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

FOURTEENTH LOK SABHA

MINISTRY OF LABOUR AND EMPLOYMENT

**DEMANDS FOR GRANTS
(2005-2006)**

FIFTH REPORT



**LOK SABHA SECRETARIAT
NEW DELHI**

April 2005/Chaitra 1927 (Saka)

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Presented to Lok Sabha on 25 April 2005

Laid in Rajya Sabha on 25 April 2005



**LOK SABHA SECRETARIAT
NEW DELHI**

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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 N.K. Pandey | - | Under Secretary |
| 5. | Shri S.K. Saxena | - | Assistant Director |

INTRODUCTION

1, the Chairman of the Standing Committee on Labour 2004-05 having been authorised by the Committee to submit the Report on their behalf, present this Fifth Report of the Ministry of Labour and Employment on Demands for Grants, 2005-2006.

2. The Committee considered the Demands for Grants pertaining to the Ministry of Labour and Employment for the current year i.e. 2005-2006 which were laid on the Table of the House 21 March 2005. Thereafter, the Committee took evidence of the representatives of the Ministry of Labour and Employment on 5 April 2005. The Committee considered and adopted the Report at their sitting held on 20 April 2005.

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 and have also been reproduced in a consolidated form in Annexure-II of the Report.

NEW DELHI:

20 April, 2005
30 Chaitra, 1927 (Saka)

P.K. Vasudevan Nair
Chairman,
Standing Committee on Labour

CHAPTER I

INTRODUCTORY

1.1 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.

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

1.3 The Demands for Grants asked for by the Ministry are given under Demand No. 61.

1.4 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

1.5 It has been stated in the Performance Budget that the Planning Commission made an allocation of Rs. 183.00 crore during the year 2004-2005 out of which Rs.14.03 crore were transferred to Ministry of Urban Affairs and Poverty Alleviation. Further a provision of Rs. 18.10 crore was kept for ongoing/proposed schemes in the North Eastern Region.

1.6 Budget Estimates of the Ministry for the year 2005-2006 are placed at Rs.1,311.05 crore (Plan Rs.219.48 crore and Non-Plan Rs. 1,091.57 crore). The Planning Commission made an allocation of Rs. 232.48 crore towards Plan Budget for the year 2005-2006 out of which Rs.13.00 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 2005-2006. Further, a provision of Rs.23.25 crore has been made for ongoing/proposed schemes in the North Eastern Region.

1.7 The Ministry has furnished the following statement showing Budget Estimates/Revised Estimates and expenditure for the year 2004-2005 alongwith the percentage of expenditure: -

Statement showing BE/RE for year 2004-05 and actual expenditure incurred under Plan/Non Plan Schemes during 2004-05 (upto 28.02.2005) alongwith % expenditure on BE/RE.					
PLAN		Figures in Lakhs			
ITEM	B.E 2004-2005	R.E 2004-2005	EXP. UP TO February, 2005	% OF EXP OVER B.E UP TO February 2005	% OF EXP OVER R.E UP TO February 2005
Research & Statistics					
(a) Central Scheme	616.72	600.00	493.21	79.97	82.20
(b) Grants in aid scheme	1.00	0.00	0.00	0.00	0.00
Industrial Relations					
a) CLC	284.00	270.00	208.91	73.56	77.37
b) Strengthening of Adjudication Machinery	140.00	140.00	129.86	92.76	92.76
c) Holding of Lok Adalat	10.00	4.00	0.15	1.50	3.75
d) Scheme on education and Trg.to promote workers participation in management	4.00	4.00	3.99	99.75	99.75
Working condition & Safety					
a) DGFASLI	140.00	120.00	74.95	53.54	62.46
b) DGMS	490.00	384.00	211.23	43.11	55.01
Labour Education					
a) CBWE	900.00	900.00	825.00	91.67	91.67
b) NLI	285.00	285.00	213.89	75.05	75.05
Rehabilitation of bonded labour-Grants in aid	300.00	200.00	69.56	23.19	34.78
Improvement in Working Conditions of Child/Women labour					
a) Child Labour	9905.00	9812.00	7794.01	78.69	79.43
b) Women Cell	26.00	26.00	22.63	87.04	87.04
Employment					
a) Central Scheme	76.79	85.00	77.41	100.81	91.07
Training					
a) Central Scheme	1371.83	1525.00	1145.07	83.47	75.09
b) Grant-in-aid to State	141.66	300.00	0.00	0.00	0.00
Others					
Other Item					
l) Information Technology	100.00	86.00	63.62	63.62	73.98

ii) Grants-in-aid to research and Academic Institutions	25.00	18.00	9.49	37.96	52.72
iii) Training scheme for Personnel	10.00	1.00	0.00	0.00	0.00
Welfare of SC/ST & other backward Classes	60.00	40.00	24.93	41.55	62.33
Lump sum Provision for Schemes on North Eastern States	1810.00	1700.00	1509.41	83.39	88.79
Total	16697.00	16500.00	12859.02	77.01	77.93

Expenditure Statement in respect of Ministry of Labour and Employment

NON PLAN						
Figures in Lakhs						
Sl. No.	ITEM	B.E 2004-2005	R.E. 2004-2005	EXPENDITURE UPTO FEBRUARY 2005	% OF EXP OVER B.E UPTO FEBRUARY 2005	% OF EXP OVER R.E UPTO FEBRUARY 2005
1	Secretariat social service	1550.00	1455.00	1261.34	81.38	86.69
2	Research & Statistics	430.00	471.00	427.51	99.42	90.77
3	Industrial Relations					
	a) CLC	1630.00	1600.00	1507.97	92.51	94.25
	b) Labour Tribunal Courts of enquiry	175.00	165.00	149.64	85.51	90.69
	e) Board of Arbitration	23.00	25.00	25.29	109.96	101.16
	f) Wage Cell	5.00	3.00	0.40	8.00	13.33
	g) Other Commissions					
4	Working condition & Safety					
	a) DGFASLI	870.00	843.00	770.46	88.56	91.40
	b) DGMS	1680.00	1655.00	1520.82	90.53	91.89
5	Labour Education					
	a) CBWE	1600.00	1440.00	1341.25	83.83	93.14
	b) NLI	200.00	180.00	180.15	90.08	100.08
6	Mica Mines Labour Welfare	135.00	131.00	98.69	73.10	75.34
	Iron Ore Mines – Central Scheme	1260.00	1075.00	821.52	65.20	76.42
	Limestone dolomite Labour Welfare- Central Scheme	940.00	781.00	531.19	56.51	68.01
	(ii) Loan					
	Beedi Worker Welfare (i) Central Scheme	9432.00	8690.00	7850.10	83.23	90.33
	ii) Grant-in-aid to State	360	200	0.00	0.00	0.00
	iii) Capital Outlay	6.00	0.00	0.00	0.00	0.00
	Cine Workers Welfare	92.00	75.00	66.67	72.47	88.89
	Total DGLW:	12225.00	10952.00	9368.17	76.63	85.54
7	Transfer to Reserve Fund	11200.00	10680.00	9061.40	80.91	84.84
8	Social Security	51300.00	61350.00	50220.00	97.89	81.86
9	International Cooperation					
	a) India Contribution to	455.00	596.00	575.96	126.58	96.64

	ILO					
	b)India subscription to ISSA	3.00	2.00	2.09	69.67	104.50
	c)Others	2.00	0.00	0.00	0.00	0.00
10	Employment	1620.00	1680.00	1579.53	97.50	94.02
11	Training					
	Central Scheme	2508.00	2470.00	2341.92	93.38	94.81
12	Other Item					
	I) Welfare Of Emigrant Labour	175.00	161.00	121.68	69.53	75.58
	ii) Other Items	51.00	44.00	9.00	17.65	20.45
14	Welfare of SC/ST & others backward classes	180.00	180.00	184.47	102.48	102.48
	Total	87882.00	95952.00	80649.05	91.77	84.05

1.8 It has been observed from the above Statement that the percentage expenditure over R.E. on some of the Schemes, upto February 2005 is not upto the mark under the Plan Item such as Holding of Lok Adalat, DGFASLI, DGMS, Rehabilitation of Bonded Labour- Grants-in-aid, Information Technology, Grants-in-aid to Research and Academic Institutions, Welfare of SC/ST and other Backward Classes. On some of the important Schemes, expenditure, however, was nil. These Plan Schemes include Grants-in-aid Scheme for Research & Statistics and Grants-in-aid to States for Training.

1.9 It has also been observed that there is a reduction of Rs.197 lakh at R.E. stage and the percentage of expenditure is only 23.18 in the first quarter.

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

“... so far as grants-in-aid to voluntary organization for conducting research studies are concerned, we have to follow the stipulated norms before releasing the funds, Nevertheless, during the current year, so far as the R.E. outlay is concerned, we have got a sum of Rs.18 lakh. Out of that, we will be able to spend around 17 lakh. Towards the end of the year, quite a few projects have been approved. I think, over the next year we should be in a position to spend reasonably well on the Grants-in-aid component.

As far as DGMS is concerned, we had two new plan Schemes, unfortunately, we got approval for one and for the second one the approval from the Planning Commission is still awaited. In that one we have taken steps so that the expenditure figure turns up progressively”.

1.11 Explaining further, the representative of the Ministry stated as under:-

“Regarding DGFASLI, we have some of the Schemes which have been going on for the last Plan period. The progress has been quite gradual in the sense that when we have to initiate certain procurement of the equipment, the procedural part takes some time”.

1.12 In a written reply furnished to the Committee, the Ministry has stated the reasons for low expenditure under plan schemes of DGFASLI/DGMS are as under:

- i) Non-creation of posts due to ban imposed by the Ministry of Finance;
- ii) Non-receipt of bills from DGS&D for the computer and allied items procured on DGS&D Rate Contracts; and
- iii) Merger of two new plan schemes of DGFASLI by the Planning Commission with the Plan Scheme “Central Board for Workers’ Education.

1.13 About the expenditure on Lok Adalats, it was informed during the course of evidence as under:

“There is a saving on the expenditure side. I think, the conduct of the Lok Adalats has been on the increase. This year, we will have to organize more awareness camps so that the unit representatives, the workers are made aware of the facilities of Lok Adalats. I agree with you that there has been less expenditure”.

1.14 The representative of the Ministry also added regarding less expenditure on ITI s as under:

“Recently, we have got the approval of the Cabinet Committee on Economic Affairs. We are hopeful that in the coming year, we will be able to run these ITI s schemes in full speed”.

1.15 In a written reply furnished to the Committee, the Ministry has stated that the reason for zero expenditure in Scheme is due to its non-approval by the Planning Commission for want of certain clarifications. The Scheme has now been transferred to VV Giri National Labour Institute, Noida.

1.16 Labour Secretary also added as under:

“We are grateful to you for asking these questions. I will be making my personal efforts to ensure that expenditure in this area picks up”.

1.17 The Committee note that though the Ministry of Labour and Employment has improved their expenditure in Plan and Non-Plan allocation during the year 2004-2005, the percentage expenditure over R.E. on some of the Schemes upto February 2005 is not upto the mark under the Plan allocation such as Holding of Lok Adalat, DGFASLI, DGMS, Rehabilitation of Bonded Labour – Grants-in-aid, Information Technology, Grants-in-aid to Research and Academic Institutions, Welfare of SC/ST and other Backward Classes. On some of the important Schemes, expenditure, however, was nil. These Plan Schemes include Grants-in-aid and Scheme for Research and Statistics and Grants-in-aid to States for Training. The reasons put forth by the Ministry for less spending or no spending at all on some of the Schemes, such as approval of few projects at the end of the year; non-approval of the Training Scheme, procedural delay in procurement of equipment, non-creation of posts, etc. are least convincing. The Committee are of the firm view that the monitoring and coordination of the Ministry with other implementing agencies are not effective at all. The Committee, therefore, lay stress on improving planning and coordination between the Ministry and the implementing agencies so that the Schemes specifically aimed at the welfare of the labour do not remain dysfunctional because of inaction on their part and the precious resources allocated for the purpose do not remain unspent. Further, the monitoring mechanism of the Ministry over the spending on various Schemes need to be strengthened and progress achieved in this regard should be communicated to the Committee quarterly.

CHAPTER – II
DEMANDS FOR GRANTS

Major Head : 2230
Sub-Head : 101.06

**A. LABOUR TRIBUNALS, COURTS OF ENQUIRY AND CONCILATIONS
BOARDS**

2.1 It has been stated that for adjudication of industrial disputes, in respect of which the Central Government is appropriate Government, there were 17 Central Government Industrial Tribunal cum-Labour-Courts (CGITs-cum-Labour Courts). Five new CGITs-cum-Labour Courts have been set up at Guwahati, Ahmedabad, Ernakulam (Cochin), Delhi and Chandigarh during the year taking the total number of CGITs to 22. In addition, the Industrial Tribunals-cum-Labour Court set up by the State Governments and Union Territories Administrations are also utilized by the Central Government for adjudication of industrial disputes, where no Central Government Industrial Tribunal-cum-Labour Court is set up.

2.2 The Ministry has informed that at present, all the 22 Central Government Industrial Tribunal-cum-Labour Courts (CGIT-cum-Labour Courts) are functional. The CGIT-cum-Labour Courts are functioning from the following places: -

Sl.No.	Location of CGITs	Sl.No.	Location of CGITs
1	Mumbai-I	12	Chandigarh-I
2	Mumbai-II	13	Chandigarh-II
3	Nagpur	14	Jaipur
4	Dhanbad-I	15	Lucknow
5	Dhanbad-II	16	Bangalore
6	Jabalpur	17	Ernakulam
7	Kanpur	18	Chennai
8	New Delhi-I	19	Hyderabad
9	New Delhi-II	20	Bhubaneswar
10	Asansol	21	Guwahati
11	Kolkata	22	Ahmedabad

2.3 On being asked about the number of Presiding Officers (POs) in position as against the number of posts in Labour Courts/Tribunals, set up so far, the Ministry has stated that out of the 22 CGITs there are only three vacancies of POs at Mumbai-I, Mumbai-II and Nagpur. Efforts are being made to fill up these vacancies. However, with a view to ensuring that adjudication work does not suffer, Shri H. Bannerjee, P.O. of the CGIT, Kolkata, Shri E. Ismail, P.O. of the CGIT, Hyderabad, Shri B.I. Kazi, P.O. of the CGIT, Ahmedabad have been given additional charges of the CGITs of Mumbai-I, Nagpur and Mumbai-II respectively.

2.4 When asked about since when these posts of Presiding Officers are vacant, the Ministry has informed that the vacancy position in three CGITs is as follows:

- (i) Mumbai-I - Vacant with effect from 9.9.2004
- (ii) Mumbai-II - Vacant with effect from 3.11.2003
- (iii) Nagpur - Vacant with effect from 28.2.2003

2.5 The Ministry has furnished the Statement informing the overall performance of CGIT-cum-Labour Courts;-

OVERALL PERFORMANCE

(Rupees in Lakhs)

Sl. No.	Name of the Scheme	Budget Estimate 2004-2005	Revised Estimate 2004-2005	Budget Estimate 2005-2006
1.	CGIT-cum-Labour Courts (Plan)	140	140	120
2.	Holding of Lok Adalat (Plan Scheme)	10	4	5
3.	CGIT-cum-Labour Court (Non-Plan)	175	165	185

2.6 When asked about the number of cases of Industrial disputes and applications registered, disposed of and pending for the last three years- Year-wise and State-wise, the Ministry has furnished the information as under:

PENDENCY/DISPOSAL FIGURE FOR THE LAST THREE YEARS IN THE CGITs.

SL. NO	CGIT	2002		2003		2003		2003		2004		2004	
		Dispos ed	Pendi ng	Dispos ed	Pendi ng	Dispos ed	Pendi ng	Dispos ed	Pendi ng	Dispos ed	Pendi ng	Dispos ed	Pendi ng
1.	Mumbai-I	58	183	16	64	69	191	36	62	42	233	15	80
2.	Mumbai-II	106	335	81	411	111	312	164	351	8	344	3	406
3.	Dhanbad-I	111	1739	27	376	86	1779	15	386	10	1874	2	391
4.	Dhanbad-II	260	1337	38	26	286	1182	31	54	260	1040	6	51
5.	Asansol	66	424	5	74	33	424	0	83	22	471	1	94
6.	Kolkata	73	170	45	158	3	193	0	160	19	219	39	130
7.	Chandi garh -I	346	1790	77	319	146	1850	76	239	256	2041	66	329
8.	Chandi garh-II	*								0	54	0	7

9.	New Delhi-I	143	1132	38	283	71	617	22	148	128	556	20	181
10.	New Delhi-II*					0	613	0	159	195	556	84	102
11.	Kanpur	33	625	187	517	13	655	24	535	33	685	264	281
12.	Jabalpur	168	1,237	7	543	44	1,509	46	651	123	1,503	24	635
13.	Chennai	276	337	135	37	144	324	0	12	170	588	21	22
14.	Bangalore	112	322	34	130	34	353	18	155	61	356	134	31
15.	Hyderabad	36	520	91	628	40	579	244	914	65	665	111	1282
16.	Nagpur	70	383	7	0	15	720	0	0	5	824	0	7
17.	Bhubneshwar	81	393	16	84	65	366	27	100	10	418	0	108
18.	Lucknow	88	359	15	36	74	376	15	31	68	435	23	36
19.	Jaipur	30	90	8	143	26	124	103	67	74	123	24	57
20.	Guwahati**					0	0	0	0	0	25	0	5
21.	Ernakulam*									0	4	0	0
22.	Ahmedabad									115	1666	15	833
	TOTAL	2,057	11,376	827	3,829	1260	1,2167	821	4,107	1,664	14,680	852	5,068

** These CGITs have started functioning from 2003

* These CGITs have started functioning from 2004

Cases: Cases are those that are referred under Section 10 of the Industrial Disputes Act 1947 to the CGIT-cum-Labour Courts for adjudication consequent upon the failure of conciliation made by the RLC (c)s or the ALC (c)s

Applications: Applications are those that are filed by the workers directly under Section 33-A and 33-C of the Industrial Disputes Act 1947 before the CGIT-cum-Labour Courts.

2.7 It has also been stated that 921 cases were pending for the last 10 years as on 16.12.2004 and some of the main reasons for pendency of industrial disputes are as under:-

- Parties seek frequent adjournments to file documents;
- Absence of affected parties at the time of hearing;
- Parties approach the High Courts or Supreme Court against order issued by the Tribunals on preliminary points and hearing of the case is stayed for a long time leading to delay;
- Rising awareness among the workers and the Unions;
- Time taken for filling up the posts of Presiding Officers.

2.8 In a written reply furnished to the Committee, the Ministry has furnished the pendency position of cases and applications in three CGITs-cum Labours where the posts of POs have not been filled as under:

CGIT	CASES	APPLICATIONS
Mumbai-I	233	80
Mumbai-II	344	406
Nagpur	824	7

2.9 113 cases in these three Courts are pending for periods between 5 and 10 years and 110 cases are pending for periods of more than 10 years as on 31 December 2004.

2.10 The Ministry of Labour and Employment monitors the pendency and disposal of industrial disputes through the prescribed monthly returns submitted by the CGITs. The Ministry also organizes meetings of the Presiding Officers where the issue of the pendency of the cases is also discussed.

2.11 With regard to the revision of pay scales of POs of CGITs-cum-Labour Courts, the Ministry had sent the proposal for upward revision of the pay-scale of the Presiding Officers of the CGIT-cum-Labour Courts from Rs.14,300-18,300/- to Rs.16,400-20,000/- with a view to bring parity between the pay-scale of the Judicial Officials of the NCT, Delhi and the CGIT-cum-Labour Courts. The Ministry of Finance had not agreed to the proposal on the ground that Presiding Officers can not be equated with the Subordinate Judiciary. Accordingly, the pay-scale of these posts cannot be upgraded irrespective of the fate of Shetty Commission's report as these officials do not belong to or have any parity with the Members of the Subordinate Judiciary.

2.12 The Ministry, in a written reply furnished to the Committee, has stated that generally, retired District Judges do not prefer to serve in the CGIT-cum-Labour Courts as Presiding Officers because of the lower pay-scale of the post of Presiding Officer than that in their parent judicial cadres, specially after the upward revision of the pay-scales of the Subordinate Judiciary as per the recommendations of the Shetty Commission.

2.13 The Ministry of Labour had sent the proposal again to the Ministry of Finance in August 2004 for upgradation of the pay-scale of the posts of Presiding Officers of the CGIT-cum-Labour Courts from Rs.14,300-18,300/- to Rs.16,400-20,000/- at par with the pay-scale of the Additional District Judges of the NCT of Delhi (Union Territory). The Ministry of Finance has not agreed to the proposal on the same ground as mentioned above.

2.14 The Ministry has further stated that it is proposed to revise the pay-scale of the POs of the CGIT-cum-Labour Courts. It is relevant to mention here that the pay scale of the Subordinate Judiciary in the Union Territories has recently been revised and this Ministry is taking up the case again with the Ministry of Finance recommending adoption of the same pay scales in respect of the Presiding Officers of the CGIT-cum-Labour Courts.

2.15 When asked about the outlay approved by the Planning Commission, the Ministry has informed that the Planning Commission had approved an outlay of Rs.110 lakh during the Tenth Plan (2002-2007) for introducing Lok Adalats. In principle approval of the Planning Commission for implementation of the scheme was received in August 2003. An allocation of Rs.10 lakh was approved in the Annual Plan 2004-2005.

2.16 In order to reduce pendency of cases, 'Lok Adalats' as an alternative grievance redressal machinery are being organized. This is in addition to the disposal of industrial disputes by the CGIT-cum-Labour Courts. 25 Lok Adalats have already been organized in which 787 cases were decided. This is a new and innovative method to liquidate the pendency of arrears. A Plan to support this activity has been approved and funds allocated to CGIT-cum-Labour Courts.

2.17 So far 14 CGIT-cum-Labour Courts have been provided with computer facilities. The rest of the CGIT-cum-Labour Courts are going to be computerized very soon.

2.18 19 Lok Adalats were held during the years 2003 and 2004 and 585 cases had been settled as per details given as under:

2003

Sl.No.	Name of CGIT	Dates on which Lok Adalats held	No. of cases settled
1	New Delhi – I	02.09.2003	2
2	Mumbai – I & II	17.03.2003	4
3	Lucknow	29.10.2003	7
Total			13

2004

Sl.No.	Name of CGIT	Dates on which Lok Adalats held	No. of cases settled
1	New Delhi – I	08.01.2004	2
2	New Delhi – I	28.01.2004	1
3	New Delhi – I	03.02.2004	1
4	New Delhi – I	17.03.2004	1
5	New Delhi – I	25.03.2004	1
6	Chandigarh	20.02.2004	129
7	Kanpur	20.03.2004	152
8	Dhanbad – II	17.05.2004	1
9	Dhanbad – II	12.07.2004	1
10	Bangalore	12.07.2004	
11	Bangalore	13.07.2004	115
12	Bangalore	01.09.2004	1
13	Kanpur	16.10.2004	102
14	Dhanbad – II	04.10.2004	3
15	Chandigarh	16.12.2004	51
16	Lucknow	22.12.2004	11
Total			572

2.19 The Committee are constrained to note that 14,680 cases and 5,068 applications were pending for disposal under various Labour Courts during the year 2004. Of these 921 cases have been pending for the last 10 years. The Committee also note that the posts of Presiding Officers in CGITs at Mumbai-I and Mumbai-II and Nagpur are lying vacant since 2003. The Committee feel that the industrial workmen are the ultimate sufferers if their cases are not resolved in time. Moreover, they do not have any financial assistance to fight their cases for a long time. Further, the Committee express their displeasure that the awards of the Tribunals are also not being implemented in letter and spirit. They, therefore, desire that the Ministry should improve their monitoring to dispose of the cases in quickest possible time besides filling up the vacant posts of Presiding Officers in 3 CGITs at Mumbai-I, Mumbai-II and Nagpur without delay. The Committee further desire that more number of CGITs-cum-Labour Courts should also be set up in the remaining period of Tenth Five Year Plan to clear the backlog. Also, vigorous efforts should be made by the Ministry to implement the awards of the Tribunals in quickest possible time so that labourers do not suffer any more.

2.20 The Committee further note that the Planning Commission has approved an outlay of Rs.110 lakh during the Tenth Plan (2002-2007) and an allocation of Rs.10 lakh was approved in the Annual Plan 2004-2005 to introduce 16 Lok Adalats under 5 CGITs-cum-Labour Courts in Delhi, 2 in Chandigarh, 2 in Kanpur, 3 in Dhanbad, 3 in Bangalore and 1 in Lucknow respectively to tide over the backlog of industrial disputes. The Committee also note that they have been able to settle only 572 cases

so far. The Committee, therefore, desire that the Ministry should introduce more number of Lok Adalats in those States where number of industrial disputes are more and are lying pending for the last many years, particularly in Dhanbad, Chandigarh, Jabalpur and Ahmedabad.

2.21 The Committee further note with distress that out of 22 CGITs-cum-Labour Courts in the country only 14 CGITs have so far been computerized. The Committee are skeptical about the day-to-day functioning of Labour Courts in the absence of computerization. The Committee, therefore, desire that the rest of the CGITs-cum-Labour Courts should also be computerized without any further delay in order to improve the functioning of the Labour Courts.

2.22 The Committee regret to note that the Ministry has failed to implement the recommendation of Shetty Commission for revision of pay scales of Presiding Officers of the CGIT-cum-Labour Courts from Rs.14,300-18,300/- to Rs.16,400-20,000/ with a view to bring parity between the pay scales of Judicial Officials of NCT, Delhi and Presiding Officers of the CGIT-cum-Labour Courts. The Committee also note that generally, the retired District Judges do not prefer to serve in the CGITs as Presiding Officers because of lower pay scale of the post of Presiding Officer than that in their parent judicial cadres and so the posts remain vacant for long. The Committee therefore desire that the Ministry should intensify its efforts with the Ministry of Finance to enhance the pay structure of the Presiding Officers in the CGIT-cum-Labour courts to bring it at par with the pay scale of the Additional District Judge of the NCT of Delhi so that the posts do not remain vacant for long.

Major Head : 2230
Sub-Head : 01.109

B. BEEDI WORKERS WELFARE FUND

2.23 The Budget Estimates and the Revised Estimates for 2004-2005 under the Beedi Workers Welfare Fund were Rs.97.98 crore and Rs.88.90 crore respectively and the expenditure upto February 2005 was Rs.78.01 crore. The Budget Estimates for 2005-2006 is Rs.96.50 crore.

2.24 Rule 41 of the Beedi Workers Welfare Fund Rules, 1978 framed under the Beedi Workers Welfare Fund Act, 1976 provides for the issue of identity card to beedi worker by the owner of an establishment, factory or contractor engaged in manufacturing of beedi. Rule 42 has been notified on 11.04.2000 giving power to file complaints before the Appropriate Court for the breach of these Rules. So far no case of a complaint being filed has been reported.

2.25 On being asked about the survey conducted by the Government for the identification of beedi workers in India, the Ministry has stated that the Labour Welfare Organisations have been asked to identify beedi workers in their area of operation to bring them under welfare coverage.

2.26 The State-wise details of total number of Beedi Workers and number of Identity Cards issued to them till date are as under: -

Sl. No.	Name of the State	Total No. of Beedi Workers Estimated at present	No. of Identity Cards issued till date
1.	Andhra Pradesh	6,50,000	6,03,583
2.	Assam	7,725	5,791
3.	Bihar	3,35,000	1,65,588
4.	Jharkhand	1,15,000	63,133
5.	Gujarat	50,000	52,822
6.	Karnataka	2,87,082	2,98,395
7.	Kerala	1,36,416	1,12,887
8.	Madhya Pradesh	8,27,194	8,93,412
9.	Chhattisgarh	20,481	20,481
10.	Maharashtra	2,56,000	2,17,663
11.	Orissa	1,60,000	1,89,008

12.	Rajasthan	1,00,150	74,094
13.	Tripura	5,000	4,814
14.	Tamil Nadu	6,25,000	6,41,188
15.	Uttar Pradesh	4,50,000	3,17,000
16.	West Bengal	4,97,758	4,97,758
TOTAL		45,22,806	4157617

2.27 Regarding issuing of identity cards to beedi workers, the representative of the Ministry of Labour, during the course of evidence stated as under:-

“Regarding identity cards, I accept that there is some discrepancy. I will certainly recheck it. But identity card is a problem because under the Act and rules, the identity card has to be issued by the employer to its employee all over the country. Everybody knows that employers are not issuing identity cards. This is a fact because out of 40 lakh workers only about 18 lakh workers have been covered under the EPFO. So, employers are not coming forward. We have a very limited staff. We are issuing identity cards. But most of the States are not coming forward. These are the difficulties, but I will certainly recheck the figures. In fact, we are compiling the figures and we will recheck the figures”.

2.28 The Committee were informed that there are 4 hospitals and 206 dispensaries working for beedi workers. There are always efforts to expand the coverage of our health care and its improvement.

2.29 The O.P.D. is functioning at Bihar Sharief hospital. Other functions will start on the completion of the construction work. The work is going on in full swing in the other two hospitals and funds are being released as and when required by the CPWD for this purpose. There is a constant follow up on the progress of work.

2.30 With regard to their functioning of new hospitals at Bihar Sharief, Sagar (M.P)and Mukkadal (T.N), the representative of the Ministry stated as under:-

“I wish to inform that the OPD has already started in Mukkadal hospital from the last year. I also wish to inform that in May this year, the building would be handed over to us. But we want to add another two months so that whenever they hand-over the building they have to totally go out of the complex so that we may start the hospital. I am sure that in the next few months the Mukkadal hospital will be transferred to us.

Secondly, with regard to Sagar hospital, it was decided that the officers will go to Sagar. The Hon’ Member was also invited to be there

during that time. Perhaps he had a meeting with the officials there. Last month, our Welfare Commissioner, Headquarters had visited Sagar Hospital. They promised him that within two months they will give us the OPD block at least. I think, by June or July, the OPD will start functioning in Sagar Hospital also.”

2.31 The dispensaries are meant for providing basic health care and hospitals in addition to indoor care also. The cases of some serious diseases are referred to speciality hospitals. For this purpose, there is reservation of beds in T.B hospitals and system of financial aid to workers to get treatment in other cases. Considering this, the hospitals/ dispensaries are adequately equipped with X-ray machines, pathological examination, ECG machines, etc. wherever needed. In the case of hospitals which are coming up, Bureau of Indian Standard (BIS) has been consulted. The Central Design Bureau of the Ministry of Health has done the designing of Mukkadal and Bihar Sharief hospitals.

2.32 It has been stated that the dispensaries are located at the places around which there is large concentration of beedi workers and other health care facilities are not available. The health coverage is extended to interiors by way of mobile duties by these dispensaries. There is a scheme for grant-in-aid for the treatment of serious diseases of heart, cancer, kidney transplantation and T.B. at other recognized hospitals. All regional Welfare Commissioners have been asked to undertake awareness generation amongst the beedi workers. In order to augment the resources, the rate of cess has been enhanced from Rs.2/- per 1,000 beedi to Rs.4/- per 1,000 beedi to be effective from 1 April 2005.

2.33 The concept of National Floor Level Minimum Wage was floated in 1996 with a view to minimize the disparity in minimum wages in various States. All the States have been requested to ensure that in none of their scheduled employments including the beedi workers, the minimum wage is below the National Floor Level Minimum Wage, i.e. Rs.66/-. Most of the States have revised their minimum wage.

2.34 The Central Government suggested to the State Governments in February 1999 for setting up of a Committee of Officials from adjoining areas to explore uniformity in minimum wages of scheduled employments in States within the Region. One of the areas of task of the Committee was to examine various issues leading to fixation of minimum wages in all the scheduled employments including Beedi making in the States within a Region. For the purpose of constituting the Committee, the States have been divided into five Regions namely Western, Northern, Southern, Eastern & North-Eastern. Northern, western and Southern Regions have already convened meetings. The Southern Region has met twice. The respective States are taking follow up action. The State Governments are being reminded, from time to time, with the request to meet more frequently.

2.35 A statement showing minimum wages for the beedi workers per thousand manufactured beedis in different States/UTs is given in the Statement.

MINIMUM WAGE RATES OF BEEDI WORKERS

(As on 1.1.2005)

S.No.	STATE/U.T.	Total Wages (in Rupees)
1	Andhra Pradesh	85.10 per day
2	Assam	60.00 (for 1000 Beedis)
3	Arunachal Pradesh *	39.87 (Area-I) 42.11 (Area-II)
4	Bihar	64.62 (for 1000 beedis)
5	Chhattisgarh	66.60 per day
6	Dadra & Nagar Haveli	84.00 per day
7	Daman & Diu	50.00 per day
8	Gujarat	85.40 (for 1000 beedis)
9	Karnataka	65.06 per day
10	Kerala	84.20 beedi and Cigar Industry (for 1000 beedis)
11	Madhya Pradesh	77.30 per day
12	Maharashtra	49.50 per day 57.50 (for 1000 beedis)
13	Orissa	52.50 per day
14	Rajasthan	50.36 (for 1000 beedis)
15	Tripura	51.00 (for 1000 beedis)
16	Tamil Nadu	62.02 per day
17	Uttar Pradesh	70.00 per day
18	West Bengal (i) Calcutta, North 24-Parganas & South 24-Parganas (ii) Howrah & Hoogly (iii) Other Districts	101.02 for 1000 beedis 99.92 (per day) 88.22 for 1000 beedis 87.27 (per day) 71.95 for 1000 beedis 71.00 (per day)

* State Government has stated that at present a Census of workers is going on which will be over by April 2005, after that the Minimum Wages would be revised.

2.36 The details of various Welfare Schemes for Beedi Workers are as under: -

S.No.	Name of the Scheme	
1.	HEALTH	
	Ophthalmic Problems	Financial assistance of Rs.150/- for purchase of spectacles.
	Tuberculosis	Reservation of beds in T. B. Hospitals and domiciliary treatment. Financial assistance of Rs.20,000/- per patient, per year to be paid to TB hospitals. Subsistence allowance not exceeding Rs.750/- p.m. is also paid.
	Heart Diseases	Actual cost or Rs.1.3 lakh, whichever is less, to the workers and their dependents.
	Kidney Transplant	Actual cost or Rs.2.00 lakh whichever is less, including allied treatment, to the workers and their dependents
	Cancer	Reimbursement of actual expenditure on treatment, medicines, and diet charges incurred by the workers, or their dependants. Subsistence allowance up to Rs.750/- is also admissible along with railway fare, daily allowance etc.
	Mental Diseases	Financial assistance for treatment of mental diseases, diet, railway fare and subsistence allowance upto Rs.750/- per month for a period not exceeding 9 months.
	Leprosy	Financial assistance for Rs.30/- per patient per day for indoor treatment and Rs.6/- per patient per day for outdoor treatment. Subsistence allowance of Rs.300/- per month with dependants and Rs.200/- per month without dependants.
	Maternity Benefits	Grant of Rs.1,000/- per delivery to a female worker (for first two deliveries).
	Family Welfare	Monetary incentive @ Rs.200/- per head to the workers for undergoing sterilization.
	Domiciliary treatment of minor diseases	Reimbursement of the expenditure not exceeding actual cost or Rs.30,000/-, whichever is less, to the worker undergoing treatment for diseases like Hernia, Appendectomy, Ulcer, Gynaecological and Prostate diseases.

2.	SOCIAL SECURITY	
	Insurance Scheme	The premium is charged at the rate of Rs.60/- per member, per annum. LWO and Social Security Fund of India share the premium on 50-50 basis. The insurance claim amount is Rs.10,000/- for natural death and Rs.25,000/- for accidental death.
	Financial assistance	An amount of Rs.5,000/- is provided as financial assistance to the widows of eligible beedi workers to meet their expenditure in connection with marriage of their first two daughters.
3.	RECREATION	
	Supply of Television Sets	Reimbursement of Rs.10,000/- per colour set and Rs.4,000/- per Black & White Set, beedi cooperative societies.
	Organization of games and sports	Rs.10,000/- per tournament.
	Purchase of Sports Gear	Reimbursement upto Rs.10,000/-.
	Holiday Home at Puri	The eligible workers visiting Holiday Home are paid the journey expenses and the sight seeing expenditure by the cheapest and shortest means of conveyance from their workshed to Holiday Home and back alongwith the site-seeing expenses, i.e. Rs.3/-.
4.	HOUSING	
	Integrated Housing Scheme	A subsidy @Rs. 40,000/- per worker or 50% of the actual cost of construction per tenement, whichever is less.
	Grant of subsidy for construction of worksheds and godowns.	A cooperative society having a minimum of 100 members is given financial assistance up to 75% of the actual cost of construction or Rs.1,50,000/- whichever is less for the construction of work-shed and godown.
5.	EDUCATION	
	Scholarship for children of beedi workers studying in class V and above in recognized institutions	From Rs.500/- for class V to Rs.8,000/- for Professional Degree (BE/MBBS/BSc(Agri.)) per child per annum.
	School Uniforms, text books, and stationery to the wards of the beedi workers studying up to Class-IV.	Rs.250/- per child per year.

2.37 When asked about the beedi workers covered under the EPF Scheme and how many are still left to be covered and also state the efforts made by the organisation in this matter, the Ministry have stated that the total number of Beedi workers covered under the EPF Scheme upto March 2004 is 17,96,358.

2.38 A special coverage drive in respect of Beedi Establishments has been taken up in the month of January, February and March 2005. During this drive, for the months of January and February 38,212 subscribers have been added.

2.39 The Committee are dismayed to note that Government has identified 45,22,806 beedi workers in various parts of the country whereas more than 3.5 lakh identity cards are still to be issued by them. The Committee feel that in the absence of identity cards, remaining beedi workers have been deprived of the benefits under the various Welfare Schemes. The Committee are of the view that the Ministry lacks coordination with the State Governments and their monitoring over the Scheme is not up to the mark. The Committee, therefore, strongly recommend that the Government should evolve ways and means in consultation with the State Governments for issuance of identity cards to the beedi workers including Ghar Khata Workers without further loss of time besides strengthening the identification of left over beedi workers in quickest possible time but not later than six months so that these workers are no longer deprived of the benefit of Welfare Schemes being run by the Government.

2.40 The Committee are concerned to note that more than twenty five lakh beedi workers are not covered under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The Committee also note that a special drive in respect of beedi establishments had been taken up in the month of January, February and March 2005 and during these months, 38, 212 subscribers could be added. In the opinion of the Committee the social security cover should be extended to all the beedi workers. The Committee, therefore, strongly recommend that vigorous efforts should be made to cover all the remaining beedi workers under EPF and MP Act within six months of presentation of the Report. Also effective monitoring should be done by the Ministry in this regard.

2.41 The Committee are concerned to note that minimum rate of wages for beedi workers differ from State to State i.e. Rs.39.87 per day in Arunachal Pradesh being the minimum and the highest being Rs.101.02 per thousand beedis in Kolkata (West Bengal) which clearly indicates that there is no uniformity in the wages paid to the beedi workers. The Committee are of the view that there are so many States/Union Territories who are not even paying the National Floor Level Wage, i.e. Rs.66/- to the beedi workers which is a scheduled employment. The Committee, therefore, strongly recommend that the matter should be pursued with the State Governments/U.T Administrations to impress upon them to have at least common National Floor Level Wage for the beedi workers throughout the country where wages are less than Rs.66/-.

2.42 The Committee are dismayed to note that there are 4 hospitals and 206 dispensaries functioning to cater to the needs of more than 45 lakh beedi workers which is obviously quite inadequate in view of a large number of beedi workers working in different parts of the country. The Committee also note that only the O.P.D. is functioning at Bihar Sharief and Mukkadal hospitals and other functions will start after completion of its construction work. The construction work is also going on at Sagar (M.P) and Mukkadal (T.N.) hospitals. The Committee further note that there is shortage of medical and para-medical staff in these hospitals and dispensaries. The Committee are of the view that without hospitals, dispensaries, medical and para-medical staff, how the basic health care to a large number of beedi workers, who are normally vulnerable to tuberculosis and respiratory disorders, is being provided. The Committee, therefore, strongly recommend that the hospitals at Bihar Sharief, Sagar (M.P) and Mukkadal

(T.N) should be established and made fully functional with Super-Speciality facilities without any further delay. The Committee also desire that more number of hospitals and dispensaries should be set up to cater to the medi-care needs of the beedi workers where they are concentrated. Steps taken and progress achieved in this regard should be communicated to the Committee within three months time.

Major Head : 2230
 Sub-Head : 01.111

SOCIAL SECURITY FOR LABOUR

C. EMPLOYEES' STATE INSURANCE SCHEME

2.43 The Employees' State Insurance Scheme provides comprehensive health insurance cover to the insured persons that includes full medical care for self and dependant family members besides cash benefits in contingencies such as sickness, maternity, temporary or permanent disablement, death due to employment injury. Other benefits include physical rehabilitation, vocational rehabilitation and payment of funeral expenses.

2.44 The Employees' State Insurance Scheme is mainly financed by the employers' and employees' contribution: in addition to the interest on investments. The rate of employers' share of contribution is 4.75% of the wages of the employees and the employees' share of contribution is 1.75% of their wages. The employees' earning wages less than Rs.50/- per day (w.e.f. 1.4.2004) are exempted from paying their share of the contribution. The expenditure on medical care is shared between the Employees' State Insurance Corporation and the concerned State Governments in the ratio 7:1. The entire expenditure on medical care of insured persons in newly implemented areas for an initial period of three years are borne by the Corporation without any ceiling. The Corporation does not receive any financial assistance from the Central Government. The ESI Scheme is a self financing social security programme for the workers in the organized sector.

2.45 The Ministry has furnished the position of coverage of factories / establishments during last three years is as under:

2001-2002 - 2.48 Lakhs
2002-2003 - 2.53 Lakhs
2003-2004 - 2.64 Lakhs

2.46 As regards special drive, the same was conducted in April and May 2001 leading to coverage of 4,988 units employing about 85,200 insurable employees under the Scheme.

2.47 During the month of August-October 2004, a special drive was undertaken in Punjab, U.P. and Delhi Regions leading to additional coverage of employees as shown below:

Sl. No.	Name of the area	Number of surveys conducted	Number of factories / establishments covered	Number of employees covered
1.	Ludhiana and Jalandhar (Punjab)	892	346	10,200 (which includes 5,200 employees not covered in factories/ establishments)
2.	Noida (U.P.)	965	341	8,700
3.	Delhi	1177	194	4,000
	Total	3034	881	22,900

The Regional Directors have been directed to undertake intensive surveys every year.

2.48 On being asked about extending coverage of ESI Scheme to all Municipal towns and other geographical settlements having a population of more than 10,000 person, the Ministry in a written reply furnished to the Committee has stated that the ESI Corporation, at its 130th meeting held on 1 February 2005, has approved extension of ESI Scheme to areas falling under municipalities, municipal corporations and cantonment boards in all the States and Union territories where the Scheme is in force. As extension of ESI Scheme to areas falling under municipalities, municipal corporations and cantonment boards necessitates completion of requisite medical arrangements to provide medical benefits to coverable workers and their families, it has been considered desirable that the task may be completed in a phased manner.

2.49 As regards raising the wage ceiling, the Ministry have stated that a proposal to raise the wage ceiling for coverage of employees under the ESI scheme to Rs.10,000/- per month to ensure continued coverage of workers who had gone out of coverage due to increase in their wages, was placed before the Corporation and Central Govt. has enhanced wage ceiling from Rs.6,500/- to Rs.7,500/- w.e.f. 1 April 2004. The enhanced wage ceiling was not consistent with the increase in the price index. A proposal is now under consideration with the ESI Corporation to enhance it further to Rs.10,000/- per month to ensure continued coverage of the intended beneficiaries for providing them the social security benefits.

2.50 Regarding enhancement of the wage ceiling it has been stated that when the Scheme was initially introduced in 1952, a wage ceiling of Rs.400/- was prescribed for coverage of employees under the Scheme. This was subsequently enhanced six times from time to time keeping in view the rise in the cost of living index. Due to rise of wages of the workers, mainly due to increase of their wages with the rise in the cost of living index, a large number of workers have been going out of coverage of ESI Scheme. The coverage which was 83.62 lakh employees in 1998 had gone down to 70.82 lakh employees in the year 2004.

2.51 In order to bring back those workers, who had gone out of coverage of the Scheme and to ensure continuity of social security benefits to them, a proposal for enhancing the wage ceiling to Rs.10, 000/- based on the increase in the cost of living index was placed before the ESI Corporation in its 126th meeting held on 16 December 2003. The matter was also discussed in Labour/Health Ministers' Conference held at New Delhi in September 2003, wherein it was unanimously recommended to enhance the ceiling to Rs.10,000/-. A Review Committee constituted by the Ministry of Labour under the Chairmanship of Shri M.C. Verma, also recommended enhancement of the wage ceiling to Rs.9,000/-.

2.52 However, the Corporation, after deliberating the matter, decided in its 126th meeting held on 16 December 2003, to enhance the same from Rs.6,500/- to Rs.7,500/- w.e.f. 1 April 2004 and also decided that it will be reviewed subsequently. Accordingly, keeping in view the rise in the price index for industrial workers, a proposal to raise the same from Rs.7,500/- to Rs.10,000/- was again placed before the ESI Corporation and is under consideration.

2.53 Regarding coverage to medical and educational institutions under the Scheme, it has been stated that the ESI Corporation, at its meeting held on 21 February 2003 and 27 February 2005, has approved extension of ESI Scheme to educational institutions and private medical institutions, respectively, under Section 1(5) of the ESI Act. As regards extension of ESI Scheme to educational institutions, so far the Government of Rajasthan has issued final notification extending the Scheme to educational institutions with effect from 26 October 2004. The State Governments of Karnataka, Bihar, Himachal Pradesh, Jammu & Kashmir, Pondicherry and Uttaranchal have issued intention notifications. In addition, approval of the Central Government has been conveyed to the Governments of Chhattisgarh, Madhya Pradesh and Tamil Nadu for issuing intention notification.

2.54 To give effect to the decision of the Corporation with regard to extension of ESI Scheme to private medical institutions, the Regional Directors have been requested to carry out detailed surveys of all the medical institutions in the implemented areas; to assess the number of coverable employees; and to liaison with the State Government to get the requisite medical arrangement in place.

2.55 The Ministry have furnished the following statement showing the amount of arrears to be recovered from the defaulting employers during the last three years (State-wise) along with the steps taken by the Corporation in this regard:-

(Rs.in crore)

Name of the region	Total arrears as on 31.3.2002	Arrear presently not recoverable	Arrear Recoverable	Amount Actually recovered	Total arrears as on 31.3.2003	Arrear presently not recoverable	Arrear recoverable	Amount actually recovered	Total arrears as on 31.3.2004	Arrear presently not recoverable	Arrears recoverable	Amount actually recovered
Andhra Pradesh	67.31	40.18	27.13	5.07	71.96	29.89	42.07	6.71	39.94	14.82	25.12	6.52
Vijayawada									32.3	17.02	15.28	
Assam	5.67	1.52	4.15	1.04	5.15	1.16	3.99	0.76	4.93	1.23	3.7	0.6
Bihar	14.38	7.69	6.69	0.76	8.04	2.18	5.86	1.44	8.26	2.21	6.05	0.41
Chhatisgarh									3.94	0.17	3.77	
Delhi	20.32	5.35	14.97	2.27	24.43	5.6	18.83	1.45	15.1	4.84	10.26	2.58
Gujarat												
(i) Ahmedabad	30.64	21.96	8.68	4.55	31.46	11.5	19.96	5.2	32.19	18.33	13.86	7.89
(ii) Baroda	4.72	1.97	2.75		5.26	1.36	3.9		5.15	1.37	3.78	
(iii) Surat	1.69		1.69		2.64		2.64		5.67		5.67	
Haryana	15.33	4.3	11.03	2.13	15.49	1.67	13.82	3.71	17.3	4.76	12.54	3.29
Karnataka											0	
(i) Bangalore	31.97	13.26	18.71	6.02	33.54	11.75	21.79	6.86	34.91	9.02	25.89	5.81
(ii) Hubli	8.67	3.23	5.44		8.79	2.76	6.03		9.45	1.88	7.57	0.75
Kerala	22.77	9.23	13.54	2.95	27.59	8.54	19.05	3.67	31.83	8.74	23.09	5.13
Madhya Pradesh	27.88	13.8	14.08	1.25	29.5	1.81	27.69	2.86	30.24	1.81	28.43	2.35
Maharashtra												
(i) Mumbai	60.06	29.6	30.46	8.82	83.77	9.35	74.42	8.55	83.16	9.39	73.77	12.04
(ii) Marol	12.36	2.42	9.94		12.32	4.32	8		14.61	4.6	10.01	1.22
(iii) Thane	11.86	2.31	9.55		14.04	2.5	11.54		17.77	5.34	12.43	1.57
(iv) Nagpur	8.89	7.54	1.35	0.64	10.03	1.64	8.39	1.03	7.85	1.82	6.03	4.27
(v) Pune	42.26	15.8	26.46	3.53	43.46	17.73	25.73	3.67	40.53	19.57	20.96	5.38
Goa	3.82	1.28	2.54	0.16	3.61	0.6	3.01	1.16	4.18	0.93	3.25	0.52
Orissa	16.6	7.94	8.66	1.8	18.9	6.14	12.76	2.52	19.75	6.29	13.46	1.78
Punjab	22.28	5.5	16.78	2.61	13.65	3.43	10.22	1.82	14.94	3.32	11.62	2.43
Rajasthan	10.49	6.78	3.71	1.05	13.45	5.82	7.63	1.58	15.29	8.09	7.2	1.51
Tamil Nadu												
(i) Chennai	53.22	12.24	40.98	7.2	63.81	16.44	47.37	8.12	89.29	23.13	66.16	10.44
(ii) Pondicherry	1.46	0.16	1.3		2.1	0.28	1.82		2.07	0.08	1.99	0.31
(iii) Coimbatore	13.98	4.03	9.95	2.22	20.36	1.46	18.9	3.11	23.13	1.49	21.64	4.25
(iv) Madurai	18.01	8.81	9.2	1.75	22.91	6.15	16.76	1.85	23.03	8.02	15.01	4.02
Uttar Pradesh	66.58	35.37	31.21	3.72	114.26	18.2	96.06	7.62	79.56	36.7	42.86	13.8
Uttanchal									5.74	2.75	2.99	
West Bengal	155.04	113.97	41.07	13.05	194.52	71.56	122.96	14.33	123.8	68.93	54.87	17.45
Barrackpore									71.39	46.31	25.08	
Himachal Pradesh					1.15	0.07	1.08		1.53	0.08	1.45	
J&K					6.7	0.51	6.19		3.45	0.51	2.94	
Jharkhand					6.1	0.95	5.15		6.19	0.94	5.25	0.18
Recovery from NTC Mills												15
TOTAL	748.26	376.24	372.02	72.59	908.99	245.37	663.62	88.03	918.47	334.49	583.98	131.5

2.56 In the event of non-payment of contribution by the defaulting employers outstanding ESI dues are recovered by the Corporation under the provisions of Section 45

(c) to 45 (I) of the ESI Act. A special drive is invariably undertaken during the last quarter of every financial year, i.e. during the period January to March for ensuring maximum recovery of the dues of the Corporation.

2.57 Regarding disposal of legal cases, the Ministry have stated that the position of legal cases pending and disposed of under Section-85 of ESI Act and Section 406/409 of IPC for the last three years is given below:-

SECTION 85 OF THE ESI ACT, 1948 AND 406/409 OF IPC

Sl. No.	Particulars	2001-2002		2002-2003		2003-2004	
		Under Section 85 of ESI Act	Under Section 406/409 of IPC	Under Section 85 of ESI Act	Under Section 406/409 of IPC	Under Section 85 of ESI Act	Under Section 406/409 of IPC
1.	No. of cases pending at the beginning of the year	14064	2104	14807	2005	16194	1902
2.	Cases filed during the year	2095	130	3151	71	2731	136
3.	Total	16159	2234	17958	2076	18925	2038
4.	Cases disposed	1352	229	1764	174	1353	252
5.	Pending at the end of the year	14807	2005	16194	1902	17572	1786

2.58 While stating the status report on setting up of one Model Hospital to be run and fully funded by ESIC in each State/U.T., the Ministry has stated that the ESI Corporation has taken over the following hospitals to develop them into Model Hospitals:

1. Nacharam Hospital (Andhra Pradesh)
2. Beltola (Assam)
3. Phulwarisharif (Bihar)
4. Namkum, Ranchi (Jharkhand)
5. Rajajinagar, Bangalore (Karnataka)
6. Asaramam (Kerala)
7. Rourkela (Orissa)
8. Ludhiana (Punjab)
9. Jaipur (Rajasthan)
10. Sahibabad (Uttar Pradesh)
11. Bari Brahma (Jammu & Kashmir)

2.59 The Governments of Pondicherry and Gujarat have agreed to hand over their hospitals for developing into Model Hospitals.

2.60 The Governments of Himachal Pradesh and Goa have not agreed to hand over their hospitals to ESI Corporation for developing them into Model Hospital, on the terms and conditions prescribed by the Corporation.

2.61 On being asked whether there is any shortage of medical, para-medical and other staff in the ESI Hospitals/Dispensaries in the Centre/State, it has been informed that there is some shortage of medical, para-medical and other staff in ESI Hospitals/ dispensaries in the country. The details of sanctioned/actual strength of the staff are given in the following Table:

Staff Position in ESI Scheme as on 31.3.2004

S.No.	State	Medical		Para-Medical		Others	
		S	P	S	P	S	P
1.	Andhra Pradesh	720	414	1723	1235	1880	1477
2.	Assam	102	85	191	165	241	235
3.	Bihar	228	86	178	70	293	158
4.	Chandigarh Admn.	55	32	115	66	72	49
5.	Chhatisgarh	37	32	70	59	101	88
6.	Delhi	1057	667	2456	1785	1791	1339
7.	Goa	37	34	86	83	89	82
8.	Gujrat	827	625	1540	1010	2149	1825
9.	Haryana	284	248	663	562	911	723
10.	Himachal Pradesh	24	22	42	34	59	54
11.	Karnataka	749	518	1250	674	1527	1143
12.	Kerala	644	480	1240	998	1640	1364
13.	Madhya Pradesh	389	329	671	540	1107	1020
14.	Maharashtra	411	314	1410	1045	2982	2254
	a) Mumbai	388	356	192	167	351	298
	Pune	90	81	258	168	459	350
	Nagpur						
15.	Meghalaya	2	2	8	4	15	10
16.	Orissa	200	160	403	339	602	484
17.	Pondicherry	47	34	220	194	64	64
18.	Punjab	333	327	624	579	1044	811
19.	Rajsthan	340	262	676	528	938	774
20.	Tamilnadu	754	609	2279	1674	2433	1827
21.	Uttar Pradesh	658	482	1482	1048	1669	1459
22.	Uttaranchal	9	5	52	48	7	7
23.	West Bengal	795	574	2395	1545	3173	2252
24.	Jammu & Kashmir	12	9	33	30	38	28
25.	Jharkhand	137	62	236	80	388	98
	Total	9,329	6,849	20,493	14,730	26,023	20,273

2.62 The Committee note that due to rise of wages of workers with the rise in the cost of living index, a large number of workers have been going out of coverage of ESI Scheme as the wage ceiling for coverage under the Scheme is Rs.7,500/-. The Committee further note that the coverage which stood at 83.62 lakh employees in the year 1998 had gone down to 70.82 lakh employees in the year 2004. The Committee also note that a large number of workers of the educational and private medical institutions are not covered under the ESI Scheme. The Committee, therefore, urge the Government to raise the wage ceiling from Rs.7,500/- to Rs.10,000/-, if not more, without further delay besides extending ESI Scheme to educational and private medical institutions under Section 1 (5) of the ESI Act.

2.63 The Committee further desire that the ESI Scheme should also be extended to areas falling under municipalities, municipal corporations and cantonment boards besides workers in the unorganized sector in all the States and Union territories where the Scheme is in force by amending the existing Act.

2.64 The Committee note with concern that the amount of ESI dues against the defaulting employers are increasing year after year. It has gone up to the tune of Rs.918.47 crore particularly during the year 2003-2004. Despite taking over the task of recovery of arrears through its own recovery machinery, the Corporation could realize a sum of Rs.131.15 crore only during the year 2003-2004. The Committee are not satisfied with the progress made by the ESI Corporation in realizing the arrears. In the opinion of the Committee, if the recovery position is not improved, the ESI Scheme would be financially weakened and become unviable.

The Committee, therefore, strongly recommend that the Corporation should gear up its machinery to realize the arrears expeditiously.

2.65 The Committee are perturbed to note that there is acute shortage of medical and para-medical staff in the ESI hospitals and dispensaries and even these are not equipped with super-speciality treatment devices, drugs, dressings and proper operation theatre particularly in the State sphere. The Standing Committee, during their visit to ESI hospitals at Cochin and Nacharam and Santanagar at Hyderabad (one of these at Nacharam is a Model hospital run by ESIC), found that the Scheme was not functioning upto the standards expected by the insured persons. While taking a serious note of the fact, the Committee are of the view that in the absence of doctors, medicines and operation theatre, the workers are deprived of getting proper medical care under the ESI scheme. The Committee, therefore, strongly recommend that the Ministry should monitor the functioning of the Corporation effectively and ensure that the medicines, drugs and dressings are supplied on time.

2.66 The Committee note with concern that there is a ban on creation of posts of doctors and para-medical staff in the ESI hospitals and dispensaries. The Committee find no justification on any ban on these posts when the Scheme is purely meant for the social security of workers with the contribution of employers and employees. The Committee, therefore, strongly recommend that the ESI Corporation should take necessary steps for filling up the vacancies of medical and para-medical staff in the hospitals and dispensaries run by the Corporation without any further delay by organizing special recruitment drives, if necessary.

Major Head : 2230
Sub-Head : 111.02

D. EMPLOYEES' PROVIDENT FUND ORGANISATION

2.67 Employees' Provident Funds and Miscellaneous Provisions Act, 1952 provides for Provident Fund, Pension and Deposit Linked Insurance for employees in factories and other establishments. The Administration of the Schemes, namely (i) Employees' Provident Fund Scheme, 1952 (ii) Employees' Pension Scheme, 1995 (effective from 16.11.1995) and (iii) E.D.L.I. Scheme, 1976 is vested in the Central Board of Trustees, Employees' Provident Fund, a tripartite body consisting of the representatives of the organizations of Employers, Employees', Central and State Governments. The Organization is responsible for enforcement of the three Schemes and is known as the Employees' Provident Fund Organization.

2.68 The Act is at present applicable to 180 industries/classes of establishments employing 20 or more persons. It is also open to other establishments which come voluntarily under the purview of the Act with the mutual consent of the employer and the majority of the employees. The coverage under the three Schemes is restricted to employees drawing wages not exceeding Rs.6,500/- per month.

2.69 The main functions of the EPF Organization are as follows:-

1. To make the benefits available to all the eligible employees in all the covered establishments in proper manner and at the proper time.
2. To secure from the employers compliance with the statutory provisions and ensure proper deposit of statutory dues and submission of returns.
3. To maintain the accounts of the three funds and of the subscribers upto date.
4. To grant advance of the subscribers from their credit in the EPF for certain specific purposes in times of need.
5. To keep each subscriber informed about the amount at his credit in the Provident Fund by furnishing to him every year a statement of Provident Fund account.
6. To settle accounts of the subscribers promptly in the event of death or on the cessation of membership.

2.70 Regarding the enhancement of wage ceiling, the representative of the Ministry during the course of evidence stated as under:

“The wage ceiling of Rs. 6,500 was considered by the Board. But it was not recommended because once we increase the wage ceiling, it will have a definite impact on the pension scheme. It has to be actuarially evaluated whether the increase will have any adverse impact on the pension scheme. So, we are trying to first make some changes in the pension scheme so as

to link the pension payable to the member with the various wage ceiling in-between. Once that is taken care of we can think of increasing the wage ceiling from Rs. 6,500 to Rs.10,000/-“

2.71 On being asked about the number of establishments and number of their employees covered under the EPF Scheme, the Ministry has furnished the following details:-

Year	Establishments			Members		
	Exempted	Unexempted	Total	Exempted	Unexempted	Total
2001-02	2590	3,55,157	3,57,747	38,96,598	2,35,21681	2,74,18,279
2002-03	2564	3,4,1944	3,44,508	37,51,222	3,57,47,389	3,94,98,611
2003-04	2491	3,67,895	3,70,386	37,17,390	3,63,75,093	4,00,92,483

2.72 When asked about the number of establishments which are not depositing the PF contribution in the office of Provident Fund Commissioner though they are deducting the amount from the wages of their employees, it has been informed that no separate record is maintained in respect of establishments defaulting in remittance of employees' share. However, as soon as such a default is detected, a case under section 406/409 of Indian Penal Code is filed before the police authorities. As on 31 March 2004, the number of defaulting establishments was 52,302 and the amount outstanding against them was Rs.1,862.80 crore. The details of actions taken against such defaulting establishments during the last three years are as follows:

Coercive Actions Initiated Against EPF Defaulters

Year	Prosecution cases launched u/s 14	Complaints filed u/s 406/409 IPC	Immovable Properties attached	Movable properties attached	Bank accounts attached	Arrest of defaulters
2001-2002	6,712	570	233	542	8,301	145
2002-2003	2,451	945	322	287	6,390	144
2003-2004	2,426	1,387	377	624	19,278	121

2.73 Employees' Provident Fund Organisation has no system of blacklisting defaulting establishments. However, the names of major defaulters have been put on the website of EPFO, www.epfindia.com, w.e.f. October 2003.

2.74 About the legal action initiated by the EPFO against the defaulting establishments during the last three years, it has been stated that the details of legal action initiated against the defaulting establishments are as under:

Cases u/s 14 and 406/409 IPC for the last Three Years

Year	Initiated u/s 14	Initiated u/s 406/409 IPC
2001-2002	6,712	570
2002-2003	2,451	945
2003-2004	2,426	1,387

Efforts are being made by Employees' Provident Fund Organisation for quick disposal of cases through regular monitoring and by engaging special counsels wherever necessary.

2.75 Regarding the PF arrears the, it has been informed that the arrears have increased over the years. The details of outstanding EPF dues as well as recovery position over the last three years are as under:-

Year	Total Amount to be Recovered	Amount Recovered	(Rs. in crore)
			Balance Outstanding
2001-2002	2,194.77	858.53	1,336.24
2002-2003	2,397.78	885.99	1,511.79
2003-2004	3,695.50	1,832.70	1,862.80

The factors responsible for increasing arrears are continued defaults by the employers, regular assessment of dues, closure of establishments, litigation, etc.

2.76 Employees' Provident Fund Organisation is facing difficulties in realization of arrears on account of the following reasons:

- Stays/Disputes in courts
- Establishments having gone into liquidation
- Recovery action barred by the Acts of Central/State Governments.
- Establishments declared sick by BIFR.
- Establishments in respect of which rehabilitation scheme had been sanctioned by the BIFR.

2.77 On being asked whether the Government has any proposal to establish Appellate Authority within EPF Organisation on the pattern of Income Tax Appellate Tribunal, the Ministry has stated that in addition to the existing Appellate Tribunal at Delhi, EPFO has recommended for setting up of an Appellate Tribunal in each zone. The matter is under consideration at present.

2.78 Regarding strengthening of the enforcement machinery in the Central and State Governments for effective implementation of social security scheme, the Ministry have stated that it has been a constant endeavour of Employees' Provident Fund Organisation to reach out to subscribers as mandated under the EPF & MP Act, 1952. For instance, in the year 2001-2002, 3,57,747 establishments were covered with 274.18 lakh members. The corresponding figure for 2003-2004 was 3,70,386 establishments and 400.92 lakh subscribers. Action against the defaulters is being taken through Computerised Compliance Tracking System (CCTS) and specific cases of default are being examined through squads (Central/Zonal). Apart from this, Employees' Provident Fund Organisation takes the issue of collection of arrears from the defaulting establishments on a regular basis enforcing all penal provisions of the Act judicially for efficient recovery. Apart from this, Employees' Provident Fund Organisation has taken a policy decision to reach out to the subscribers at their nearest place of work by opening of various Sub Regional Offices and Sub Accounts Offices. Addition of Jangipur (West Bengal) and Siddipet (Andhra Pradesh) recently, are steps in this direction. The Organisation has also taken a decision to bifurcate the major regions of Maharashtra, Tamil Nadu, Gujarat, Andhra Pradesh and West Bengal into smaller administrative units for improving the efficiency of service delivery to its subscribers.

2.79 On being asked about the various establishments which are enjoying exemption from the operation of the Scheme but are not following the conditions for grant of exemption as they are not depositing the PF dues in Trust Account regularly, the Ministry have informed that there are establishments, which have been granted exemption. As on 31 March 2004, the total number of defaulting establishments which have been exempted was 312. Out of this, 129 belong to the public sector while 183 belong to the private sector. During the year 2003-2004, 26 prosecution cases under section 14 of the Act were filed and 113 complaints were filed under section 406/409 of the Indian Penal Code.

EMPLOYEES PENSION SCHEME, 1995

2.80 The Presidential Ordinance regarding implementation of the Employees' Pension Scheme was issued on 17 October 1995. Accordingly, Central Government have notified on 16 November 1995, the Employees' Pension Scheme 1995 for extending the benefit of Pension to the Workers/Employees of the Private/Public Sector establishments.

2.81 Under the Employees Pension Scheme, there is provision for payment of Superannuation/Short Service and Disablement Pension to the Subscribers. For the family, there is widow pension, monthly children pension, monthly orphan pension and pension to nominees. In addition, provision also exists for return of capital subject to option by the members for drawing a reduced Pension. To settle accounts of the Subscribers promptly in the event of death or on the cessation of membership.

2.82 When asked about the pension last revised, the Ministry has stated as under:

“The Employees Pension Scheme is a defined benefit scheme. So, the benefit is defined in the Scheme itself. It is not revised as and when the Government announces Dearness Allowance etc. But there is a provision that whenever we have surplus funds, we pay dearness relief to the pensioners from time to time.”

2.83 The EPFO, in its 50th Annual report has stated that the valuation process for 5th and 6th Valuation has started. Selection of Panel of Actuaries and Valuer was done by a Special Committee formed for this purpose. On the basis of Committee's recommendation, Government appointed the Valuer and the Panel of Actuaries.

2.84 The Committee note that out of 39.7 crore workers, only about 4 crore workers have been covered under Employees Provident Fund Scheme both in the Exempted and Unexempted Sectors. The Committee also note that for coverage, the Scheme is restricted to employees drawing wages not exceeding Rs. 6,500/- per month. The Committee are of the view that a large number of employees are not covered due to restriction of wage ceiling in the Scheme. The Committee, therefore, strongly recommend that the wage ceiling should be enhanced to Rs.10,000/- per month to cover more number of employees under the Scheme.

2.85 The Committee note with concern that the provident fund arrears are continuously increasing year after year. During the year 2003-04, an amount of Rs.1,862.80 crore was outstanding against the defaulting establishments. The Committee further note that a large number of cases are pending under Section 14 of the EPF&MP Act and also under Section 406/409 of the Indian Penal Code for a long time. The Committee, therefore, recommend that the Ministry should speed up recovery of outstanding dues by taking appropriate legal action against the defaulting establishments. The Committee also desire that the Ministry should consider the proposal for setting up of an Appellate Tribunal in each zone in addition to the existing Appellate Tribunal at Delhi without further delay for quick disposal of pending cases.

2.86 The Committee are concerned to note that the last additional relief to all the pensioners was given on 1 April 2000. The Committee are of the view that the Government is not serious particularly in respect of pensioners as the Consumer Price Index has increased manifold since 2000. The Committee, therefore, desire that the Government should make efforts to provide additional relief to all the pensioners under the Employees Pension Scheme taking into account the rise in prices of essential commodities.

Major Head : 2230
Sub-Head : 111.05

E. UNORGANISED SECTOR WORKERS SOCIAL SECURITY SCHEME

2.87 It has been stated that a proposal for a comprehensive legislation for the unorganised sector workers in the country, namely, 'the Unorganised Sector Workers Bill, 2004' is under consideration of the Government. The objective of the draft Bill is to regulate the employment and conditions of service and to provide for their safety, social security, health and welfare measures. The details of the draft Bill are at the stage of consultation with the stakeholders, i.e. State Governments, Central Trade Unions, Employers' Organisations, NGOs. etc.

2.88 As per the survey carried out by the National Sample Survey Organisation in the year 1999-2000, the total employment in both organized and unorganized sector in the country was of the order of 39.7 crore. Out of this, 2.8 crore were in the organized sector and the balance 36.9 crore in the unorganized sector. Out of 36.9 crore workers in the unorganized sector 23.17 crore workers were employed in agriculture sector, 1.7 crore in construction, 4.1 crore in manufacturing activities and 3.7 crore each in trade and transport, communication and services. The workers in unorganized sector fall in various categories but a large number of them are home-based workers which are engaged in occupations like beedi rolling, agarbatti making, papad making, tailoring, zari and embroidery work.

2.89 The unorganized workers suffer from cycles of excessive seasonality of employment, no formal employer-employee relationship and lack of social security protection. Several legislations like the Minimum Wages Act, 1948; the Workmen's Compensation Act, 1923 and the Maternity Benefit Act, 1961; the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 are directly or indirectly applicable to the workers in the unorganized sector also. The Government has constituted some welfare funds also to provide social security to workers in occupations like beedi rolling, etc. There are some employment-oriented schemes like Swarnajayanti Gram Swarajgar Yojana, Pradhanmantri Gram Sadak Yojana, Sampoorna Gramin Rojgar Yojana, etc. The Government has also launched group Insurance Schemes like Janshree Bima Yojana. Despite these initiatives, the working and living conditions of the unorganized sector workers continue to be pathetic.

2.90 As a major policy decision, the Ministry has decided to provide social security benefits to the workers in the unorganized sector who constitute around 92% strong workforce in the country. To begin with, the Government has introduced the Social Security Scheme for the unorganized sector workers on a pilot basis in 50 districts of the country, which was launched in January 2004. However, the scheme could not take off for want of statutory backing. The Government has, therefore, decided to review the scheme in consultation with the Planning Commission and the Ministry of Finance.

2.91 The Second National Commission on Labour has suggested an umbrella legislation for ensuring a minimum level of protection to the workers in the unorganized sector.

2.92 Based on the views/suggestions received from the social partners, the Government has contemplated to bring forward a legislation to regulate the employment and service conditions of the unorganized sector workers and to provide for their safety, social security and health.

2.93 During the course of evidence, the representative of the Ministry stated as under;-

“About the Unorganised Sector Workers’ Bill, it is still in the primary stage. We are consulting the various Central Trade Unions and the State Governments as also other stakeholder. When we receive the views of the State Governments, they are saying that most of the unorganized sector workers fall in the State’s purview and whatever schemes are there, like group insurance scheme, pension scheme or medical benefits or other social security schemes, money is required. The States are saying that they do not have the wherewithal and financial capacity to finance all these Schemes and the Centre should come in a big way to finance those Schemes. This is the primary responsibility of the States. Still it is in the discussion stage and consultation stage. This is the fact that most of the States are asking the Centre to bear the burden of finances”.

2.94 Explaining further, the Labour Secretary informed the Committee as under:-

“I would like to clarify. As I said in my presentation, we have now gone to the issue of funding this scheme. We have had discussions with the members of the Planning Commission on this; we have had discussions with LIC, on agriculture workers. They have written to the Finance Ministry to find necessary funds for this. And that is where we are presently stuck”.

2.95 The Committee note that though the Government has enacted several laws and Schemes for the welfare of workers in the organized sector yet much is needed to be done by them for the workers in the unorganized sector who constitute around 92% strong workforce in the country. The total employment in both organized and unorganized sectors in the country was of the order of 39.7 crore, i.e. 2.8 crore in the organized sector and balance 36.9 crore in the unorganized sector. The Committee also note that the social security scheme for the unorganized sector was launched in January 2004 on a pilot basis in 50 districts of country but the Scheme could not take off for want of statutory backing. The Committee, therefore, recommend that the Ministry should take urgent steps in consultation with the Planning Commission and the Ministry of Finance to bring forward a legislation in the Parliament to regulate the employment and service conditions of the unorganized sector workers to provide them safety, social security and healthcare facility. For this, Central Trade Unions should also be consulted.

2.96 The Committee are of the view that immediate steps should be taken by the Government to bring in a comprehensive legislation exclusively for the 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. as has been recommended by them in their first and third Reports.

Major Head : 2230
 Sub-Head : 05.11

F. PARTICIPATION OF WORKERS IN MANAGEMENT

2.97 It has been stated in the Performance Budget that the Participation of Workers in Management Bill, 1990 was introduced on 30 May 1990 in the Rajya Sabha. The Bill was referred to the Parliamentary Standing Committee on Labour and Welfare on 12 July 1994 for their examination and report. The Parliamentary Standing Committee on Labour and Welfare has submitted their report on 18 December 2001. The Committee had given their recommendations/observations on the clauses of the Bill. The observations of the Standing Committee on Labour and Welfare will be taken into account while framing rules and/or taking other subsequent actions.

2.98 Keeping in view, the interest of the workers as well as employers, Ministry is going to pursue the Participation of Workers in Management Bill, 1990 with modification that instead of Board of Management at the apex level, Corporate Council shall be incorporated in the Bill. However, before working out details in this regard, the matter will be discussed in a tripartite fora. The Participation of Workers in Management has been included as one of the items of the agenda in the forthcoming Standing Labour Committee meeting.

2.99 During the course of evidence, the representative of the Ministry stated as under:

“The main problem is, the Bill was introduced in Rajya Sabha in 1990 which provides for participation of workers at the shop-floor level, at the establishment level and management level. But in the trade union meeting, the employers have been objecting to the participation of workers at the management level. There is a model in TISCO where they have councils at different stages at the sub-floor level, at the establishment level and at the management level. But the council is purely advisory. But some of the functions would be relating to the improvement of the shop-floor working, sanitation, improvement of efficiency, redressing grievances, etc. Some amendments could be carried in the ID Act itself so that participation of workers in the Management can be facilitated. We can either amend the ID Act to provide for workers participation in the management or we can go exclusively for this Bill with some modifications which has been cleared by the Standing Committee in 2001. The matter will be discussed with the social partners”.

2.100 The Committee are constrained to note that although the erstwhile Standing Committee on Labour and Welfare had presented their Fifteenth Report on the Participation of Workers in Management Bill, 1990 in the Parliament on 18 December 2001, the Government has failed to bring any legislation so far which demonstrates utter lack of seriousness on its part towards labour participation at decision making levels. The Committee, therefore, desire that the Ministry should hold tripartite meetings and resolve the issue with them and bring an early legislation to enable the workers to participate at decision making levels.

Major Head : 2230

G. PAYMENT OF BONUS ACT, 1965

2.101 As per Section 2 (13) of the Payment of Bonus Act, 1965 an employee drawing a salary or wage not exceeding Rs.3,500/- per mensem in any industry is eligible for payment of bonus. The wage ceiling was last revised in the year 1995 and made effective from 1 April 1993.

2.102 On being asked about the reasons for not enhancing the wage limit for payment of bonus as it was last revised in the year 1995, the Ministry in its written reply has stated that 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 (NCL) was sent to Ministry of Finance for their concurrence/views. Ministry of Finance advised as under:

“The Ministry of Labour are advised to postpone the matter till next year, and also work out the additional burden on the economy as a whole in the meantime”.

2.103 When asked whether the Government has worked out the actual financial implications on payment of bonus, it has been stated that the financial implications in raising the eligibility limit from Rs.3,500/- to Rs. 7,500/- and calculation ceiling from Rs.2,500/- to Rs.3,500/- as per the recommendations of second National Commission on Labour (NCL), calculated at the time of forwarding the proposal to Ministry of Finance for their concurrence/views are as under: -

In-so-far as the Central Government employees are concerned, raising the eligibility ceiling of salary/wages from Rs.3,500/- to Rs.7,500/- per month is not material as all Government servants in Group ‘B’ (Non-Gazetted), Group ‘C’ and Group ‘D’ irrespective of salary/wages they are drawing, are covered under the Bonus Scheme. However, increase in the calculation ceiling from Rs.2,500/- to Rs.3,500/- is very important. As per the latest figures available (for the year 2001-02), a sum of Rs.1,192.19 crore was disbursed to the Central Government employees as bonus/productivity linked bonus during the year 2001-02, when the calculation ceiling was Rs.2,500/- per month. If the existing calculation ceiling of Rs.2,500/- per month is raised to Rs.3,500/- per month (i.e. 40% increase) an additional amount of Rs.476.87 crore (40% of Rs.1,192.19 crore) will have to be paid as bonus. Thus, total payment to Central Government employees under the Bonus head would come to Rs.1,669.06 crore (Rs.1,192.19 + Rs.476.87 crore). The Central Government employees also include employees of Railway, Posts, Telecommunications etc.

So far as employees of Central Public Sector Undertakings (CPSUs) are concerned, the Ministry had sought information from the Department of Public Enterprises regarding financial implications of the eligibility and calculation ceilings being raised to Rs.7,500/- and Rs.3,500/- respectively. Information has been received in respect of 181 CPSUs and compiled. The picture emerges that in the year 2000-01, the total outgo on account of bonus/ex-gratia was Rs.126.23 crore and the additional amount required for effecting the above stated change would be Rs.114.13 crore. According to the Public Enterprise Survey, 2002-03, there are 227 CPSUs. These two figures would stand upgraded to approximately Rs.158.31 crore and Rs.143.13 crore respectively (total Rs.301.44 crore) once the number of CPSUs in respect of which the information has not been received are accounted for. It is however, possible that the actual amount required may be less as about 6 % CPSUs employees are taking voluntary retirement annually resulting in reduction in CPSU workforce.

2.104 It may be seen that as against approximate outgo of Rs. 1,350.50 crore (Rs. 1,192.19 crore for Government employees + Rs. 158.31 crore for CPSU employees) when the eligibility and calculation ceilings are Rs. 3,500/- and Rs. 2,500/- per month respectively, once these ceilings are raised to Rs. 7,500/- and Rs. 3,500/- per month, the approximate outgo would become Rs. 1,970.50 crore (Rs. 1,669.06 crore for Central Government employees + Rs. 301.44 crore for CPSUs employees). It amounts to an approximate additional annual burden of Rs. 611 crore (Rs. 467.87 crore for Central Government employees + Rs. 143.13 crore for CPSU employees).

2.105 The Committee are constrained to note that the wage limit for payment of bonus was last revised in the year 1995. The Committee also note that there was 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/- which was sent to the Ministry of Finance for their concurrence but the Ministry of Labour was advised to postpone the matter till the next year. The Committee are of the view that the Government is not serious in the matter of enhancing the wage limit for payment of bonus as it was last revised ten years back and as a result thereof a large number of industrial workers are deprived of their legitimate right of bonus. Also in the opinion of the Committee the proposed enhancement of eligibility limit of bonus to Rs. 7,500/- is not adequate in the present scenario and as such it should be enhanced to Rs.10,000/-. The Committee, therefore, desire that the Ministry should take up the matter with the seriousness it deserves with the Ministry of Finance to enhance the wage ceiling under the Payment of Bonus Act without any further delay.

NEW DELHI;

20 April, 2005
30 Chaitra, 1927 (Saka)

P.K. VASUDEVAN NAIR
Chairman,
Standing Committee on Labour

**MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON TUESDAY, 5 APRIL 2005.**

The Committee met from 1100 hours to 1330 hours in Committee Room 'B', Parliament House Annexe, New Delhi.

PRESENT

Shri P.K. Vasudevan Nair-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. Shri Virendra Kumar
8. Shri Rajesh Kumar Manjhi
9. Shri Ananta Nayak
10. Shri Lal Mani Prasad
11. Shri Chandradev Prasad Rajbhar
12. Shri Chandra Pratap Singh
13. Smt. C.S. Sujatha

RAJYA SABHA

14. Shri Gandhi Azad
15. Shri Lekhraj Bachani
16. Shri Debabrata Biswas
17. Shri Rudra Narayan Pany
18. Shri K. Chandran Pillai

SECRETARIAT

- | | | |
|-----------------------|---|--------------------|
| 1. Shri P.D.T. Achary | - | Secretary |
| 2. Shri N.K. Sapra | - | Joint Secretary |
| 3. Shri R.S. Misra | - | Deputy Secretary |
| 4. Shri N.K. Pandey | - | Under Secretary |
| 5. Shri S.K.Saxena | - | Assistant Director |

REPRESENTATIVES OF MINISTRY OF LABOUR AND EMPLOYMENT

Sl.No.	Name of the Officer	<u>Designation</u>
1.	Shri K.M. Sahni	Secretary
2.	Shri J.P. Singh	Additional Secretary (L&E)
3.	Dr. H.N. Gupta	Labour & Employment Adviser
4.	Shri K. Chandramouli	Joint Secretary
5.	Shri J.P. Pati	Joint Secretary
6.	Smt. K.Rama Murali	Joint Secretary & FA (L&E)
7.	Shri Manohar Lal	Joint Secretary (DGLW)
8.	Shri K.K. Mittal	Joint Secretary (DGE&T)
9.	Dr. Ajay Dua	DG (ESIC)
10.	Shri Vinod Kumar Pipersenia	Financial Commissioner
11.	Shri Dr. (Ms.) Kamlesh Kalra	Medical Commissioner
12.	Shri A.J. Pawar	Insurance Commissioner
13.	Shri Anirudh Rai	CPFC
14.	Dr. Ashok Sahu	Economic Adviser
15.	Shri S.K.Mukhopadhyay	CLC (C)
16.	Shri S.K. Saxena	DGFASLI
17.	Shri Bhaskar Bhattacharjee	DGMS
18.	Shri Y.P. Sharma	Director, Training
19.	Dr. Harcharan Singh	Director
20.	Shri Manoranjan Kumar	Director
21.	Shri K.C. Jain	Director
22.	Shri Shahid Meezan	Director
23.	Shri C.A. Bhaskaran	Director
24.	Shri Suraj Bhan	Director
25.	Shri J. Vishwanathan	Director
26.	Shri A.V. Singh	Director (Finance)
27.	Mrs. S. Thomas	Director (P&D)
28.	Shri P.K. Ray	DDG (DGE&T)
29.	Shri K.K. L. Srivastava	Zonal Director (CBWE)
30.	Shri Uday Kumar Verma	Director (VVG NLI)
31.	Smt. Rama Murali	Financial Adviser (L&E)
32.	Smt. Harjot Kaur	Deputy Secretary

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 2004-05 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 include (a) General Performance of the Ministry; (b) Minimum Wages (c) Beedi Workers Welfare; (d) Labour Tribunals, Courts of Enquiry and Conciliation Boards; (e) Payment of Bonus Act; (f) Unorganised Sector Workers; (g) Directorate General of Mines Safety; (h) DGFASLI; (i) Employees' State Insurance Scheme; (j) Employees' Provident Fund Scheme; and (d) Labour Reforms.
4. The Secretary and other officials of the Ministry replied to the queries raised by the Members. The Chairman directed the Secretary to send written replies to the queries of the Members on which readily information was not available with them during the evidence.
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 Committee then adjourned.

MINUTES OF THE TWELFTH SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON WEDNESDAY, 20 APRIL 2005.

The Committee met from 1530 hours to 1715 hours in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

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

RAJYA SABHA

18. Shri Gandhi Azad
19. Shri Lekhraj Bachani
20. Ms. Pramila Bohidar
21. 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 2005-2006 of the Ministry of Labour and Employment and the Ministry of Textiles.

3. The Committee then took up the draft Fifth Report on Demands for Grants relating to the Ministry of Labour and Employment for the year 2005-2006 and adopted the same without modifications.

4. XX XX XX XX

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

6. The Committee then placed on record their deep appreciation to the officers and staff of the Lok Sabha Secretariat for their valuable assistance rendered by them to the Committee in preparing the draft reports within limited time.

7. XX XX XX XX

The Committee then adjourned.

APPENDIX

STATEMENT OF RECOMMENDATIONS/OBSERVATIONS

SL.NO.	PARA NO.	RECOMMENDATIONS/OBSERVATIONS
1.	1.17	<p>The Committee note that though the Ministry of Labour and Employment has improved their expenditure in Plan and Non-Plan allocation during the year 2004-2005, the percentage expenditure over R.E. on some of the Schemes upto February 2005 is not upto the mark under the Plan allocation such as Holding of Lok Adalat, DGFASLI, DGMS, Rehabilitation of Bonded Labour – Grants-in-aid, Information Technology, Grants-in-aid to Research and Academic Institutions, Welfare of SC/ST and other Backward Classes. On some of the important Schemes, expenditure, however, was nil. These Plan Schemes include Grants-in-aid and Scheme for Research and Statistics and Grants-in-aid to States for Training. The reasons put forth by the Ministry for less spending or no spending at all on some of the Schemes, such as approval of few projects at the end of the year; non-approval of the Training Scheme, procedural delay in procurement of equipment, non-creation of posts, etc. are least convincing. The Committee are of the firm view that the monitoring and coordination of the Ministry with other implementing agencies are not effective at all. The Committee, therefore, lay stress on improving planning and coordination between the Ministry and the implementing agencies so that the Schemes specifically aimed at the welfare of the labour do not remain dysfunctional because of inaction on their part and the precious resources allocated for the purpose do not remain unspent. Further, the monitoring mechanism of the Ministry over the spending on various Schemes need to be strengthened and progress achieved in this regard should be communicated to the Committee quarterly.</p>
2.	2.19	<p>The Committee are constrained to note that 14,680 cases and 5,068 applications were pending for disposal under various Labour Courts during the year 2004. Of these 921 cases have been pending for the last 10 years. The Committee also note that the posts of Presiding Officers in CGITs at Mumbai-I and Mumbai-II and Nagpur are lying vacant since 2003. The Committee feel that the industrial workmen are the ultimate sufferers if their cases are not resolved in time. Moreover, they do not have any financial assistance to fight their cases for a long time. Further, the Committee express their displeasure that the awards of the Tribunals are also not being implemented in letter and spirit. They, therefore, desire that the Ministry should improve their monitoring to dispose of the cases in quickest possible time besides filling up the vacant posts of</p>

		<p>Presiding Officers in 3 CGITs at Mumbai-I, Mumbai-II and Nagpur without delay. The Committee further desire that more number of CGITs-cum-Labour Courts should also be set up in the remaining period of Tenth Five Year Plan to clear the backlog. Also, vigorous efforts should be made by the Ministry to implement the awards of the Tribunals in quickest possible time so that labourers do not suffer any more.</p>
3.	2.20	<p>The Committee further note that the Planning Commission has approved an outlay of Rs.110 lakh during the Tenth Plan (2002-2007) and an allocation of Rs.10 lakh was approved in the Annual Plan 2004-2005 to introduce 16 Lok Adalats under 5 CGITs-cum-Labour Courts in Delhi, 2 in Chandigarh, 2 in Kanpur, 3 in Dhanbad, 3 in Bangalore and 1 in Lucknow respectively to tide over the backlog of industrial disputes. The Committee also note that they have been able to settle only 572 cases so far. The Committee, therefore, desire that the Ministry should introduce more number of Lok Adalats in those States where number of industrial disputes are more and are lying pending for the last many years, particularly in Dhanbad, Chandigarh, Jabalpur and Ahmedabad.</p>
4.	2.21	<p>The Committee further note with distress that out of 22 CGITs-cum-Labour Courts in the country only 14 CGITs have so far been computerized. The Committee are skeptical about the day-to-day functioning of Labour Courts in the absence of computerization. The Committee, therefore, desire that the rest of the CGITs-cum-Labour Courts should also be computerized without any further delay in order to improve the functioning of the Labour Courts.</p>
5.	2.22	<p>The Committee regret to note that the Ministry has failed to implement the recommendation of Shetty Commission for revision of pay scales of Presiding Officers of the CGIT-cum-Labour Courts from Rs.14,300-18,300/- to Rs.16,400-20,000/ with a view to bring parity between the pay scales of Judicial Officials of NCT, Delhi and Presiding Officers of the CGIT-cum-Labour Courts. The Committee also note that generally, the retired District Judges do not prefer to serve in the CGITs as Presiding Officers because of lower pay scale of the post of Presiding Officer than that in their parent judicial cadres and so the posts remain vacant for long. The Committee therefore desire that the Ministry should intensify its efforts with the Ministry of Finance to enhance the pay structure of the Presiding Officers in the CGIT-cum-Labour courts to bring it at par with the pay scale of the Additional District Judge of the NCT of Delhi so that the posts do not remain vacant for long.</p>

6.	2.39	<p>The Committee are dismayed to note that Government has identified 45,22,806 beedi workers in various parts of the country whereas more than 3.5 lakh identity cards are still to be issued by them. The Committee feel that in the absence of identity cards, remaining beedi workers have been deprived of the benefits under the various Welfare Schemes. The Committee are of the view that the Ministry lacks coordination with the State Governments and their monitoring over the Scheme is not up to the mark. The Committee, therefore, strongly recommend that the Government should evolve ways and means in consultation with the State Governments for issuance of identity cards to the beedi workers including Ghar Khata Workers without further loss of time besides strengthening the identification of left over beedi workers in quickest possible time but not later than six months so that these workers are no longer deprived of the benefit of Welfare Schemes being run by the Government.</p>
7.	2.40	<p>The Committee are concerned to note that more than twenty five lakh beedi workers are not covered under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952. The Committee also note that a special drive in respect of beedi establishments had been taken up in the month of January, February and March 2005 and during these months, 38, 212 subscribers could be added. In the opinion of the Committee the social security cover should be extended to all the beedi workers. The Committee, therefore, strongly recommend that vigorous efforts should be made to cover all the remaining beedi workers under EPF and MP Act within six months of presentation of the Report. Also effective monitoring should be done by the Ministry in this regard.</p>
8.	2.41	<p>The Committee are concerned to note that minimum rate of wages for beedi workers differ from State to State <u>i.e.</u> Rs.39.87 per day in Arunachal Pradesh being the minimum and the highest being Rs.101.02 per thousand beedis in Kolkata (West Bengal) which clearly indicates that there is no uniformity in the wages paid to the beedi workers. The Committee are of the view that there are so many States/Union Territories who are not even paying the National Floor Level Wage, <u>i.e.</u> Rs.66/- to the beedi workers which is a scheduled employment. The Committee, therefore, strongly recommend that the matter should be pursued with the State Governments/U.T Administrations to impress upon them to have at least common National Floor Level Wage for the beedi workers throughout the country where wages are less than Rs.66/-</p>
9.	2.42	<p>The Committee are dismayed to note that there are 4 hospitals and 206 dispensaries functioning to cater to the needs of more than 45</p>

		<p>lakh beedi workers which is obviously quite inadequate in view of a large number of beedi workers working in different parts of the country. The Committee also note that only the O.P.D. is functioning at Bihar Sharief and Mukkadal hospitals and other functions will start after completion of its construction work. The construction work is also going on at Sagar (M.P) and Mukkadal (T.N.) hospitals. The Committee further note that there is shortage of medical and para-medical staff in these hospitals and dispensaries. The Committee are of the view that without hospitals, dispensaries, medical and para-medical staff, how the basic health care to a large number of beedi workers, who are normally vulnerable to tuberculosis and respiratory disorders, is being provided. The Committee, therefore, strongly recommend that the hospitals at Bihar Sharief, Sagar (M.P) and Mukkadal (T.N) should be established and made fully functional with Super-Speciality facilities without any further delay. The Committee also desire that more number of hospitals and dispensaries should be set up to cater to the medi-care needs of the beedi workers where they are concentrated. Steps taken and progress achieved in this regard should be communicated to the Committee within three months time.</p>
10.	2.62	<p>The Committee note that due to rise of wages of workers with the rise in the cost of living index, a large number of workers have been going out of coverage of ESI Scheme as the wage ceiling for coverage under the Scheme is Rs.7,500/-. The Committee further note that the coverage which stood at 83.62 lakh employees in the year 1998 had gone down to 70.82 lakh employees in the year 2004. The Committee also note that a large number of workers of the educational and private medical institutions are not covered under the ESI Scheme. The Committee, therefore, urge the Government to raise the wage ceiling from Rs.7,500/- to Rs.10,000/-, if not more, without further delay besides extending ESI Scheme to educational and private medical institutions under Section 1 (5) of the ESI Act.</p>
11	2.63	<p>The Committee further desire that the ESI Scheme should also be extended to areas falling under municipalities, municipal corporations and cantonment boards besides workers in the unorganized sector in all the States and Union territories where the Scheme is in force by amending the existing Act.</p>
12.	2.64	<p>The Committee note with concern that the amount of ESI dues against the defaulting employers are increasing year after year. It has gone up to the tune of Rs.918.47 crore particularly during the year 2003-2004. Despite taking over the task of recovery of</p>

		<p>arrears through its own recovery machinery, the Corporation could realize a sum of Rs.131.15 crore only during the year 2003-2004. The Committee are not satisfied with the progress made by the ESI Corporation in realizing the arrears. In the opinion of the Committee, if the recovery position is not improved, the ESI Scheme would be financially weakened and become unviable. The Committee, therefore, strongly recommend that the Corporation should gear up its machinery to realize the arrears expeditiously.</p>
13.	2.65	<p>The Committee are perturbed to note that there is acute shortage of medical and para-medical staff in the ESI hospitals and dispensaries and even these are not equipped with super-speciality treatment devices, drugs, dressings and proper operation theatre particularly in the State sphere. The Standing Committee, during their visit to ESI hospitals at Cochin and Nacharam and Santanagar at Hyderabad (one of these at Nacharam is a Model hospital run by ESIC), found that the Scheme was not functioning upto the standards expected by the insured persons. While taking a serious note of the fact, the Committee are of the view that in the absence of doctors, medicines and operation theatre, the workers are deprived of getting proper medical care under the ESI scheme. The Committee, therefore, strongly recommend that the Ministry should monitor the functioning of the Corporation effectively and ensure that the medicines, drugs and dressings are supplied on time.</p>

14.	2.66	The Committee note with concern that there is a ban on creation of posts of doctors and para-medical staff in the ESI hospitals and dispensaries. The Committee find no justification on any ban on these posts when the Scheme is purely meant for the social security of workers with the contribution of employers and employees. The Committee, therefore, strongly recommend that the ESI Corporation should take necessary steps for filling up the vacancies of medial and para-medical staff in the hospitals and dispensaries run by the Corporation without any further delay by organizing special recruitment drives, if necessary.
15.	2.84	The Committee note that out of 39.7 crore workers, only about 4 crore workers have been covered under Employees Provident Fund Scheme both in the Exempted and Unexempted Sectors. The Committee also note that for coverage, the Scheme is restricted to employees drawing wages not exceeding Rs. 6,500/- per month. The Committee are of the view that a large number of employees are not covered due to restriction of wage ceiling in the Scheme. The Committee, therefore, strongly recommend that the wage ceiling should be enhanced to Rs.10,000/- per month to cover more number of employees under the Scheme.
16.	2.85	The Committee note with concern that the provident fund arrears are continuously increasing year after year. During the year 2003-04, an amount of Rs.1,862.80 crore was outstanding against the defaulting establishments. The Committee further note that a large number of cases are pending under Section 14 of the EPF&MP Act and also under Section 406/409 of the Indian Penal Code for a long time. The Committee, therefore, recommend that the Ministry should speed up recovery of outstanding dues by taking appropriate legal action against the defaulting establishments. The Committee also desire that the Ministry should consider the proposal for setting up of an Appellate Tribunal in each zone in addition to the existing Appellate Tribunal at Delhi without further delay for quick disposal of pending cases.

17.	2.86	The Committee are concerned to note that the last additional relief to all the pensioners was given on 1 April 2000. The Committee are of the view that the Government is not serious particularly in respect of pensioners as the Consumer Price Index has increased manifold since 2000. The Committee, therefore, desire that the Government should make efforts to provide additional relief to all the pensioners under the Employees Pension Scheme taking into account the rise in prices of essential commodities.
18.	2.95	The Committee note that though the Government has enacted several laws and Schemes for the welfare of workers in the organized sector yet much is needed to be done by them for the workers in the unorganized sector who constitute around 92% strong workforce in the country. The total employment in both organized and unorganized sectors in the country was of the order of 39.7 crore, i.e. 2.8 crore in the organized sector and balance 36.9 crore in the unorganized sector. The Committee also note that the social security scheme for the unorganized sector was launched in January 2004 on a pilot basis in 50 districts of country but the Scheme could not take off for want of statutory backing. The Committee, therefore, recommend that the Ministry should take urgent steps in consultation with the Planning Commission and the Ministry of Finance to bring forward a legislation in the Parliament to regulate the employment and service conditions of the unorganized sector workers to provide them safety, social security and healthcare facility. For this, Central Trade Unions should also be consulted.
19.	2.96	The Committee are of the view that immediate steps should be taken by the Government to bring in a comprehensive legislation exclusively for the 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. as has been recommended by them in their first and third Reports.

20.	2.100	<p>The Committee are constrained to note that although the erstwhile Standing Committee on Labour and Welfare had presented their Fifteenth Report on the Participation of Workers in Management Bill, 1990 in the Parliament on 18 December 2001, the Government has failed to bring any legislation so far which demonstrates utter lack of seriousness on its part towards labour participation at decision making levels. The Committee, therefore, desire that the Ministry should hold tripartite meetings and resolve the issue with them and bring an early legislation to enable the workers to participate at decision making levels.</p>
21.	2.105	<p>The Committee are constrained to note that the wage limit for payment of bonus was last revised in the year 1995. The Committee also note that there was 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/- which was sent to the Ministry of Finance for their concurrence but the Ministry of Labour was advised to postpone the matter till the next year. The Committee are of the view that the Government is not serious in the matter of enhancing the wage limit for payment of bonus as it was last revised ten years back and as a result thereof a large number of industrial workers are deprived of their legitimate right of bonus. Also in the opinion of the Committee the proposed enhancement of eligibility limit of bonus to Rs. 7,500/- is not adequate in the present scenario and as such it should be enhanced to Rs.10,000/-. The Committee, therefore, desire that the Ministry should take up the matter with the seriousness it deserves with the Ministry of Finance to enhance the wage ceiling under the Payment of Bonus Act without any further delay.</p>