee on important issues concerning workers, the decision should always be taken by consensus. The Committee, therefore, urge the Government that while taking a final decision in the matter, the interests of subscribers should be safeguarded. Till such time the status quo in the rate of interest may be maintained.

REPLY OF THE GOVERNMENT

4.6 The CBT in its 163rd meeting held on 19.08.2003 had recommended the rate of interest @9.5% p.a. (9% plus 0.5% bonus interest) for the year 2003-04. The same is yet to be ratified by the Ministry of Finance.

4.7 Further, the CBT in its meeting held on 09.08.2004, recommended the rate of interest @ 8.5% p.a. for the financial year 2004-05. The same has also not been notified by the Central Government till date.

4.8 The Ministry of Labour and Employment has already requested the Ministry of Finance to ratify the interest rate for the years 2003-04 and 2004-05.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Comments of the Committee
(Please See Para 1.13 of Chapter-I of the Report)

Recommendation (Para No. 23, 2.126)

Industrial Sickness

4.9 The Committee express their serious concern over the miserable plight of the public sector employees whose statutory dues amounting to Rs.1365 crore as on 30.6.2004 representing the wages, provident fund dues, employees' state insurance dues, etc. have not been paid as a result of industrial sickness in various Central Public Sector Undertakings. Although the Ministry of Finance have prepared a plan to provide financial support in phasing out the dues of workers of sick undertakings, in the opinion of the Committee the priority should be given to make immediate payment of all the statutory dues of CPSU employees in order to protect workers' interests.

REPLY OF THE GOVERNMENT

4.10 As per the recommendations of the Group of Ministers (GOM), set up to devise a strategy for liquidation of outstanding statutory dues of the workers of CPSUs, defaulting CPSUs have been advised by the Government to clear outstanding dues to their employees in a time bound manner. The GOM had also recommended that the Department of Public Enterprises (DPE) will monitor compliance of the time schedule as drawn up by the GOM in consultation with the administrative Ministries/ Departments concerned, to clear the outstanding dues of the workers in all the defaulting CPSUs. The DPE is closely monitoring the progress in this regard.

4.11 As a result of the action initiated by the Government, the outstanding dues of CPSU employees, which were Rs.1905 crore in respect of 59, CPSUs as on 31.12.2002 declined to Rs.1365 crore in 41 CPSUs as on 30.06.2004. The outstanding dues have further declined to Rs.820 crore in 33 CPSUs as on 31.07.2004. Hence, of the 59 CPSUs in respect of whom dues were outstanding as on 31.12.2002, 26 CPSUs have so far cleared their dues.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Comments of the Committee
(Please See Para 1.16 of Chapter-I of the Report)

CHAPTER – V

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

Recommendation (Sl. No. 12, Para No. 2.57)

Directorate General of Mines Safety

5.1 The Committee take further note that the Ministry of Labour and Employment through Ministry of Law, Justice and Company Affairs have requested the Registrar Generals 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 and Tamil Nadu have agreed to the proposal, most of the States where pendency of cases under Mines Act are large in number have yet to follow suit. The Committee, therefore, desire that the remaining High Courts be persuaded to designate the Judicial Magistrate to liquidate the pending cases.

REPLY OF THE GOVERNMENT

5.2 The Ministry of Labour and Employment in consultation with the Ministry of Law and Justice requested the Registrar Generals of various High Courts, where the cases under the Mines Act, 1952 are pending, to designate one Judicial Magistrate / Metropolitan Magistrate exclusively to deal with such cases. Positive response has been received from the High Courts of Allahabad, Patna, Rajasthan, Tamil Nadu and Andhra Pradesh so far. The remaining High Courts are also being persuaded to designate the Judicial Magistrate to liquidate the pending cases.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation (Sl. No. 13, Para No. 2.58)

Directorate General of Mines Safety

5.3 The Committee further note that 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, desires that the Ministry should bring suitable amendments in the Mines Act to provide for stringent punishments against the offenders.

REPLY OF THE GOVERNMENT

5.4 A comprehensive proposal for the amendment of the Mines Act, 1952 is under consideration of the Government. It includes suitable amendment of the penal provisions as prescribed under Section 63 to 81 of the Mines Act 1952 to provide necessary deterrent effect on potential offenders.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

Recommendation (Sl. No. 19, Para 2.110)

Vocational Rehabilitation Centres for Handicapped

5.5 The Committee is constrained to note that there are 18.53 million handicapped people in the country and only 17 Vocational Rehabilitation Centres (VRCs) are in operation for them in sixteen States. The Committee also note that out of these there is only one VRC set up exclusively for handicapped women. The Committee feel that keeping in view the millions of handicapped in this country the number of these Rehabilitation Centres is too small to cater to their needs. The Committee also note that 7 VRCs which were to be set up during the Ninth Five Year Plan in Himachal Pradesh, J & K, Haryana, Goa, Pondicherry, Manipur and Mizoram have not been set up even after completion of the first two years of Tenth Five Year Plan. The Committee are not happy with the situation, particularly on a matter concerning the handicapped. The Committee, therefore, strongly recommend that the proposals approved by the Planning Commission during the Ninth Five Year Plan should be implemented without further delay. The Committee also desire that more VRCs should be set up for the handicapped women.

REPLY OF THE GOVERNMENT

5.6 The Ministry is taking up the matter with the Ministry of Finance at appropriate level. The recommendations of Parliamentary Standing Committee on Labour (Fourteenth Lok Sabha) shall also be conveyed to the Ministry of Finance for further action at their end.

(Ministry of Labour & Employment O.M.No. H-11013/4/2004-Coord. Dated 15.12.2004)

New Delhi;
17 March, 2005
26 Phalguna, 1926 (Saka)

P.K. VASUDEVAN NAIR,
CHAIRMAN
STANDING COMMITTEE ON LABOUR

APPENDIX - I

**MINUTES OF THE EIGHTH SITTING OF THE STANDING COMMITTEE ON LABOUR
HELD ON 17th MARCH 2005.**

**The Committee met from 15.00 hrs. to 16.30 hrs. in Committee Room `139`
Parliament House Annexe, New Delhi.**

Shri Debabrata Biswas - Acting Chairman

**MEMBERS
LOK SABHA**

2. Shri Furkan Ansari
3. Shri Thawar Chand Gehlot
4. Dr. Satyanarayan Jatiya
5. Shri Virendra Kumar
6. Shri Rajesh Kumar Manjhi
7. Shri Ananta Nayak
8. Shri Lal Mani Prasad
9. Shri Chandradev Prasad Rajbhar
10. Shri Mohan Rawale
11. Shri Chandra Pratap Singh
12. Smt. C. S. Sujatha

RAJYA SABHA

13. Shri Lekhraj Bachani
14. Shri K. Chandran Pillai

SECRETARIAT

1. Shri R.S. Misra - Deputy Secretary
2. Shri S.K. Saxena - Assistant Director

2. In the absence of the Chairman, the Members of the Committee chose Shri Debabrata Biswas, MP to preside over the sitting under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. At the outset, the Hon'ble Acting Chairman welcomed the Members and apprised them about the two Draft Reports on action taken replies received from the Ministry of Labour and Employment and the Ministry of Textiles on the Demands for Grants for the year 2004-2005.

4. The Committee first took up the draft Third Report on action taken by the Government on the recommendations/observations contained in the First Report on Demands for Grants-2004-2005 pertaining to the Ministry of Labour and Employment and adopted the same with the amendment at page 2, para 1.7 last line, **insert** the word "at the earliest" **after** the words "agriculture labourers".

5. XXX XXX XXX

6. The Committee authorized the Chairman to finalise the Report and present the same to Parliament on their behalf.

7. XXX XXX XXX

8. XXX XXX XXX

9. XXX XXX XXX

10. XXX XXX XXX

The Committee then adjourned.

APPENDIX-II

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

	Total	Percentage
I. Total number of Recommendations	23	
II. Recommendations/Observations which have been accepted by Government (Sl. Nos. 2,3,7,8,9,11,17 and 21)	8	34.8%
III. Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies (Sl. Nos. 1,5,6,10,14,15, 20 and 22)	8	34.8%
IV. Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee and which requires reiteration (Sl. Nos. 4,16,18 and 23)	4	17.4%
V. Recommendations/Observations in respect of which final replies of Government are of interim in nature (Sl. Nos. 12,13 and 19)	3	13%
		----- 100% -----