



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

**(FOURTEENTH LOK SABHA)**

**MINISTRY OF LABOUR AND EMPLOYMENT**

**Action taken by the Government on the Recommendations/Observations  
contained in the Fifth Report of the Standing Committee on Labour on  
Demands for Grants - 2005-2006 of the Ministry of Labour and Employment.**

**SEVENTH REPORT**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**December 2005/Agrahayana 1927 (Saka)**



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**(Action taken by the Government on the Recommendations/ Observations contained in the Fifth Report of the Standing Committee on Labour on Demands for Grants - 2005-2006 of the Ministry of Labour and Employment)**

**Presented to Lok Sabha on 14 December 2005**

**Laid in Rajya Sabha on 14 December 2005**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**December 2005/Agrahayana 1927 (Saka)**

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**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR  
(2005-2006)**

**Shri Suravaram Sudhakar Reddy – CHAIRMAN**

**MEMBERS  
LOK SABHA**

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

**RAJYA SABHA**

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

**SECRETARIAT**

- |                     |   |                    |
|---------------------|---|--------------------|
| 1. Shri John Joseph | - | 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

I, the Chairman of the Standing Committee on Labour having been authorised by the Committee to submit the Report on their behalf, present this Seventh Report on the action taken by the Government on the recommendations contained in the Fifth Report of the Standing Committee on Labour (Fourteenth Lok Sabha) on Demands for Grants-2005-2006 relating to Ministry of Labour and Employment.

2. The Fifth Report was presented to Lok Sabha and also laid in Rajya Sabha on 25.4.2005. The Ministry of Labour and Employment furnished their replies indicating action taken on the recommendations contained in that Report on 8.8.2005. The report was considered and adopted by the Standing Committee on Labour at their sitting held on 5 December 2005.

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

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

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

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

**New Delhi;**  
12 December, 2005  
 21 Agrahayana, 1927 (Saka)

**SURAVARAM SUDHAKAR REDDY**  
 CHAIRMAN  
 STANDING COMMITTEE ON LABOUR



## CHAPTER I

## REPORT

1.1 This Report of the Committee deals with the action taken by the Government on the recommendations contained in the Fifth Report (Fourteenth Lok Sabha) of the Standing Committee on Labour on Demands for Grants - 2005-2006 of the Ministry of Labour and Employment.

1.2 The Fifth Report was presented to Lok Sabha and also laid in Rajya Sabha on 25 April 2005. It contained 21 recommendations. Replies of Government in respect of all the recommendations have been examined and are categorised as under :-

- (i) Recommendations/Observations which have been accepted by the Government:

Paragraph Sl. Nos. 3, 8, 11 and 12.

(Total 4 - Chapter II)

- (ii) Recommendations/Observations which the Committee do not desire to pursue in view of the replies of the Government:

Paragraph Sl. Nos. 1, 2, 4, 7, 13, 15 and 17.

(Total 7 - Chapter III)

- (iii) Recommendations/Observations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration:

Paragraph Sl. Nos. 6, 14 and 19.

(Total 3 - Chapter IV)

- (iv) Recommendations/Observations in respect of which replies are of interim in nature:

Paragraph Sl. Nos. 5, 9, 10, 16, 18, 20 and 21.

(Total 7 - Chapter V)

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

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

### **Beedi Workers Welfare Fund**

#### **Recommendation (Sl. No. 6, Para No.2.39)**

1.5 The Committee observed that though the Government identified 45,22,806 beedi workers in various parts of the country, more than 3.5 lakh identity cards were still to be issued by them. The Committee were of the opinion that these beedi workers were deprived of the benefits under the various Welfare Schemes and, therefore, strongly recommended 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 process of the left over beedi workers in the quickest possible time.

1.6 The Ministry of Labour and Employment in its reply has stated that the figure of 4.5 million was the estimated number of beedi workers. However, while furnishing the revised information about Beedi Workers Welfare, the Ministry has now furnished a Statement showing State-wise details of total number of beedi workers and the number of identity cards issued to them till date. The figure now stands at 5,74,049 after rechecking and rectifying the errors by the Ministry. A revised Statement is enclosed (see Annexure).

1.7 The Ministry has further informed that the primary responsibility of issue of identity cards to beedi workers lies with the employers and as such the Labour Departments of various State Governments have been requested to ensure that the employers issue identity cards to their workers as required under the Act. Moreover, State Governments are also time and again reminded to launch campaign for issue of identity cards. A reminder to the concerned State Labour Departments, conveying the recommendation of the Standing Committee on Labour is being issued to expedite the identification of beedi workers. The offices of Labour Welfare Organisation have also been asked to extend help and cooperation to the State Governments to the extent possible as per the resources available with them.



**1.8 The Committee are constrained to note that the Ministry did not furnish the correct figures of the total number of beedi workers vis-à-vis the number of identity cards issued to them during examination of the detailed Demands for Grants for the year 2005-06. The new figure of beedi workers to whom identity cards are yet to be issued stands at 5,74,049 whereas the earlier figure was 3,65,189. The Committee view this situation seriously and are of the opinion that in future utmost care should be taken by the Ministry while furnishing information to them. The Committee note that since the identity card is the pre-requisite for extending benefits under the various welfare schemes run by the State Government to beedi workers, it becomes the prime responsibility of the State Governments to ensure that identity cards are issued to all beedi workers. The Ministry has instead of sharing the responsibility with the State Governments, thrown the buck on the employers. The Committee, therefore, reiterate their earlier recommendation and strongly recommend that the Ministry should with the cooperation of State Governments ensure that the remaining beedi workers are issued identity cards at the earliest. Steps taken and progress achieved in this regard may be communicated to the Committee within a period of three months.**

## ANNEXURE

STATEMENT SHOWING STATE-WISE DETAILS OF THE TOTAL NUMBER OF BEEDI WORKERS AND NUMBER OF IDENTITY CARDS ISSUED TO THEM			
Sl. No.	Name of the State	Total Number of Beedi Workers Estimated	Number of Identity Cards issued till date
1.	Andhra Pradesh	7,35,000	7,15,711
2.	Assam	7,725	6,335
3.	Bihar	3,35,000	1,72,429
4	Jharkhand	1,15,000	64,433
5	Gujarat	50,075	45,874
6	Karnataka	2,87,082	2,76,706
7	Kerala	96,324	79,208
8	Madhya Pradesh	8,27,194	8,25,150
9	Chhattisgarh	26,110	20,481
10	Maharashtra	2,56,000	2,17,663
11	Orissa	2,65,000	1,89,008
12	Rajasthan	1,00,150	75,208
13	Tripura	9,946	6,349
14	Tamil Nadu	6,25,000	6,05,079
15	Uttar Pradesh	4,50,000	3,22,098
16	West Bengal	7,52,225	7,42,050
	TOTAL	49,37,831	43,63,782

## **Employees State Insurance Corporation**

### **Recommendation (Sl. No. 14, Para No. 2.66)**

1.9 While finding no justification on any ban on the posts of doctors and para-medical staff in the ESI hospitals and dispensaries as the Scheme is purely meant for the social security of workers with the contribution of employers and employees, the Committee had recommended the ESI Corporation to take necessary steps for filling up the vacancies of medical and para – medical staff in the hospitals and dispensaries run at the earliest.

1.10 The Ministry of Labour and Employment in its reply has stated that the issue of creation of posts by the Employees State Insurance Corporation (ESIC) was taken up with the Ministry of Finance (Department of Expenditure). It has been clarified by the Department of Expenditure that the ESIC is not receiving any budgetary support from the Government; therefore, matters relating to creation of posts and other establishment matters of the Corporation need not be referred to them. The ESIC has been informed accordingly to take appropriate action in this matter.

**1.11 The Committee are deeply concerned over the plight of the poor labourers who have been suffering a lot due to shortage of medical and para-medical staff in the ESI hospitals and dispensaries for the last many years due to so-called ban on creation of these posts. At the instance of the Committee, the Ministry of Labour and Employment took up the matter with the Ministry of Finance (Department of Expenditure) which has since clarified that the Employees State Insurance Corporation is not receiving any budgetary support from the Government. The matter relating to creation of posts and establishment matters of the Corporation need not, therefore, be referred to them. The Committee cannot but express their dismay over the stand taken by the Corporation earlier without referring the matter to the Ministry of Finance. The reply of the Ministry is still silent about the necessary steps taken by them for filling up the vacant posts. The Committee, therefore, reiterate their earlier recommendation that the ESI Corporation should take immediate necessary steps to fill the vacancies of medical and para-medical staff in the hospitals and dispensaries within six months so that the insured persons do not suffer any more. Steps taken and progress achieved in this regard should be communicated to the Committee quarterly till the vacant posts are fully filled.**

**Unorganised Sector Workers Social Security Scheme  
Comprehensive Legislation for Agricultural Workers**

**Recommendation (Sl. No. 19, Para No. 2.96)**

1.12 The Committee had recommended the Government to take immediate steps 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, machinery for settlement of disputes, etc.

1.13 The Ministry of Labour and Employment in its reply furnished to the Committee has stated that the proposal of a Central Legislation for Agricultural Workers has been under consideration of the Government since 1975. A draft Bill was also prepared in 1980 and then in 1997. Due to lack of consensus amongst the State Governments, the Ministry of Labour and Employment has opined that the proposal could appropriately be left to the State Governments to act upon. However, the matter has again been taken up with the States to ascertain whether there is any change in their stand on the subject. In the meanwhile, the “Unorganised Sectors Workers Bill, 2004” has been drafted. The agriculture is one of the scheduled occupations attached to the draft Bill.

**1.14 The Committee take a serious note of the Government’s repeated failures in enacting a comprehensive legislation for the agricultural workers. According to the Ministry, there is lack of consensus amongst the State Governments and the proposal has, therefore, been left to the State Governments to act upon. The Committee have also been informed that the Government has drafted a Bill namely the “Unorganised Sector Workers Bill, 2004” and the agriculture is one of the scheduled occupations attached to the draft Bill. In the opinion of the Committee, although the proposed legislation for the unorganized sector might benefit the agricultural workers a little, it would not be enough to ameliorate the condition of agricultural workers. The Committee, therefore, desire the Government to intensify its efforts to evolve a consensus amongst the States instead of leaving the matter to the State Governments to act upon. The Committee, while reiterating their earlier recommendation, urge the Government to take urgent steps to bring an umbrella legislation exclusively for the agricultural workers at the earliest which would alleviate their sufferings. For this, the matter should be taken up at the highest level and put on agenda of the next State Labour Ministers’ Conference.**

## CHAPTER –II

### RECOMMENDATIONS/OBSERVATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

#### Labour Tribunals, Courts of Enquiry and Conciliation Boards

##### Recommendation (Sl. No. 3, Para No.2.20)

2.1 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 2004-05 to introduce 16 Lok Adalats under 5 CGIT-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.

##### Reply of the Government

2.2 The recommendation of the Committee has been noted for action. Efforts will be made to organize more Lok Adalats during the current year.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

#### Beedi Workers Welfare Fund

##### Recommendation (Sl. No. 8, Para No.2.41)

2.3 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 which are not even paying the National Floor Level Wages, i.e. Rs.66/-per day to the beedi workers which is a scheduled employment. The Committee, therefore, strongly recommend that the matter should be pursued with the State Governments / Union Territory 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/- per day.

### **Reply of the Government**

2.4 At present there are 10 States namely Assam, Arunachal Pradesh, Bihar, Daman & Diu, Karnataka, Maharashtra, Orissa, Rajasthan, Tripura and Tamil Nadu where the Beedi Workers are being paid less than the National Floor Level Minimum Wage of Rs.66/-per day. Although the National Floor Level Minimum Wage has no statutory backing and is essentially persuasive in nature, the concerned State Governments have been requested to revise the rates for beedi workers so that the Minimum Wages for beedi workers in none of the States remain less than National Floor Level Minimum Wage.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

### **Employees State Insurance Corporation**

#### **Recommendation (Sl. No. 11, Para No. 2.63)**

2.5 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.

### **Reply of the Government**

2.6 The ESI Corporation in its 130<sup>th</sup> meeting held on 01.02.2005 has approved extension of ESI Scheme in remaining areas of 39 Municipal Corporations and Cantonment Boards and in areas of 1,147 Municipalities in phased manner. Accordingly, a detailed survey of Municipal Corporation areas where the scheme has not so far been implemented is being carried out. Simultaneously the State Governments are being approached for making the medical arrangements in Municipal Corporations / Cantonment Boards and Municipalities Areas.

2.7 As regards extension of ESI Scheme to workers in the unorganized sector in all the States is concerned, it is stated that the issue is being examined in its entirety as there is no provision in the Employees' State Insurance Act, 1948 to extend the Scheme to unorganised sector workers.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

### **Social Security for Labour**

### **Employees State Insurance Corporation**

#### **Recommendation (Sl. No. 12, Para No. 2.64)**

2.8 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 2003-04. 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 2003-04. 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.

### **Reply of the Government**

2.9 It is a fact that the dues of the ESI Corporation have been increasing gradually. It is also a fact that the recovery of arrears witnessed a steady increase over the years. Of the total arrears of Rs.918.47 crore as on 31/3/2004, the dues of Rs.583.98 crore were currently recoverable which forms 63.58% of the total arrears. The dues of Rs.334.49 crore are not recoverable for the present due to court stays, liquidation, winding up proceedings pending in the Courts or statutory bar due to Acts of Central Government and State Governments, some of the factories / establishments having been closed long back and whereabouts of the employers not known presently. The non-recoverable dues are 36.42% of total arrears of Rs.918.47 crore as on 31.3.2004.

2.10 Out of recoverable arrears of Rs.583.98 crore as on 31.3.2004, a recovery target of Rs.175.25 crore was set for the year 2004-05 and the recovery machinery of the Corporation, as a result of intensive measures including special drive undertaken during the period from December 2004 to March 2005, has recovered dues of Rs.176.09 crore thereby achieving 100% target for the first time pertaining to the year 2004-05.

2.11 It would thus be observed that the recovery has been steadily progressing over the years as would be seen from the figures shown below:-

(Rupees in crores)

Year	Amount of Arrears	Recoverable arrears	Non-Recoverable arrears for the present	Amount recovered
2001-2002	649.80	332.45	317.35	72.59
2002-2003	748.26	372.02	376.24	88.03
2003-2004	908.99	663.62	245.37	131.50
2004-2005	918.47	583.98	334.49	176.09

2.12 Incidentally it is mentioned here that prior to setting-up of recovery machinery in ESI Corporation in the year 1992, the recovery was effected through the District Collectors. The dues recovered by the District Collectors from the year 1987-88 to 1991-92 are shown below.

(Rupees in crores)

Year	Dues Recovered through District Collector
1987-1988	5.62
1988-1989	9.178
1989-1990	7.81
1990-1991	8.95
1991-1992	10.47

It may kindly be seen that the Corporation has gradually recovered substantial dues and achieved 100% target in the year 2004-05 by recovering dues of Rs.176.09 crore.

2.13 The recommendation of the Committee has been noted. In order to recover maximum dues of the Corporation, the Regional Directors have been directed to personally monitor the progress of recovery in respect of employers having arrears over Rs.10 lakh and upto Rs.25 lakh and report the progress to the Headquarters Office every month demi-officially. A senior officer at Hqrs. office of ESI Corporation is also monitoring recovery of arrears in respect of employers in default of Rs.25 lakh and above.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)



## CHAPTER-III

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

#### Monitoring of Plan & Non-Plan Expenditure

##### Recommendation (Sl. No. 1, Para No.1.17)

3.1 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 Adalats, 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.

##### Reply of the Government

3.2 The percentage of utilization of fund (both under Plan and Non-Plan) has increased considerably during the year 2004-05. The Plan expenditure of Rs.152.05 crore (91.07% of BE 2004-05) upto March 2005 is the highest as compared to the figures of previous years and this is likely to increase further during this fiscal year.

3.3 Apart from this, the regular monitoring of expenditure by Secretary (L&E) has helped in improving the overall fiscal discipline and maintaining the even flow of expenditure during the financial year. As per the provisions of Fiscal Responsibility and Budget Management (FRBM) Act, the rush of expenditure was not allowed in the last quarter and the ceiling of 33% was maintained properly. All the Divisional Heads have been requested to ensure high degree of financial discipline and make realistic assessment of requirement so that the funds are utilized properly for the developmental activities undertaken by this Ministry.

3.4 The percentage expenditure over R.E, on the Scheme of “Holding of Lok Adalats as an Alternative Grievance Redressal Mechanism”, upto February 2005, was not upto the mark because of the fact that Lok Adalats could not be held in large number by the CGIT-cum-Labour Courts.

3.5 Settlement of disputes through Lok Adalats demands adequate awareness among the litigating parties of their efficacy and active cooperation and willingness on the part of the Managements and Workmen to get the disputes settled through this method. The Presiding Officer plays the role of a facilitator. However, the concept of Lok Adalat is getting popular gradually and, it is hoped, that with the passage of time, awareness of its effectiveness will increase manifold and the scope of optimum utilization of the funds allocated under this Scheme will go up considerably in the years to come.

3.6 The DGMS, Dhanbad and DGFASLI, Mumbai have been advised to make all-out efforts for putting in place a rigorous mechanism for fixing financial as well as physical targets and monitoring the pace of expenditure and achievement of targets at least on quarterly basis so as to achieve considerable improvement in quality of implementation of the plan schemes of the respective organisations during the current financial year. The Ministry is also monitoring this for necessary compliances.

3.7 The grants for rehabilitation of bonded labourers, survey, awareness generation and evaluatory studies under the Centrally Sponsored Scheme are released by the Central Government on receipt of complete proposals and clearance of utilization certificates for the grants released to the State Government concerned in the previous years. No grants to any State are released without obtaining the complete requisite information. The Budget Estimates during 2004-05 under the above scheme was Rs.300 lakh. As there was lack of complete proposals from the States, the outlay was reduced to Rs.200 lakh at RE stage. However, anticipating that this provision might not be utilized fully during 2004-05 due to lack of complete proposals, as such at FE Stage, the provision was further reduced to Rs.100 Lakh and the actual expenditure against FE (Rs.100 lakh) during 2004-05 was Rs.99.96 lakh. The State Governments are regularly advised to send complete proposals for rehabilitation of bonded labourers etc. as soon as incidence of bonded labour are identified. As the Centrally Sponsored Scheme is fully implemented by the State Governments / Union territories and grants are released to the States on receipt of complete proposals, the pace of expenditure / utilization of funds under the scheme absolutely depends upon the demands for grants by the State Governments / Union territories.

3.8 The Budget Provision of Rs.1 crore was allocated for Information Technology under the Plan Scheme in BE 2004-05. An amount of Rs.86 lakh was made available, of which an expenditure of Rs.85.61 lakh has been incurred. It shows that 99.55% expenditure under the Scheme has been incurred and the saving of Rs.0.39 lakh is insignificant.

3.9 So far as the Scheme relating to providing financial assistance in the form of Grants-in-aid to Research and Academic Institutions, Voluntary Organisations (VOs) & Non-Governmental Organisations (NGOs) for undertaking research in approved labour related matters for securing policy inputs to enrich future labour policies is concerned, there is direct relationship between good study proposals received / approved and expenditure incurred. During the financial year 2004-05 as many as 17 study proposal were received from various NGOs / VOs, which were placed in the Screening Committee meeting held on 14.01.2005. Out of them,

only 9 study proposals were approved. However, the Ministry was able to utilize an amount of Rs.16.96 lakh, i.e. 94.2% of Rs.18.00 lakh (RE) during the financial year 2004-05 for this Scheme.

3.10 In the R.E (2004-2005) a provision of Rs.40 lakh was provided under the Plan Scheme for Welfare of SCs / STs and Other Backward Classes. Against this, an expenditure of Rs.53 lakh has been incurred for 2004-2005. As such, there is no shortfall in expenditure compared to R.E. 2004-05.

3.11 As far as modus operandi for strengthening the monitoring mechanism over the spending on various schemes is concerned, performance of the various Training Schemes under Training Directorate is regularly monitored through monthly progress returns and through visits of Senior Officers to Field Institutes. Progress of schemes is also regularly reviewed by Director General / Joint Secretary at the Headquarter. The Secretary (Labour & Employment) also personally reviews the progress of the Schemes at his level. As far as New Scheme proposals are concerned, Planning Commission are being periodically requested at the level of Joint Secretary and Secretary (L&E) for expeditious clearance of the New Schemes.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

### **Labour Tribunals Courts of Enquiry and Conciliation Boards**

#### **Recommendation (Sl. No. 2, Para No.2.19)**

3.12 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 the Presiding Officers in Central Government Industrial Tribunal-cum-Labour Courts (CGITs) at Mumbai-I and Mumbai-II 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 CGIT's 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.

### **Reply of the Government**

3.13 The recommendation of the Committee for filling up of the post of Presiding Officers in the CGIT-cum-Labour Courts in Mumbai-I, Mumbai-II and Nagpur has been noted for appropriate action. Efforts will be made to fill up these posts at the earliest.

3.14 During the Tenth Plan, five new CGIT-cum-Labour Courts have already been set up. In the circumstances, it may be difficult to set up more number of CGIT-cum-Labour Courts during the 10<sup>th</sup> Five Year Plan. However, efforts will be made to clear the backlog of cases as early as possible. Lok Adalats will be organized to settle old pending cases.

3.15 The implementation of Awards will be vigorously pursued.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

### **Labour Tribunals Courts of Enquiry and Conciliation Boards**

#### **Recommendation (Sl. No. 4, Para No.2.21)**

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

### **Reply of the Government**

3.17 There are 22 CGIT-cum-Labour Courts in the country at present, of which, 5 have been set up in the Tenth Plan. All of the 17 CGIT-cum-Labour Courts, set up before Tenth Plan, have been computerized. The computerization of 5 new CGIT-cum-Labour Courts is in process.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

### **Beedi Workers Welfare Fund**

#### **Recommendation (Sl. No. 7, Para No.2.40)**

3.18 The Committee are concerned to note that more than 25 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 recommended that vigorous efforts should be made to cover all the remaining beedi workers under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 within six months of presentation of the Report. Also effective monitoring should be done by the Ministry in this regard.

### **Reply of the Government**

3.19 Special efforts have already been made to cover the Beedi workers throughout the country by launching a Special Coverage Drive during the months January 2005 to March 2005 whereby 270 establishments were covered and 47,087 Beedi Workers were enrolled as members of the Fund.

3.20 The possibility of launching another Special Coverage Drive is being explored. A team of about 40 officers conducted surprise Inspection of the five cases in West Bengal. The records of the establishment were seized. The expected increase in membership is about 70,000. The inquiries under Section 7A to determine the dues for the employees not enrolled is in advance stage. An ongoing initiative to comb all the eligible beedi workers for their enrolment under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 is underway.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

### **Employees State Insurance Corporation**

#### **Recommendation (Sl. No. 13, Para No. 2.65)**

3.21 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-specialty 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 worker are deprived of getting proper medical care under the ESI Scheme. The Committee, therefore, strongly recommended that the Ministry should monitor the functioning of the Corporation effectively and ensure that the medicines, drugs and dressing are supplied on time.

### **Reply of the Government**

3.22 The Employees State Insurance Corporation has taken various steps to monitor the functioning of ESI Hospitals and Dispensaries and ensure that medicines, drugs and dressing are supplied in time which are as under: -

- (1) Senior State Medical Commissioner / State Medical Commissioners have been appointed in States to monitor the functioning of the ESI Scheme.
- (2) Norms and Standards of staff and equipments have been formulated for Hospitals and Dispensaries.
- (3) Action Plans have been drawn to upgrade the Hospitals with essential equipments required as per the diseases profile.
- (4) Scheme of Revolving Fund has been expanded to include drugs and dressing, equipments etc., so that the funds are regularly available for procurement of the same.
- (5) Centralized Rate Contract for drugs and dressing are formulated by ESIC and circulated to State Govt. to ensure uniformity in the supply of good quality medicines to ESI Dispensaries / Hospitals.

- (6) Action is being taken for creation of posts in Model Hospitals and terms of absorption of staff on deputation are being finalized to ensure that adequate staff is available in Hospital.
- (7) Power to sanction of equipment, release of on account payment has been decentralized and powers are now delegated to Senior State Medical Commissioners / State Medical Commissioners of the States to cut down delays.
- (8) Computers are being provided to Hospitals and total expenditure is borne by ESI Corporation.
- (9) In Hospital having Bed occupancy of more than 70% expenditure on equipments is being borne by ESIC completely outside the ceiling.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

### **Employees' Provident Fund Organisation**

#### **Recommendation (Sl. No. 15, Para No. 2.84)**

3.23 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 Un-exempted 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 is 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.

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

3.24 The recommendations of the Committee have been noted by the Government and decision shall be taken in consultation with the Central Board of Trustees (CBT) (EPF), after the implications of raise in wage ceiling have been studied by the Consultant Actuary.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

### **Employees' Provident Fund Organisation**

#### **Recommendation (Sl. No. 17, Para No. 2.86)**

3.25 The Committee are concerned to note that the last additional relief to all the pensioners was given on 1 April 2000. The Committee is 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.

### **Reply of the Government**

3.26 The Pension benefit under Employees Pension Scheme, 1995 is not linked with Consumer Price Index. However, the grant of relief by the Central Government is based on the result of annual valuation of Employees' Pension Fund, if fund permits for the same on account of surplus. Since the last three valuations have not revealed any surplus, therefore the grant of additional relief has not been possible. As and when the fund so permits, Valuer recommendations will be taken into account while considering the issue of additional relief to pensioners.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

## CHAPTER-IV

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

#### **Beedi Workers Welfare Fund**

#### **Recommendation (Sl. No. 6, Para No.2.39)**

4.1 The Committee are dismayed to note that the Government have 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 benefits of Welfare Schemes being run by the Government.

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

4.2 The figure of 4.5 million beedi workers is an estimated number of beedi workers. However, while furnishing the information on Beedi Workers Welfare, the data, furnished in the Statement showing State-wise details of total number of beedi workers and number of identity cards issued to them till date, in the reply of the Government to Question No.3 (a) of the Questionnaire of Standing Committee on Labour, had some errors, which was pointed out by some Hon'ble Members of the Standing Committee on 05.04.2005. It was assured to the Hon'ble members of the Standing Committee that the figures would be rechecked and errors rectified. The errors have since been rectified and a revised Statement is enclosed herewith as Annexure-I.

4.3 The primary responsibility of issue of identity cards to beedi workers lies with the employers. The Labour Departments of various State Governments have been requested to ensure that the employers issue identity cards to their workers as required under the Act. Moreover, State Governments are also time and again reminded to organise issue of identity cards on campaign basis. A reminder to the concerned State Labour Departments, conveying the recommendation of the Standing Committee on Labour is being issued to expedite the identification of beedi workers. The offices of Labour Welfare Organisation have also been asked to extend help and cooperation to the State Government authorities to the extent possible as per the resources available with them.



Statement

STATEMENT SHOWING STATE-WISE DETAILS OF THE TOTAL NUMBER OF BEEDI WORKERS AND NUMBER OF IDENTITY CARDS ISSUED TO THEM			
Sl. No.	Name of the State	Total Number of Beedi Workers Estimated	Number of Identity Cards issued till date
1.	Andhra Pradesh	7,35,000	7,15,711
2.	Assam	7,725	6,335
3.	Bihar	3,35,000	1,72,429
4	Jharkhand	1,15,000	64,433
5	Gujarat	50,075	45,874
6	Karnataka	2,87,082	2,76,706
7	Kerala	96,324	79,208
8	Madhya Pradesh	8,27,194	8,25,150
9	Chhattisgarh	26,110	20,481
10	Maharashtra	2,56,000	2,17,663
11	Orissa	2,65,000	1,89,008
12	Rajasthan	1,00,150	75,208
13	Tripura	9,946	6,349
14	Tamil Nadu	6,25,000	6,05,079
15	Uttar Pradesh	4,50,000	3,22,098
16	West Bengal	7,52,225	7,42,050
	TOTAL	49,37,831	43,63,782

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

## **Employees State Insurance Corporation**

### **Recommendation (Sl. No. 14, Para No. 2.66)**

4.4 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.

### **Reply of the Government**

4.5 The issue of creation of posts by the Employees State Insurance Corporation (ESIC) was taken up with the Ministry of Finance, Department of Expenditure. It has been clarified by the Department of Expenditure that the ESIC is not receiving any budgetary support from the Government; therefore, matters relating to creation of posts and other establishment matters of the corporation need not be referred to them. The ESIC has been informed accordingly to take appropriate action in this matter.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

## **Unorganised Sector Workers Social Security Scheme**

### **Recommendation (Sl. No. 19, Para No. 2.96)**

4.6 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.

### **Reply of the Government**

4.7 The proposal of Central Legislation for Agricultural Workers has been under consideration of the Government since 1975. A draft Bill was also prepared in 1980 and then in 1997. However, due to lack of consensus amongst the State Governments, the Ministry of Labour and Employment is of the view that the proposal could appropriately be left to the State Governments to act upon. However, the matter has again been taken up with the States to ascertain whether there is any change in their stand on the subject.

4.8 In the meanwhile, the “Unorganized Sector Workers Bill, 2004” has been drafted. The agriculture is one of the scheduled occupations attached to the draft Bill.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

## CHAPTER-V

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

#### Labour Tribunals, Courts of Enquiry and Conciliation Boards

##### Recommendation (Sl. No. 5, Para No.2.22)

5.1 The Committee regret to note that the Ministry has failed to implement the recommendations 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 Delhi so that the posts do not remain vacant for long.

##### Reply of the Government

5.2 The proposal to revise the pay-scale of Presiding Officer CGIT-cum-Labour Court will be pursued with the Ministry of Finance.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

#### Beedi Workers Welfare Fund

##### Recommendation (Sl. No. 9, Para No.2.42)

5.3 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 OPD 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 (MP) and Mukkadal (TN) 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 (MP) and Mukkadal (TN) 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.

### **Reply of the Government**

5.4 The construction work of 30-bedded hospitals at Bihar Sharief, Sagar (MP) and Mukkadal (TN) is almost complete. These will be made fully functional after filling up the posts of Medical / Para-Medical and other staff members as well as after the procurement of hospital equipment, furniture, etc.

5.5 Necessary posts of Bihar Sharief hospital have already been sanctioned. Action for creation of posts for the other two hospitals and purchase of equipment, furniture, etc. is being taken in consultation with Ministry of Finance, Department of Expenditure / Integrated Finance Division of this Ministry.

5.6 At present, in the light of the recommendations of the Committee on Non-Plan Expenditure, no new project for setting up of hospitals / dispensaries can be considered. However, recently a new Scheme has been launched to provide one time grant of Rs.2.00 crore to State Governments / Employees State Insurance Corporation / Reputed NGOs / Beedi Workers Group Housing Cooperative Society / Central or State Government Recognized Private Hospitals / Dispensaries intending to provide medical facilities to beedi workers and their dependents.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

### **Employees State Insurance Corporation**

#### **Recommendation (Sl. No. 10, Para No. 2.62)**

5.7 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 Govt. 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 Sec. 1(5) of the ESI Act.

### **Reply of the Government**

5.8 As regards enhancement of wage ceiling from Rs.7,500/- to Rs.10,000/- per month for coverage of workers under the ESI Scheme, the matter is being again placed before the ESI Corporation for consideration.

5.9 Sincere efforts are being made to extend ESI Scheme to educational institutions and private medical institutions under Section 1(5) of the Employees' State Insurance Act, 1948. Besides Rajasthan, the State Govt. of Bihar has also issued the final notification for coverage of educational institutions in Bihar State from 01.05.2005. The State Governments of Karnataka, Jammu & Kashmir, Himachal Pradesh, Uttaranchal, Tamil Nadu and Union territory of Pondicherry have since issued intention notifications under Section 1(5) of the Employees' State Insurance Act, 1948 for coverage of educational institutions in their respective States/Union

Territory. The State Government of Madhya Pradesh and Chhattisgarh have also obtained the approval of the Central Government for issue of intention notifications. The matter is being vigorously pursued with the State Governments for issue of final notifications.

5.10 The ESI Corporation has since approved extension of the Scheme to private medical institutions in its 131<sup>st</sup> meeting held on 27.02.2005. All the State Governments have been requested to seek approval of the Central Government for issue of intention notification and also to make medical arrangements. Similarly, all the Regional Directors / Joint Director (I/c) of the field offices of the Corporation have been advised to conduct detailed surveys of medical institutions and to provide the details thereof to the State Governments for completion / augmentation of medical arrangements. The matter is being pursued with the State Governments as well as Regional Directors.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

### **Employees Provident Fund Organisation**

#### **Recommendation (Sl. No. 16, Para No. 2.85)**

5.11 The Committee note with concern that the provident fund arrears are continuously increasing years after year. During the year 2003-2004, 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 Employees’ Provident Fund and Miscellaneous Provisions Act, 1952 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.

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

5.12 The compliance of the establishments is monitored regularly through the Computerized Compliance Tracking System (CCTS) and default, including the default in remittance of employees’ share is identified through this system. Besides, necessary action is also taken on receipt of any complaints to this effect. In addition to the existing Appellate Tribunal at Delhi, Employees’ Provident Fund Organisation has recommended setting up of an Appellate Tribunal in each Zone. The matter is under consideration at present.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

### **Unorganised Sector Workers Social Security Scheme**

#### **Recommendation (Sl. No. 18, Para No. 2.95)**

5.13 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 the 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 un organized 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 health care facility. For this, Central Trade Unions should also be consulted.

### **Reply of the Government**

5.14 The Government has already initiated the process of enactment of a comprehensive legislation for the workers in the unorganized sector and the “Unorganized Sector Workers Bill, 2004” has been drafted. The draft bill has been circulated to all the stakeholders, viz. State Governments, Central Trade Unions and Employers’ Organization. The Central Trade Unions have sent their comments and draft Bill has been modified and again sent to them for their suggestions. The proposal is also scheduled for discussions in the 40<sup>th</sup> Session of Indian Labour Conference. Further, the National Commission on Enterprises in the Unorganized Sector is also looking into this matter separately. It is the endeavour of the Government to bring such a legislation, which is acceptable to all concerned.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

### **Participation of Workers in Management**

#### **Recommendation (Sl. No. 20, Para No. 2.100)**

5.15 The Committee are constrained to note that although the erstwhile Standing Committee on Labour & 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.

### **Reply of the Government**

5.16 The recommendations of the Parliamentary Standing Committee have been noted. The Participation of Workers in Management Bill, 1990 would require some modifications to reflect changes in economic and social parameters since 1990. It is proposed to pursue the Bill with some modifications after discussion / consultation with social partners in tripartite fora.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

## **The Payment of Bonus Act, 1965**

### **Recommendation (Sl. No. 21, Para No. 2.105)**

5.17 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 further delay.

### **Reply of the Government**

5.18 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 the Ministry of Finance for their concurrence / views. The Ministry of Finance advised as under:

The Ministry of Labour & Employment 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.

5.19 As per the advise of the Ministry of Finance, all State Governments/Union territories have been requested to furnish the requisite information at the earliest. Reminders have been issued at the level of Secretary (L&E) to the Chief Secretaries of the States / UTs. The Industry Associations have also been requested to furnish information in respect of the private sector. After receiving the complete information, the proposal for amendment to the Payment of Bonus Act, 1965 will be sent to the Ministry of Finance for re-consideration.

(Ministry of Labour and Employment O.M. No. H-11013/7/2005 – Coord. dated 8 August 2005)

**NEW DELHI;**

**December, 2005**

**Agrahayana, 1927 (Saka)**

**SURAVARAM SUDHAKAR REDDY  
CHAIRMAN,  
STANDING COMMITTEE ON LABOUR**

**MINUTES OF THE NINTH SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON 5 DECEMBER 2005.**

The Committee met from 1500 hrs. to 1630 hrs. in Committee Room `C' Parliament House Annexe, New Delhi.

**PRESENT**

**Shri Thawar Chand Gehlot** – Acting Chairman

**MEMBERS  
LOK SABHA**

2. Shri Furkan Ansari
3. Shri Santasri Chatterjee
4. Dr. Satyanarayan Jatiya
5. Shri Virendra Kumar
6. Smt. Sushila Kerketta
7. Shri Rajesh Kumar Manjhi
8. Smt. C.S. Sujatha

**RAJYA SABHA**

9. Shri Gandhi Azad
10. Shri Lekhraj Bachani
11. 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. In the absence of the Chairman, the Members of the Committee chose Shri Thawar Chand Gehlot, MP to preside over the sitting under Rule 258(3) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. At the outset, the Hon'ble Acting Chairman welcomed the Members and apprised them about the two Draft Reports on action taken replies received from the Ministry of Labour and Employment and the Ministry of Textiles on the Demands for Grants for the year 2005-2006.

4. The Committee first took up the draft Seventh Report on action taken by the Government on the recommendations/observations contained in the Fifth Report on Demands for Grants-2005-2006 pertaining to the Ministry of Labour and Employment and adopted the same with the following modifications:

- (i) Page 5, Para No. 1.11, line 13 after the word "dispensaries" insert "**within six months**";
- (ii) Page 6, Para No. 1.14, in the end, add "**For this, the matter should be taken up at the highest level and put on agenda of the next State Labour Ministers' Conference**".

5. XX XX XX XX

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

7. XX XX XX XX

**The Committee then adjourned**

## APPENDIX-II

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

	Total	Percentage
I. Total number of Recommendations	21	
Recommendations/Observations which have been accepted by Government (Sl. Nos. 3,8,11 and 12)		19%
Recommendations/Observations which the Committee do not desire to pursue in view of Government's replies (Sl. Nos. 1,2,4,7,13,15 and 17)		33.3%
Recommendations/Observations in respect of which Government's replies have not been accepted by the Committee and which requires reiteration (Sl. Nos. 6, 14, and 19)		14.4%
Recommendations/Observations in respect of which final replies of Government are of interim in nature (Sl. Nos. 5,9,10,16,18,20 and 21)		33.3%
		-----
		100%
		-----