

19

**STANDING COMMITTEE ON LABOUR
(2010-2011)**

FIFTEENTH LOK SABHA

MINISTRY OF LABOUR AND EMPLOYMENT

**DEMANDS FOR GRANTS
(2011-2012)**

NINETEENTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

August, 2011/Bhadrapada, 1933 (Saka)

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**STANDING COMMITTEE ON LABOUR
(2010-2011)**

(FIFTEENTH LOK SABHA)

MINISTRY OF LABOUR AND EMPLOYMENT

**DEMANDS FOR GRANTS
(2011-2012)**

Presented to Lok Sabha on 30.8.2011

Laid in Rajya Sabha on 30.8.2011



LOK SABHA SECRETARIAT

NEW DELHI

August, 2011/Bhadrapada, 1933 (Saka)

COMPOSITION OF THE STANDING COMMITTEE ON LABOUR

(2010-11)

SHRI HEMANAND BISWAL - CHAIRMAN

2. Shri M. Anandan
3. Shri Raj Babbar
4. Dr. Shafiqur Rahman Barq
- **5. Shri Sudarshan Bhagat
6. Dr. Kakoli Ghosh Dastidar
- *****7. Shri Paban Singh Ghatowar
8. Shri Hassan Khan
9. Shri Kaushalendra Kumar
10. Shri P. Lingam
11. Shri Hari Manjhi
12. Shri P. Balram Naik
13. Shri P.R. Natarajan
14. Smt. Mausam Noor
15. Shri S. Pakkirappa
16. Dr. P.L. Punia
17. Shri Ramkishun
18. Shri Mahendra Kumar Roy
19. Shri Chandu Lal Sahu
20. Shri Murarilal Singh
- ***21. Dr. Virendra Kumar

RAJYA SABHA

22. Shri Aayanur Manjunatha
23. Dr. E.M. Sudarsana Natchiappan
24. Shri Rudra Narayan Pany
25. Smt. Renubala Pradhan
26. Shri Rajaram
27. Shri Praveen Rashtrapal
- *28. Shri Swapan Sadhan Bose*****
- *29. Shri G.N. Ratanpuri
- *30. Shri Ranbir Singh Parjapati
- *****31. Shri Mohd. Ali Khan

* Nominated *w.e.f* 21st September, 2010

** Change in nomination from Committee on Labour to Committee on Petroleum and Natural Gas *w.e.f* 8th December, 2010

*** Nominated *w.e.f* 8th December, 2010

**** Nominated *w.e.f* 30th May, 2011.

***** Appointed as Minister *w.e.f* 12th July, 2011

***** Retired *w.e.f.* 18th August, 2011.

SECRETARIAT

- | | | | |
|----|------------------------|---|---------------------|
| 1. | Shri Devender Singh | - | Joint Secretary |
| 2. | Shri B.S. Dahiya | - | Director |
| 3. | Shri Ashok Sajwan | - | Additional Director |
| 4. | Smt. Archana Srivastva | - | Committee Officer |

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INTRODUCTION

I, the Chairman, Standing Committee on Labour (2010-11) having been authorized by the Committee do present on their behalf this 19th Report to Parliament of the Ministry of Labour and Employment on Demands for Grants for the year 2011-2012.

2. The Committee considered the Demands for Grants pertaining to the Ministry of Labour and Employment for the year 2011-2012 which were laid on the Table of the House on 15th March, 2011. Thereafter, the Committee took evidence of the representatives of the Ministry of Labour and Employment on 7th April, 2011. The Committee considered and adopted the Report at their sitting held 25th August, 2011.

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. The Committee would also like to place on record their deep sense of appreciation of the commitment, dedication and valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

5. 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 Appendix of the Report.

New Delhi;
25 August, 2011
3 Bhadrapada, 1933(Saka)

HEMANAND BISWAL
CHAIRMAN
STANDING COMMITTEE ON LABOUR

CHAPTER-I

REVIEW OF STATUS OF IMPLEMENTATION OF RECOMMENDATIONS CONTAINED IN TENTH REPORT OF STANDING COMMITTEE ON LABOUR ON DEMANDS FOR GRANTS (2010-2011) RELATING TO MINISTRY OF LABOUR AND EMPLOYMENT

1.1 The Standing Committee on Labour presented their Tenth Report on Demands for Grants (2010-2011) relating to the Ministry of Labour and Employment on 22.04.2010. Out of 23 recommendations, 19 recommendations 1, 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 18, 19, 21, 22 and 23. (Para Nos. 3.11, 3.12, 3.30, 3.32, 3.33, 3.35, 3.36, 3.47, 3.48,3.49, 3.50, 3.51, 3.52, 3.66, 3.68, 3.69, 3.78, 3.79 and 3.80) were accepted by the Government. There were no recommendations which the Committee did not desire to pursue. In respect of 2 recommendations, viz., No.4 and 7 (Para No.3.31 and 3.34) replies of the Government were not accepted and therefore, these recommendations were reiterated by the Committee in their Fourteenth Report (15th Lok Sabha). Two recommendations No.17 and 20 (Para No.3.67 and 3.70) were found *interim* in nature and the Government were requested to furnish the final action taken replies thereon.

1.2 The Standing Committee on Labour presented their Fourteenth Action Taken Report (Action taken by the Government on recommendations contained in Tenth Report, Fifteenth Lok Sabha) on 20th August, 2010.

CHAPTER-II

INTRODUCTORY

Objectives of the Ministry of Labour and Employment

2.1 The Ministry of Labour and Employment is one of the oldest and important Ministries of the Government of India. The main responsibility of the Ministry is to protect and safeguard the interests of workers in general and those who constitute the poor, deprived and disadvantaged sections of the society, in particular, with due regard to creating a healthy work environment for higher production and productivity and to develop and coordinate vocational skill training and employment services. Besides this the Ministry is also responsible for laying down policies in respect of labour matters including industrial relations, co-operation between labour and management, settlement of labour disputes, regulation of wages and other conditions of work and safety, women labour and child labour, labour welfare, social security etc. besides, development and administration of employment service and training of craftsmen on national basis.

2.2 The implementation of the policies in regard to the above matters is the responsibility of the State Governments subject to control and direction of the Central Government except in the case of labour employed in Railways, Mines, Oilfields, Banking and

Insurance Companies having branches in more than one State, major Ports and Central Government Undertakings where the Central Government retains the responsibilities in labour matters including employment and training and tenders technical advice as and when necessary.

2.3 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 and Employment and Training
3. 2251 Secretariat -Social Services
4. 2552 Lump sum Provisions for North Eastern Areas
5. 3601 Grants-in-aid to State Governments
6. 3602 Grants-in-aid to Union Territories Governments
7. 4225 Welfare of SC/ST and Other Backward Classes
8. 4250 Capital Outlay on other Social Services
9. 6250 Loans for Other Social Services
10. 6552 Loans for North-Eastern Area

Functions

- To promote harmonious relations between labour and management and to regulate wages and other conditions of work in the central sphere.
- To ensure speedy implementation of labour law awards, agreements, code of discipline etc. for improving industrial relations with regard to units in which Central Government is the appropriate Government.
- To conduct evaluatory studies of implementation of labour laws, industrial relations, personnel policies and practices etc., in Public Sector Undertakings.
- To regulate working conditions and safety in mines and factories.
- To prepare ground work for the formulation of National Wage Policy and maintain data on wages, all allowances and other related matters.

- To collect and publish statistics to conduct enquiries, surveys and research studies on various labour subjects.
- To conduct programmes relating to employment potential of Scheduled Caste and Scheduled Tribe candidates through Coaching-cum-Guidance Centres.
- To provide amenities to workers employed in the mining industry and beedi manufacturing.
- To assist in rehabilitation of bonded labour.
- To provide welfare measures for certain sections of the unorganized labour.
- To undertake training, education, research and consultancy service in the field of industrial relations and labour in general.
- To educate all sections of workers for their intelligent participation in social and economic development of the nation.

- To monitor running of social security schemes viz. Employees' Provident Fund Organization and Employees' State Insurance Corporation.
- Policy framework for National Employment Service, Implementation of National Vocational Training Programme.

Organisational set up

2.4 The objectives are sought to be achieved by the Ministry through its attached and subordinate offices and autonomous bodies. The important offices and organizations under the Ministry are as follows:-

1. Directorate General of Employment and Training
2. Organisation of the Chief Labour Commissioner (Central)
3. Directorate General of Factory Advice Service and Labour Institute
4. Directorate General of Mines Safety
5. Directorate General of Labour Bureau
6. Central Government Industrial Tribunals
7. Offices of Labour Welfare Commissioners
8. Employees' Provident Fund Organisation
9. Employees' State Insurance Corporation
10. Central Board for Workers Education

11. V.V. Giri National Labour Institute
12. Board of Arbitration (JCM)

2.5 The State Governments are also competent to enact legislations, as labour is a subject in the Concurrent list under the Constitution of India.

LABOUR JURISDICTION:CONSTITUTIONAL STATUS

STATUS

Union List	Concurrent List
Entry No. 55-Regulation of labour and safety in mines and oil fields.	Entry No. 22-Trade Unions; industrial and labour disputes.
Entry No. 61-Industrial disputes concerning Union employees.	Entry No. 23 Social security and social insurance; employment and unemployment.
Entry No. 65-Union agencies and institutions for “vocational training...”	Entry No. 24 Welfare of labour including conditions of work, provident funds, employers’ liability, workmen’s compensation, invalidity and old age pensions and maternity benefit

2.6 The Committee have attempted to scrutinize the Demands for Grants for the year 2011-12 of the Ministry to the extent possible and the conclusions drawn have been illustrated in the ensuing Chapters.

CHAPTER-III

GENERAL PERFORMANCE

3.1 The Ministry of Labour and Employment have furnished Demands for Grants (2011-12) under Demand No. 60.

3.2 The total Demand for 2011-12 taking Plan and Non-Plan together is Rs. 4,029.64 crore (gross figure) of which Rs. 3,283.62 crore is under the Revenue Section and Rs. 746.00 crore under the Capital Section of the Grant.

3.3 As per the annual plan allocation approved by the Planning Commission for the year 2011-12, the total plan outlay is Rs. 1,300.00 crore. Out of this Rs. 51.75 crore has been earmarked for Civil Works Component and has been reflected in the Demands for Grants of Ministry of Urban Affairs and Poverty Alleviation. Thus, the total Plan budget available under Ministry of Labour and Employment's Demand for Grants is Rs. 1,248.25 crore (on net basis.)

3.4 Apart from this, the Ministry have a recovery budget of Rs.740.00 crore under Capital section which after adding with the approved budget (net) makes the gross total of Rs. 1,988.25 crore under Plan. The expenditure through recovery budget on Loan to Institute Management Committee (IMC) for upgradation of 1396

Govt. ITIs through Public Private Partnership (PPP) is met from the Social and Infrastructure Development Fund (SIDF).

3.5 Under Non-Plan, Ministry of Finance have communicated Demands for Grants ceilings of Rs. 1,861.00 crore on net basis for 2011-12. The major component goes to Employees' Pension Scheme, 1995 under Social Security where an amount of Rs.1350.00 crore which constitutes 72.54% of Non-Plan budgetary allocations of Rs. 2,041.39 crore (on gross figures).

3.6 Apart from this, the Ministry have a recovery budget of Rs.179.28 crore, under Revenue section and Rs. 1.11 crore under Capital section which after adding with the approved budget (net) makes the gross total of Rs. 2,041.39 crore under Non-Plan. The expenditure through recovery budget on Labour Welfare schemes is met from Five Labour Welfare Funds.

3.7 The Ministry have furnished the following statement showing Budget Estimates, Revised Estimates, actual expenditure incurred during the year 2010-11 (upto January 2011) and percentage of expenditure over BE and RE for the year 2010-11:-

Statement showing BE/RE/Actual Expenditure/Percentage Expenditure on BE/RE for the year 2010-11

(Rs. in Crore)

Schemes/Programmes	Annual Plan (2010-11)				
	BE	RE	Exp. (P)	%age exp. on BE	%age exp. on RE
1.	2.	3.	4.	5.	6.
A. Central Sector Schemes					
Ongoing Schemes:					
DGE&T (Employment)	15.48	15.39	7.97	51.49	51.79
1.Construction of Office Building, Staff Quarters & Skill Training Institutes	0.00	0.00	0.00	0.00	0.00
2.Continuation and Setting up of New Vocational Rehabilitation Centres for Handicapped Persons including Skill Training	4.55	4.55	3.00	65.93	65.93
3.Welfare of SC/ST job seekers through Coaching, Guidance and Vocational Training and Introduction of new courses in existing	5.93	5.84	4.55	76.73	3.76
4.Mission Mode Project for Upgradation and Modernization of Employment Exchanges (New Scheme under CS)	5.00	5.00	0.42	8.40	8.40
DGE&T (Training)	57.67	47.18	35.40	61.38	75.03
4.Upgradation of Training Institutes	30.50	28.56	22.74	74.56	79.62
5.National Instructional Media Institute, Chennai	5.00	2.50	1.50	30.00	60.00

6.Foremen Training Institutes at Jamshedpur & Bangalore	5.20	3.40	2.26	43.46	66.47
7.Model Industrial Training Institutes (MITIs)	5.00	3.60	2.70	54.00	75.00
8.Project Implementation and Trade Testing in DGE&T HQ	0.93	0.93	0.19	20.43	20.43
9.Building Equipment & Establishment for RVTIs (Calcutta, Hissar, Allahabad, Indore, Bhubaneshwar, Vadodra, Jaipur and Tura)	11.04	8.19	6.01	54.44	73.38
Industrial Relations	14.00	11.95	7.75	55.36	64.85
10.Strengthening of Adjudication Machinery and holding of Lok Adalats	4.01	4.05	3.13	78.05	77.28
11.Machinery for better conciliation and Upgradation of office infrastructure at CLC (C) and RLC(C)'s	9.59	7.50	4.38	45.67	58.40
12.Improvement and Strengthening of Training Wing of Central Labour Service	0.40	0.40	0.24	60.00	60.00
Central Board for Workers' Education (CBWE)	9.50	9.50	9.50	100.00	100.00
13.Central Board for Workers' Education	9.50	9.50	9.50	100.000	100.00
(a) Child Labour	135.00	108.50	97.71	72.38	90.06
15.National Child Labour Project (including Grants-in-aid to Voluntary Agencies)	135.00	108.50	97.71	72.38	90.06

Labour Bureau	21.28	20.28	13.57	63.77	66.91
18.Labour and Employment Statistical System	21.28.	20.28	13.57	63.77	66.91
Director General, Mines Safety (DGMS)	18.00	9.92	6.24	34.67	62.90
19.Mine Accidents Analysis and Modernization of information Database	4.00	4.00	2.09	52.25	52.25
20.Strengthening of infrastructure Facilities and Core Functions of DGMS (SOCFOD)	14.00	5.92	4.15	29.64	70.10
Director General, Factory Advice Service and Labour Institute (DGFASLI)	20.36	12.32	9.17	45.04	74.43
21.Establishment of a new Regional Labour Institute, Faridabad	1.50	1.50	1.44	96.00	96.00
22.Strengthening of DGFASLI Organisation and Occupational safety & Health in	18.76	10.73	7.73	41.20	72.04
24.Identification and Elimination of Silicosis in India	0.10	0.09	0.00	0.00	0.00
National Labour Institute (NLI)	4.50	4.50	3.49	77.56	77.56
23.National Labour Institute	4.50	4.50	3.49	77.56	77.56
Other Schemes	1.50	1.50	1.05	70.00	70.00
24.Scheme on Information Technology	0.75	0.75	0.75	100.00	100.00
25.Grants-in-aid to Research/Academic	0.75	0.75	0.30	40.00	40.00

Institutions & Non-Governmental Voluntary Organisations for undertaking research in labour related subjects (including GIA Scheme of Women Labour Cell)					
Total (A) Central Schemes	297.29	241.04	191.85	64.53	79.59
B. Centrally Sponsored Schemes					
1. Establishment of new ITIs in NE States, Sikkim and Strengthening and modernization of ITIs in the State of Jammu & Kashmir	0.10	0.10	0.00	0.00	0.00
2. Upgradation of 100 ITIs into Centres of Excellence	0.10	0.08	0.00	0.00	0.00
4. Rehabilitation of Bonded Labour	1.00	1.00	0.90	90.00	90.00
5(i) Skill Development initiative	98.00	147.90	133.44	136.16	90.22
(ii) Training of 8000 youths of J&K		11.10	10.22		
5A. Upgradation of 1396 Government ITIs through PPP	760.26	310.26	302.59	39.80	97.53
6. Externally Aided Project (EAP) for Reforms and Improvement in Vocation Training Services rendered by Central and State	235.00	231.00	189.22	80.52	81.91
8. Health Insurance for Unorganised Sector Workers (Rashtriya Swasthya Bima Yojana)	350.00	495.50	511.61	146.17	103.25
9. Kaushal Vikas Yojana	4.00	4.00	0.03	0.75	0.75

Total (B) (Centrally Sponsored Schemes)	1448.46	1200.94	1148.01	79.26	95.59
(C) Fresh Proposals					
1.Setting up of 11 ATIs in PPP mode	0.30	0.13	0.00	0.00	0.00
2.Setting up of 4 Institutes for Training of Trainers	0.10	0.05	0.00	0.00	0.00
3.Expansion of Training of Trainers within DGET Institutes	2.00	2.10	0.00	0.00	0.00
4.Revamp of DGE&T Institutions	0.10	0.07	0.00	0.00	0.00
5.Setting up of 12 Regional Vocational Training Institutes for women in PPP mode	0.30	0.19	0.00	0.00	0.00
6.Participation in World Skills Competition	0.10	0.03	0.00	0.00	0.00
7. Providing of Instructional staff to ITIs	0.35	0.35	0.00	0.00	0.00
8.Skill Training for the youth of LWE (Left Wing Extremism)	1.00	50.10	0.00	0.00	0.00
9. Enhancing Skill Development Infrastructure	0.00	0.00	12.86		
Total (C) Fresh Proposals	4.25	53.02	12.86	302.59	24.25
GRAND TOTAL (A+B+C)	1750.00	1495.00	1352.72	77.30	90.48
	CW34.84	(+CW34.84)	(+CW34.84)		

N.B. 1. CW Stands for Civil Work Component which is transferred to Ministry of Urban Development.

2. (P) stands for Provisional

3.8 Regarding the status of the expenditure in respect of Plan and Non-Plan Schemes incurred during the financial year 2010-11, the Ministry furnished the following information in Tabular form:-

(Rupees in Crore)

Sl.No.	BE 2010-11	Expenditure	% of Expenditure over BE
Plan			
01.	1715.16	222.86 (Upto June, 2010)	12.99
02.	1715.16	184.46 (Upto September, 2010)	10.75
03.	1715.16	435.88 (Upto December, 2010)	25.41
04.	1715.16	512.96 (Upto March, 2011)	29.91

Non-Plan			
01.	2213.26	124.92 (upto June, 2010)	5.64
02.	2213.26	1454.44 (Upto September, 2010)	65.71*
03.	2213.26	142.66 (Upto December, 2010)	6.45
04.	2213.26	296.42 (upto March, 2011)	13.39

*** Sharp increase is due to release of 1300 crore as EPS contribution as this is the main component of non-plan expenditure which is released once in a year.**

3.9 The scrutiny of the Plan expenditure (2010-11), reveals that there is a shortfall in expenditure in almost every scheme implemented by the Ministry. Overall, there is a shortage of above 33%. On the Non-Plan side, there is a shortfall of nearly 18%. Regarding Schemes which are likely to achieve their targets during 11th Plan, the Ministry submitted as under:-

“Owing to the nature and importance of Schemes, most of them are likely to be carried forward from 11th Plan to 12th Plan.”

The details of the Schemes which are likely to achieve their targets during 11th Plan is given in the **Statement** below. Owing to the nature and importance of Schemes, most of them are likely to be carried forward from 11th Plan to 12th Plan.

Detail of Schemes which have achieved their targets during 11th Plan and which are being carried forward to 12th Plan

Sl. No.	Schemes / Programmes	Remarks
(A) Central Sector Schemes		
DGE&T (Employment)		
1	Construction of Office Building, Staff Quarters & Skill Training Institutes	Continuing from 10th Plan
2	Continuation and Setting up of New Vocational Rehabilitation Centres for Handicapped Persons including Skill Training Workshops and Rural Rehabilitation Extension Centres	Continuing from 10th Plan
3	Welfare of SC/ST job seekers through Coaching, Guidance and Vocational Training and Introduction of new courses in existing CGCs & Establishment of new CGCs in States and covered so far	Continuing from 10th Plan
4	Mission Mode Project for Upgradation and Modernization of Employment Exchanges (New Scheme under CS)	New Scheme, proposed in 11th Plan
5	Upgradation of Training Institutes	Merged scheme, continuing from 10th Plan
6	National Instructional Media Institute, Chennai	Continuing from 10th Plan

7	Foremen Training Institutes at Jamshedpur & Bangalore	Continuing from 10th Plan
8	Model Industrial Training Institutes (MITIs)	Continuing from 10th Plan
9	Project Implementation and Trade Testing in DGE&T HQ	
10	Building Equipment & Establishment for RVTIs (Calcutta, Hissar, Allahabad, Indore, Bhubneshwar, Vadodara, Jaipur and Tura)	Merged Scheme, continuing from 10th Plan
Industrial Relations		
11	Strengthening of Adjudication Machinery and holding of Lok Adalats	Merged scheme, continuing from 10th Plan
12	Machinery for better conciliation and Upgradation of office infrastructure at CLC(C) and RLC(C)'s	Merged scheme, continuing from 10th Plan
13	Improvement and Strengthening of Training Wing of Central Labour Service Officers	Continuing from 10th Plan
Central Board for Workers' Education (CBWE)		
14	Central Board for Workers' Education (CBWE)	Continuing from 10th Plan
	Mahatama Gandhi National Rural Employment Guarantee Act	Scheme started during 2011-12
Child Labour		

15	National Child Labour Project (including Grants-in-aid to Voluntary Agencies)	Continuing from 10th Plan
16	Indo- American Child Labour Project with matching US grant (INDUS)	Scheme closed on 31.03.2009.
Labour Bureau		
17	Labour and Employment Statistical System	Merged scheme, continuing from 10th Plan
Director General, Mines Safety (DGMS)		
18	Mine Accidents Analysis and Modernization of Information Database (MAMID)	Merged scheme, continuing from 10th Plan
19	Strengthening of Infrastructure Facilities and Core Functions of DGMS (SOCFOD)	Merged scheme, continuing from 10th Plan
Director General, Factory Advice Service and Labour Institute (DGFASLI)		
20	Establishment of a new Regional Labour Institute, Faridabad	Continuing from 10th Plan
21	Strengthening of DGFASLI Organization and Occupational safety & Health in factories, Ports & Docks	Merged scheme, continuing from 10th Plan
22	Identification and Elimination of Silicosis in India	This Scheme is yet to be approved.
V.V.Giri National Labour Institute (NLI)		
23	National Labour Institute	Continuing from 10th Plan
Other Schemes		
24	Scheme on Information Technology	Continuing from 10th Plan
25	Grants- in- aid to Research/ Academic Institutions & Non- Governmental Voluntary Organisations for undertaking research in labour related subjects	Merged scheme, continuing from 10th Plan
(B) Centrally Sponsored Schemes		

1	Establishment of new ITIs in NE States, Sikkim & Strengthening and modernisation of ITIs in the State of Jammu & Kashmir.	Scheme closed on 31-3-2010
2	Upgradation of 100 ITIs into Centres of Excellence.	Scheme closed on 31-3-2010
3	(i) Skill Development Initiative	Continuing from 10th Plan
	(ii) Training of 8000 Youths of J&K	Scheme started during 2010-11
4	Kaushal Vikas Yojana	Scheme started during 2010-11
5	Rehabilitation of Bonded Labour	Continuing from 10th Plan
6	Upgradation of 1396 Government ITIs through PPP	New Scheme, proposed in 11th Plan
7	Externally Aided Project (EAP) for Reforms and Improvement in Vocational Training Services rendered by Central and State Governments	Continuing from 10th Plan
8	Social Security for unorganised sector workers	The scheme renamed as Rashtriya Swasthya Bima Yojana, continuing in 11th Plan
9	Health Insurance for Unorganised Sector Workers (Rashtriya Swasthya Bima Yojana)	

Rehabilitation of Bonded Labour:-

3.10 Regarding expenditure on the 'Rehabilitation of Bonded Labour' Scheme in which only Rs.407 had been spent upto January, 2010, out of an allocated amount of Rs.1326 lakh during the 11th Plan, the Ministry replied as under :-

“A Centrally Sponsored Plan Scheme for rehabilitation of the released bonded labourers was started in May, 1979. This scheme was modified in May, 2000. Under the modified scheme the rehabilitation grants to the extent of Rs.20,000/- per bonded labourer is provided. The expenditure is shared by the Central and State Government concerned on 50:50 basis. In the case of North Eastern States and Sikkim, the expenditure is fully borne by the Central Government. As soon as the bonded labourers are identified and released, the State Governments send the proposals for their

rehabilitation. As and when the proposals are received, the funds are immediately released. Under utilization of the funds is due to non-receipt of the proposals from the State Governments. ”

Surrender of Funds:-

3.11 As per the Budget documents, under the sub-head 2251.00.090.06 – Ministry of Labour – the funds were surrendered due to non-filling up of vacant posts, non-holding of Prime Minister Shram Awards, receipt of less number of LTC claims and economy measures. The reply of the Ministry in this context reads as under:-

- "(i) The process of filling up of the various posts has been initiated in respect of the vacancies required to be filled up by UPSC / SSC / and other source in terms of DOP&T guidelines which takes considerable time in completion of pre-appointment formalities.
- (ii) The combined Prime Minister’s Shram Awards for the years 2005, 2006 and 2007 were given in a function on 15.09.2010."

3.12 Similarly, under the following heads, the reasons advanced by the Ministry for under utilization of funds are also non-filling up of vacant posts –

2230.01.004.01 – Labour Bureau

2230.01.101.05 – Other Items

2230.01.101.07 - Regional Labour	Chief labour Commissioner (Central) Commissioners	and
2230.01.109.04 -	Health	
2230.02.001.01 -	DGE&T	
2230.03.003.02 -	Training of Crafts Instructors	
2230.03.003.07 -	Vocational Training Programme for Women	
2230.03.101.06 - PPP	Upgradation of 1396 Government ITIs	through

3.13 On the issue of period since these posts are lying vacant and the action taken by the Ministry, the latter furnished details which are placed at ***Annexure-I***

RLI, Faridabad

3.14 Regarding the latest status of establishment of RLI, Faridabad and the vacancy position, the Ministry informed as under:-

The Regional Labour Institute (RLI), Faridabad was established under the plan scheme during IXth and Xth plan period. The construction of the Building of RLI Faridabad has been completed during the year 2008 and it was inaugurated by the then Hon'ble Minister for Labour & Employment, Shri Oscar Fernandez on 10th February, 2009. The Institute has its jurisdiction in the States of NCT of Delhi, Haryana, Punjab, Himachal Pradesh, & Jammu & Kashmir.

The objective of establishing the Regional Labour Institute at Faridabad was to strengthen the industrial safety and health in the Northern States. The Institute provides education and training to industries seeking advice and guidance in the area of industrial safety and health.

A total of 18 posts in Group A, B and C category have so far been created for RLI Faridabad out of which 7 posts have already been filled up and action has been initiated to fill-up the remaining posts. In addition, housekeeping, hostel and security services where Group D staff are deployed, are being outsourced on yearly basis.'

3.15 When asked about the Group-wise vacancy position along with the details of posts, the Ministry furnished the following Statement:-

S.No.	Name of the grade	Number of vacancies	Vacant since when	Present Position
01.	Deputy Director (Medical)	1	28.01.2010	Proposal being sent to UPSC for filling up
02.	Assistant Director (Safety)	2	28.01.2010& 21.07.2010	Proposal sent to UPSC for filling up
03.	Additional Assistant Director (Safety)	1	21.07.2010	Action being taken for holding DPC
04.	Senior Scientific Assistant	1	21.07.2010	-do-
05.	Library Information Assistant	1	21.07.2010	Proposal sent to SSC for filling up
06.	Stenographer Grade II	1	28.01.2010	Action being taken for holding DPC
07.	Junior Scientific Assistant	1	21.07.2010	-do-

08.	Laboratory Assistant Grade I	1	21.07.2010	Nominations being called from Employment Exchange for filling up
09.	Upper Division Clerk	1	28.01.2010	Action being taken for holding DPC
10.	Lower Division Clerk	1	28.01.2010	Proposal sent to SSC for filling up
Total		11		

Building & Other Construction Workers Act, 1996

3.16 The Building and Other construction workers' Welfare Cess Act, 1996, aims to provide for the levy and collection of a cess on the cost of construction incurred by employers with a view to augment the resources for providing immediate assistance in case of accidents, old age pension, loans for construction of house, premia for group insurance, financial assistance for education, to meet medical expenses, maternity benefits etc.

3.17 When the Members desired to know about the collection and expenditure under the Construction Workers Cess, the Ministry furnished the following information in the form of a Statement:-

State-wise position of number of workers registered. Cess collected and amount spent under the Building and Other Construction Workers Act, 1996				
Sl.No.	Name of the State/UTs	No. of workers	Amount of	Amount spent

		registered with the Board	cess collected (in crores)	(in crores)
1.	Andhra Pradesh	8,82,070	472	12.78
2.	Arunachal Pradesh	4,298	12.03	2.49
3.	Assam	0	16.02	0.01
4.	Bihar	12,323	97.81	0.11
5.	Chhattisgarh	21,577	25.9	3.14
6.	Goa	0	1.88	0
7.	Gujarat	48,495	182.75	0.1
8.	Haryana	1,25,827	328.89	5.12
9.	Himachal Pradesh	633	51.22	0
10.	J&K	0	0	0
11.	Jharkhand	15,219	15.16	0.09
12.	Karnataka	1,30,031	644.87	5.45
13.	Kerala	16,62,351	459.07	351.68
14.	Madhya Pradesh	13,52,363	424.84	155.01
15.	Maharashtra	0	10.53	0
16.	Manipur	0	0	0
17.	Meghalaya	0	0	0
18.	Mizoram	0	0	0
19.	Nagaland	0	0	0
20.	Orissa	60,640	77.95	0.0066
21.	Punjab	17,666	109.31	1.67
22.	Rajasthan	15,197	23.93	0.0097
23.	Sikkim	0	0	0
24.	Tamilnadu	20,66,354	376.58	164.16
25.	Tripura	6,790	21.61	0.07
26.	Uttar Pradesh	26,480	56.94	0
27.	Uttarakhand	0	2.61	0
28.	West Bengal	1,91,083	218.82	1.9
29.	Delhi	41,766	656.29	28.36

30.	A&N Island	533	3.87	0.02
31.	Chandigarh	993	4.51	0.02
32.	Dadra & Nagar Haveli	0	0.17	0
33.	Daman & Diu	0	0.73	0
34.	Lakshadweep	0	0	0
35.	Puducherry	25,455	20.65	4.62
	Total	67,08,144	4316.94	736.8163

3.18 The Committee observe that most of the Schemes of the Ministry of Labour and Employment are continuing from the 7th Plan and are likely to be carried forward to the 12th Plan as well. In order to ensure concurrent and continual evaluation of the schemes, the Committee desire that at the end of every year, a Status Paper be issued which could be called "Report to the People" showing the details of the Schemes framed by the Union Government, contribution of the State Governments alongwith the completion status of the Schemes, the number of beneficiaries, total expenditure incurred State-wise and the reasons for non completion etc. especially in the case of Schemes in PPP mode.

3.19 The Committee note that the expenditure on Centrally Sponsored Scheme on rehabilitation of the bonded labourers has more or less remained static as out of an allocated amount of Rs.1326 lakhs during 11th Plan for the scheme only Rs.407 lakhs

had been spent upto January, 2010. The reasons for underutilization of the funds are stated to be non receipt of proposals from the State Governments. The Committee find that no concerted efforts have been made by the Ministry in persuading the State Governments to identify the bonded labourers. The Committee also observe that no corrective steps have been taken by the Ministry for non-submission of proposals in this regard by the State Governments year after year. The Committee therefore, desire that the State Governments be impressed upon to enhance their efforts in identification and rehabilitation of bonded labourers so that the malaise is eradicated once and forever without any further delay.

3.20 The Committee observe that the Ministry had to surrender funds due to non-holding the Prime Minister's Shram Awards for the years 2005, 2006, and 2007. However, as per the reply furnished to the Committee, the Ministry informed that "the combined Prime Minister's Shram Awards for the years 2005, 2006

and 2007 were given in a function on 15.09.2010". The Committee note that the awards were given well before the preparation of the budget proposals. The Committee are of the view that in such a situation when the Shram Awards were given before the preparation of budget proposals the same could have been reflected in the budget proposal documents. The Ministry owe explanation to Parliament as to why such an omission was made.

3.21 The Committee note that the funds were surrendered due to non-filling up of vacant posts under a number of sub-heads. The Committee find that so many posts lying vacant and some of them are even lying vacant from the year 2002. Further, the Committee observe that nearly in all the cases proposals for filling up of vacancies were sent to UPSC/SSC after one year from the date of vacancy. While giving due consideration to the reasons offered by the Ministry that the delay was on the part of the UPSC/SSC, the Committee recommend that all out efforts be made by the Ministry at their end for promptly reporting the vacancies

to UPSC/SSC not only when the same arise but in great many cases steps need to be taken in anticipation of the posts becoming vacant. They also desire that the UPSC/SSC may be requested to forward the names of successful candidates and simultaneously forward a reserve panel so that the same could be considered in case the selected persons do not join. The Committee also recommend that the Ministry workout the vacancy position/likely vacancies before the start of every calendar year, including their sub-ordinate offices so that the process of filling up the posts could be initiated well in advance.

3.22 The Committee note that the setting up of the Regional Labour Institute (RLI) Faridabad was taken up during the IX Plan period but the Institute was inaugurated on 10th February, 2009 with the objective of strengthening of industrial safety and health. The Committee find that out of the 18 posts created in Group A, B and C, only 7 posts were filled up so far. As regards, the filling up of the remaining 11 posts, there is no concrete reply from the

Ministry. The Committee are afraid that the very objective of establishing the Institute will be negated if the posts lie vacant for a long time. The Committee, therefore, recommend that the process for filling up of vacant posts be finalized urgently and the posts be filled up within a definite time frame and the Committee be apprised.

3.23 The Committee note that the expenditure as compared to the cess collected under the Construction Workers Cess is almost nil in some States while in others it is very nominal. The Secretary, Ministry of Labour and Employment admitted that 'a huge amount of cess has been collected in the States and it is just lying there and they were proposing an amendment to the Act'. The Committee feel that the proposed amendment would spur the State Governments to collect the cess. The Committee therefore, recommend that the proposed amendment to the Act be carried out without any further delay. The Committee also observe that there is complete lack of awareness about the Fund in the

construction workers. The Committee, therefore, desire that due publicity be given for general awareness of the workers engaged in construction activities and simultaneously the State Governments be persuaded to spend the cess so collected on the welfare activities of the construction workers.

CHAPTER-IV

EMPLOYEES' PROVIDENT FUND ORGANISATION (EPFO)

The Employees' Provident Fund Organisation (EPFO) is responsible for administration of the Employees Provident Funds and Miscellaneous Provisions Act, 1952, which provides for compulsory provident fund, pension and deposit-linked insurance in factories/establishments employing twenty or more employees in industries mentioned in Schedule to the Act. The Schemes for Provident Fund, Family Pension and Deposit Linked Insurance are implemented by the Organisation for the benefit of workers covered under the Scheme. The Organisation is also responsible for administration of Employees' Pension Scheme, 1995 that came into existence on 16.11.1995.

4.2 The number of EPF subscribers as on 31st December, 2010 is as under :-

Total :	6,07,97,972
Unexempted Sector :	5,57,58,703
Exempted Sector :	50,39,269

4.3 The total corpus in respect of various schemes (including public account) as on 31st March 2010 is as under:-

	(Amount in cores)
EPF Scheme	1,88,859.37
EPS Scheme	1,32,797.37
SPF	672.12
Staff Pension & Gratuity	1,558.47
EDLI Scheme	8,700.92
Total	3,32,588.25

4.4 Regarding the updation of accounts, the Ministry informed as under:-

"As regards updation of members' accounts, it is submitted that accounts of P.F. members are updated after ascertaining the deposit position and receipt of Annual Returns from the employers. The Returns are submitted by the employers on different dates throughout the year. It is a continuous process. As such, there is no single date on which it can be said that all P.F. members' accounts were last updated."

4.5 As regards the amount of Rs.36,000 crore lying un-credited to the accounts of subscribers, the Ministry informed as under :-

"Employees Provident Fund Organization (EPFO) is maintaining account for each member; in each account contribution received and withdrawals made are recorded and interest is credited. The total amount and its bifurcation into individual members account are only ascertainable after receipt of these details from employers. However some establishments default in submission of details, so EPFO cannot credit into account of such members any contribution or interest thereon. Efforts are made by EPFO to collect returns

etc from such employers by special campaign, newspaper advertisements and by deputing enforcement officers etc."

4.6 While deliberating on the CAG report about the amount of Rs.1731 crore lying un-credited to the accounts, the Ministry informed as under:-

"The CAG in its audit report of Accounts of Employees Provident Fund Organization for the Financial Year 2009-10 has no where mentioned Rs.1731 crore as amount not credited to 4.7 crore provident fund accounts. The CAG in its report has observed that the Interest Suspense Account includes a total amount of Rs.4671.83 crore available for credit into EPF subscriber's accounts as on 31.03.2010. It also observed "that interest on 4.72 crore members' accounts were yet to be credited and were pending as on 31.03.2010. The actual interest liability on 4.72 crore pending accounts is not ascertainable. In the absence of the same the adequacy of above balance of Rs.4671.83 crore to meet the future interest liability for pending accounts cannot be verified in audit.

An exercise was undertaken for bifurcation of Interest Suspense Account (ISA) of EPFO, between the accrued amount on account of the past Interest liabilities and the actual surplus that was available on the directions of CBT, which in its 189th meeting held on 09.04.2010 has desired that accumulation in ISA must be analyzed and placed before the next CBT with full details. CAG has also in its various audit reports observed that the balance in ISA is increasing which needs to be cleared by updating the pending accounts. In this exercise, the interest liability was drawn each year since 1952-53 onwards. The income part was taken from the Balance Sheets of each year and the interest liability was worked out on

the basis of accrued interest on the opening balance of EPF Account plus the average contributions received and the total withdrawals made each year based on the respective figures given in the annual Balance Sheets. Taking the actual income each year and the accrued liability each year, the cumulative position at the end of 2009-10 was worked out and this revealed an estimated surplus of Rs.1731.57 crore which was placed before the CBT for consideration in proper perspective, as this amount would not be available in future in ISA. By utilizing this amount an additional interest @1% has been recommended for the Financial Year 2010-11."

Inoperative Accounts

4.7 As regards the accounts lying in-operative and the amount locked therein, the Ministry informed as under:-

"As per the Management Information System (MIS), only amounts lying in Inoperative Accounts are reflected. There is no provision for retrieving such data in the present system. However, for estimating the number of inoperative accounts, a sample study of 22 offices was conducted recently. The outcome was extrapolated to 120 offices and it is observed that the Inoperative Accounts are likely to be about 3.00 crore.

As per consolidated Annual Accounts of the EPFO for the year 2009-10, an amount of Rs.8318.69 crore is lying in Inoperative Accounts."

4.8 The Ministry further informed that account holders do not withdraw from their account their accumulation because (i) the interest earned on such deposits is exempted from Income Tax, (ii) such deposits are safe investments and cannot be attached even by decree of any court and (iii) the rate of interest on Employees' Provident Fund deposits is higher than other comparative investment in the market.

The Ministry further added as under:

"To discourage the members from using this Social Security Scheme as an Investment Avenue, the Ministry of Labour & Employment, Government of India has issued a Notification dated 15.01.2011 to disallow interest on Inoperative Accounts w.e.f. 01.04.2011.

Publicity through print media and electronic media is made to educate the members to file their claims for settlement. Similarly, the employers and employees' unions have also been requested to advise the members to file their claims for settlement.

Further. Provision for transfer of provident fund account from one establishment to another through electronic mode is made recently."

4.9 When asked about the period for which the interest is given on these inoperative accounts, the Ministry informed that interest had been given upto 31st March, 2011.

4.10 On the issue of computerization of EPFO, the Ministry informed that:-

"The 1st phase of computerization project has been implemented in all 119 offices, except one office i.e Sub-Regional Office, Keonjhar, Orissa which is pending due to non-availability of office building space. All possible efforts are made in coordination with local administration to ensure the computerization of this office at the earliest."

4.11 On being asked about the number of phases in which the computerization project of EPFO would be completed, the Ministry furnished as under:-

"There are two phases of the computerization project. Phase I, which covers operations, directed towards delivering services to subscribers has 119 offices as on 31st March 2011. The Project Plan, Modalities, time line and budget for the IInd phase, which proposes centralization of data and services, double entry accounting system, etc. are yet to be decided."

Companies exempted from EPFO:-

4.12 The rate of interest has recently been increased to 9.5% as per the decision of the CBT. As per the reply furnished by the Ministry regarding the companies exempted from the purview of EPFO and are resenting the decision as the average yield on investments for most of the exempted trust is below 8.5% and even in some trusts, the yield is between 7.2% to 7.99%. The low rate of yield of these trusts is an indicator that these trusts are neither investing their funds in a

prudent manner nor keeping the funds idle etc. which is resulting in lower yields on their investments. When asked why the exemption has not been withdrawn against these companies, the Ministry apprised as under:-

"As per the conditions for Grant of Exemption to any PF Trust, any deficiency in the interest declared by the Board of Trustees is to be made good by the Employer to bring it up to the statutory limit.

Till such time, the Exempted Trust continues to comply with all the necessary conditions, imposed at the time of grant of exemption, the exemption cannot be withdrawn. If the Trust fails to comply with the conditions or it voluntarily surrenders the exemption, the exemption of such trust is immediately withdrawn."

Appointment of Fund Managers:-

4.13 Expressions of Interest (EOI) were invited by the EPFO for appointment of fund managers. As per the reply of the Ministry, the term of four fund managers had expired on 31.03.2011. As regards, the current status of EOI as well as the terms and conditions of the present fund managers for continuance after 31.03.2011, the Ministry intimated that:-

"The term of the four Fund Managers expired on 31.03.2011. Central Board of Trustees (CBT) in its 193rd meeting held on 30.03.2011 did not extend the term of the Fund Managers beyond 31.03.2011 and decided that the Portfolio Management for Employees Provident Fund Organization will be

solely done by SBI for next three months i.e. up to 30th June 2011. It also directed that the process of selection of new Fund Managers be completed within this period.

Clarifications on certain legal issues were sought from the Ministry of Labour by EPFO. Immediately on receipt of these clarifications, the Request for Proposal (RFP) document was issued to all the short listed applicants on 06.06.2011. Date of submission of RFP document has been fixed on 24.06.2011. The technical bids will be opened the same day. After their evaluation, the financial bids will be opened on 8th of July 2011. Thereafter, the new fund managers will be selected on the basis of the marks they score and their selection will be put before CBT for approval.

The process of selection of Fund Managers may extend beyond the deadline set by CBT i.e. 30.06.2011 and hence an agenda for getting some more time is being put up before 194th meeting of CBT to be held on 24.06.2011.

The temporary mandate given to SBI as Fund Manager for EPFO till the selection of new Fund Managers is on the same terms and conditions as prior to 31.03.2011."

Review of EPF, 1995 and Misc. Provisions Act, 1952:-

4.14 A sub-Committee of the CBT was constituted to suggest changes in the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 along with other comprehensive amendments required to bring the provisions of the Act in

tune with the changed circumstances. The Committee has since submitted its report. Regarding the present status of the Report and what action has been taken by the Ministry, the latter intimated as under:-

"Hon'ble Minister of Labour & Employment / Chairman Central Board of Trustees (CBT) had constituted a Working Group to carry out detail exercise for recommending the comprehensive amendment in Sections 1 to 22 of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Schemes thereunder taking into consideration the views and suggestions received from all the stakeholders. The Working Group had submitted its report which has been placed before CBT before making final recommendations to the Central Government . The matter is under consideration with CBT (EPF)."

4.15 As regards the current status of the Expert Committee's report, constituted for reviewing the EPF, 1995, the Ministry intimated that :-

"The Expert Committee has submitted its report to the Central Government on 05.08.2010. On direction of the Central Government, the report of the Expert Committee was placed before Central Board of Trustees, EPF in its 190th meeting held on 15.09.2010. After brief discussion in the meeting, it was decided that the report of the Expert Committee shall be discussed in the Pension Implementation Committee of the Board and then deliberated in detail in the subsequent meeting.

Therefore, the report of the Expert Committee on Employees' Pension Scheme, 1995 was placed in the 28th, 29th & 30th meeting of the Pension Implementation Committee held on 15.11.2010, 07.12.2010 & 03.02.2011 respectively. The next meeting of Pension Implementation Committee is scheduled for 23.05.2011. The Committee is currently engaged in building consensus on various recommendations of the Expert Committee."

Pendency of EPF Claims:-

4.16 On being asked about the pendency of EPF claims with the EPFO, the period of their pendency and the reasons therefor, the Ministry intimated as under:-

"A total of 7,17,612 claims were pending as on 31.03.2011. It is however, to state that receipt and settlement of claims is a continuous process. Claims which are pending in a particular month are settled in the later months.

The Region-wise periodicity of pending claims as on 31.03.2011 is given below:

Region	Total Cases Pending	Less Than One Month	More than one month
Dehradun	3683	3682	1
Delhi (North)	22974	22566	0
Delhi (South)*	101432	45156	0

Zonal Office (DL & UK)	128089	71404	1
Chandigarh	6104	5750	354
Ludhiana	5566	5549	17
Shimla	2874	2646	228
Zonal Office (PN & HP)	14544	13945	599
Kanpur	8420	6222	2198
Meerut	19389	15225	4164
Patna	3782	870	2912
Zonal Office (UP & BR)	31591	22317	9274
Faridabad	1245	1229	0
Gurgaon	54809	5355	49454
Jaipur	6636	4673	1963
Zonal Office (HR & RJ)	62690	11257	51417
Ahmedabad	11386	10702	684
Baroda	8626	4014	4612
Indore	3365	1672	1693
Surat	20144	16895	3249
Zonal Office (GJ & MP)	43521	33283	10238
Kandivili	22196	10732	11464
Mumbai-I Bandra	58903	33090	25813
Mumbai-II Thane	2310	1629	681
Nagpur	10007	8996	1011
Pune	6245	5705	540

Raipur	67	59	8
Zonal Office (MH & CG)	99728	60211	39517
Bangalore	29324	20328	8996
Gulbarga	1373	746	627
Mangalore	9659	7287	2372
Panaji	9643	7775	1868
Peenya	91487	50103	41384
Zonal Office (KN & Goa)	141486	86239	55247
Bhubaneswar	1730	798	932
Guntur	5795	5669	126
Hyderabad	12203	6642	5561
Nizamabad	1695	1423	272
Zonal Office (AP & OR)	21423	14532	6891
Chennai	34690	28841	5849
Coimbatore	13734	9256	4478
Madurai	5311	4537	774
Tambaram	18430	12224	6206
Thiruvananthapuram	13339	10505	2834
Zonal Office (TN & KR)	85504	65363	20141
Guwahati (NER)	3110	1222	1888
Jalpaiguri	19542	12819	6723

Kolkata	19565	5870	13695
Ranchi	3377	1363	2014
Zonal Office (WB, NER & JH)	45594	21274	24320
All INDIA	674170	399825	217645

* The total claims pending with EPFO has been reduced from 7,17,612 to 6,74,170 due to the revised figures sent by the Delhi South Regional Office.

The reasons for the pendency are:

- Shortage of staff. Available staff was deputed for election and census related duties.
- Heavy receipts of claims.
- Work was also affected for certain period due to the transition to the new computerization process."

4.17 As regards the vacancy position in EPFO, the Ministry informed as under:-

(As on 31.12.2010)

Group	Sanctioned Strength	In position strength	Vacancy
A	1033	762	271
B	6165	4981	1184
C	16990	14537	2453
Total	24188	20280	3908

Redressal of Public Grievance:-

4.18 Commenting upon the working of the Grievance Redressal Machinery in EPDO, the Ministry stated as under :-

The mission of Employee's Provident Fund Organization is to extend the reach and quality of publicly managed old-age income security programs through consistent and ever-improving standards of compliance and benefit delivery in a manner that wins the approval and confidence of stakeholders in our methods, fairness, honesty and integrity, thereby contributing to the economic and social well-being of Indians.

The Organization in tune with its objectives lays considerable importance to the redressal of grievance of the members of the fund. The following mechanisms are used for public grievance redressal:-

1. Customer Services Division
2. Bhavishya Nidhi Adalats
3. Employees' Provident Fund Grievances Management System (EPFiGMS)
4. Centralized Public Grievances Redress and Monitoring System (CPGRAMS)

1. Customer Services Division (CSD):

The Headquarter Office at New Delhi and all field offices comprising 40 Regional Offices and 79 Sub-Regional Offices across the country are equipped with full-fledged facilitation centers, Public Relation Officers and supporting staff from where the members can obtain the relevant information as well as get their grievances redressed. The Public Relation Officers at the Reception Counters are available on all working days of the

week to redress the grievances of the visiting members. At the same time, Public Relation Officers are also available in each office to assist the members asking for any information.

There is two-tier organizational structure of CSD for handling and redressal of public grievances. One is at Head Office level headed by Additional Central Provident Fund Commissioner and assisted by Regional Provident Fund Commissioners, and Public Relation Officer. Another is at Field Offices level, headed by Regional Provident Fund Commissioners and Assistant Provident Fund Commissioners assisted by Public Relation Officers.

The Regional Provident Fund Commissioners of the regions and Officer-in Charge of Sub-Regional Offices are available for redressal of the grievance of the members on all working days. At Headquarters the Regional Provident Fund Commissioner, In-Charge of the Customer Service Division redresses the grievances of the members of the fund in person on all working days during office hours. If, the member do not feel satisfied, they can see the Additional Central Provident Fund Commissioner (Customer Service Division) or the Central Provident Fund Commissioner.

The grievances received from the members of the Fund through various sources relating to the settlement of claims, issue of account slips, matter arising out of non-compliance etc., are required to be redressed by the field offices. Feedback of all such grievances obtained from field offices is promptly communicated to the members with the status/disposal of the petitions. Special attention is paid for redressing the grievances received from important sources such as Directorate of Public Grievances (DPG), Department of Administrative Reforms & Public Grievances (DARPG),

Ministry of Labour & Employment, Prime Minister's Office, VIPs (MPs, MLAs, and CBT members), Vigilance Division, etc.

CSDs in ROs/SROs directly receive and redress Grievances.

CSD in Head Office receives grievance and registers it with a unique EPF/GMS number. Then it forwards the grievance to respective RO/SRO for monitoring. While the grievance is redressed by the concerned RO/SRO it receives the interim report/redressal report and informs the complainants accordingly.

The Public Relation Officers in the Regional/Sub Regional Offices redress the grievances of the members who visit the offices for redressal. The Public Relation Officer provides information about the status of the claim as well as the status of the complaints filed by the members.

The following guidelines are prescribed for handling grievances:

- Every complaint/grievance is required to be registered and acknowledged.
- Information required regarding payment of Provident Fund/Pension cases/Status of complaints to be provided across the counter/over phone.
- Monitoring of the grievance disposal.

The Facilitation Centers have been set up in all the offices of the Organization. All the prescribed forms for the members of the Fund are available free of cost during working hours. The salient features of a "Facilitation Centre" are as below:

- To provide information regarding Schemes and procedures through brochures, booklets, reports, etc.

- To provide information regarding status of claims/complaints.
- To receive complaints, issue acknowledgements.
- Officer of the level of Assistant Provident Fund Commissioner/Accounts Officers as PRO to attend to the grievances at the facilitation centre.
- Time limits for settlement of claims/petitions, meeting hours of the Senior Officers are notified through display boards.
- Physical facilities have been provided for sitting, drinking water, etc. for the members.

To reduce the Public Grievances, the Organization has taken various measures for creating the awareness about the provisions of EPF & MP Act, 1952 among members and employers. Brochures and pamphlets on schemes under the Act are provided at facilitation counters and with PROs. Seminars are arranged to educate employers, employee and various representatives. Functions are organized by field offices to provide a copy of PPO and related papers to retiring employee members on the day of retirement.

The details of grievances received and redressed during the last five years are given below:

Year	Grievances pending at the beginning of the year.	Received during the year.	Total	Disposed off during the year.	Balance at the end of the year.
2005-06	5171	38982	44153	41189	2964
2006-07	2964	44685	47649	44937	2712
2007-08	2712	27234	29946	28476	1470

2008-09	1470	19912	21382	20077	1305
2009-10	1305	17551	18856	17809	1047

2. Bhavishya Nidhi Adalats:

All Field Offices conduct “Bhavishya Nidhi Adalats” for redressal of complex nature of grievances of members of the fund. The “Bhavishya Nidhi Adalats” are held on 10th of every month and if 10th happens to be a holiday “Bhavishya Nidhi Adalats” are conducted on the next working day. Bhavishya Nidhi Adalats are held regularly inside the office premises as well as outside the office premises to reach out to the public far away from the offices. A well prepared awareness program for the purpose along with publicity in local newspapers is carried out regularly to invite the grievances from the public.

The number of complaints filed before the “Bhavishya Nidhi Adalats” and cases decided on the spot during the last five years are as under:

Year	Number of Bhavishya Nidhi Adalats organized.	Number of grievances registered before Bhavishya Nidhi Adalats.	Number of grievances disposed off by Bhavishya Nidhi Adalats.
2005-06	1259	2143	2105
2006-07	1306	2110	2087
2007-08	1343	1565	1543
2008-09	1181	2764	2654
2009-10	1495	7436	7257

3. Employees' Provident Fund Grievance Management System

(EPFiGMS):

Customer Service Division has launched EPFiGMS (Employees Provident Fund Grievances Management System) on 5 May 2010, which is an internet based grievance management system that has been developed by CSD in collaboration with the NIC, which is customized to the needs of the organization. The EPFiGMS has been developed with a view to provide a single window platform that is able to record, acknowledge and track/monitor grievances till its final redressal.

The system not only afforded convenience to subscribers to register their grievances/queries without any spatial or temporal restrictions but also proved to be of immense value to field offices in managing grievances. Subscribers can now access the system from anywhere and all paper grievances are also been registered in the system.

It is loaded with several advanced features most important being that movement of registered grievance guided by database which tracks the registered grievances to any of the offices to which it might be related. Once a grievance is registered, system generates a unique registration number and auto generates acknowledgement letter directly to the subscribers e-mail (if provided). This system has a well defined escalation plan and allows thirty days time to each office to redress the grievance. If any grievance remains unattended up to thirty days, it would escalate to the next higher authorities. Since 5th May 2010 up to 20.10.2010, 60210 grievances have been registered out of which 49445 grievances have been settled. The system also generates monitoring reports for analysis.

4. Centralized Public Grievance Redress And Monitoring

System (CPGRAMS):

CPGRAMS is a program developed and executed by the Department of Administrative Reforms & Public Grievances (DARPG) under Ministry of Personnel, Public Grievances & Pension, Government of India.

CPGRAMS has been implemented in all the field offices of EPFO as per instructions from the Ministry of Labour & Employment. All the ROs/SROs are regularly attending CPGRAMS cases.

4.19 The Committee note that there were 5,57,58,703 subscribers from un-exempted sector of EPFO as on 31 December, 2010, but there is no regular and periodic updation of members' accounts. As per the reply of the Ministry, the accounts of PF Members are updated only after ascertaining the deposit position and receipt of Annual Returns from the employers. The returns are submitted by the employers on different dates throughout the year. The Committee find that the Ministry, instead of setting a cut off date

for furnishing the returns by the employers, is justifying an outmoded system. The Committee have reason to believe that in the absence of regular updation of accounts, the number of defaulters could be more than the identified ones. The Committee therefore, recommend that a cut off date either of the calendar year or the financial year be set for submission of returns from the employers so that in case of any deviation, the employers could easily be reprimanded besides enabling the EPFO to have the information about the defaulting employers. This would also help the Ministry to have upto date information regarding the account holders.

4.20 The Committee note that the CAG in its audit report of accounts of EPFO observed that the Interest Suspense Account includes a total amount of Rs.4671.83 crore available for credit into EPF subscriber's accounts and interest on 4.72 crore

members' accounts were yet to be credited and were pending as on 31.03.2010. The CAG in its various reports has observed that the balance in Interest Suspense Account (ISA) is increasing which needs to be cleared by updating the pending accounts. The Committee co-relate this to the computerization of EPFO which is taking unduly long time and also felling on the resources. As per the reply of the Ministry, the 1st phase of computerization project has been implemented and the Project Plan, modalities, time- line and budget for the II phase are yet to be decided. The Committee desire that the updation exercise of the pending accounts be completed within a definite time frame including computerization of EPFO and the Committee be apprised.

4.21 The Committee find that an amount of Rs.36,000 crore is lying un-credited to the accounts of the EPFO subscribers. The Committee were informed by the Ministry that the bifurcation of un-credited amount into individual members account is ascertainable only after receipt of these details from employers

and also that some establishments default in submission of details, so EPFO cannot credit into account of such members any contribution or interest thereon. The Committee were further informed that efforts were being made to collect return from such employers by special campaign, newspaper advertisements and by deputing enforcement officers etc. The Committee do not accept the reasons offered by the Ministry as any amount deducted and forwarded to EPFO by any establishment cannot be shown under suspense accounts. The Committee, therefore, recommend that once any amount is received by EPFO from either side's contribution, the same may immediately be credited to the account of the member concerned without waiting for the other component. The Committee further recommend that the employer be directed to deposit the other part of the contribution with the EPFO within a fixed time-frame and cautioned of the consequences if he fails to do so. The Committee would like to be informed of the corrective measures taken to evolve an effective

mechanism for maintaining/updating the accounts of subscribers on a regular basis.

4.22 The Committee were informed that a total of 166096 accounts were lying inoperative involving Rs.5892.53 crore as on 31st March, 2009. In a subsequent communication furnished to the Committee by the Ministry, it was informed that about 3 crore accounts involving an amount of Rs.8318.69 crore are lying inoperative. The Committee are astounded to note that the number of inoperative accounts have just doubled within a year. The Committee feel that either the figures provided to them last year were incorrect or the figures provided this year are incorrect. Needless to say, this casts serious aspersions on the functioning of the Ministry and the EPFO for failing to maintain the precise and correct data about the inoperative accounts. While deploring such carelessness on the part of the Ministry, the Committee demand

that the figures of both the years along with the amount involved in the inoperative accounts be intimated to them after careful verification.

4.23 As per the information furnished by the Ministry, there are 5,57,58,703 subscribers to the EPF from un-exempted sector. The Committee find that more than 50% accounts i.e. 3 crore accounts are lying in-operative. The Committee are concerned to note that if this is the state of affairs prevailing in the EPFO what would happen when most of the accounts would become operational. The Committee, therefore, recommend that the subscribers whose identity could be established and is traceable may strictly be warned to withdraw their money within six months failing which the same would be transferred to dead accounts.

4.24 The Committee note that the EPFO is disbursing interest on in-operative accounts irrespective of the period from which these accounts are lying inoperative. They further note that the account holders do not withdraw their accumulation because (i) the interest earned on such deposits is exempted from Income Tax, (ii) such deposits are safe investments and cannot be attached even by decree of any court and (iii) the rate of interest on Employees' Provident Fund deposits is higher than other comparative investments in the market. The Committee note that though the EPFO has taken decision now not to pay interest on in-operative accounts w.e.f. 01.04.2011, they desire that it is high time the EPFO take a policy decision regarding disbursement of interest to the subscribers only upto six months from the date of their opting out of the Scheme for whatever reason.

4.25 The Committee note that the interest on in-operative accounts was disbursed upto 31st March, 2011, irrespective of the period for which the account was lying in-operative. The

Committee, find it as one of the contributing reasons for addition to the number of bulging in-operative accounts. The Committee therefore, desire that wide publicity be given by EPFO to the effect that Government have stopped paying interest on in-operative accounts. The Committee feel that such a measure would definitely discourage those subscribers who do not withdraw their money from the EPFO just to earn higher returns.

4.26 The Committee note that as on 31.03.2011, 7,17,612 claims were pending for settlement. The Committee are unable to reconcile the figures provided in respect of Zonal Office (Delhi & Uttrakhand) as there are 1,28,089 cases pending in total, out of which 71,404 are pending for less than a month and only 01 case is pending for more than a month. The Committee are concerned to know about the other 56,684 cases. They also find that the pendency position is grave in the Zonal Offices of Delhi & Uttrakhand, Maharashtra & Chhattisgarh, Karnataka & Goa, where the figures are hovering around a lakh. The Committee, therefore,

desire that suitable steps be taken to improve the situation in these Zones and all the pending cases be settled expeditiously under intimation to the Committee.

4.27 The Committee note that some of the companies exempted from the purview of EPFO are resenting the decision of increased interest rate to 9.5% on the ground that the average yield on investments is below 8.5% and even in some Trusts, it is between 7.2% to 7.99%. As per the reply of the Ministry, the exemption cannot be withdrawn till such time, the Exempted Trust continues to comply with all the necessary conditions, imposed at the time of grant of exemption. If the Trust fails to comply with the conditions or it voluntary surrenders the exemption, the exemption of such Trust is immediately withdrawn. The Committee feel that in such a case ultimate sufferer is the subscriber who has to trail the decision of his employer for not subscribing to the EPFO. The Committee desire that some alternative be evolved so that the innocent subscribers

do not suffer on account of imprudent investments by their employers.

4.28 The Committee note that the EPFO had invited Expressions of Interest (EOI) for appointment of Fund Managers in February, 2011. The Committee also find that the process of appointment of the Fund Managers was started during January/February, 2011 whereas the Ministry was very well aware that the term of present Fund Managers was due to expire on 31.03.2011. Though the EPFO had engaged SBI for managing their funds till the selection of new Fund Managers, the Committee recommend that in future all procedural formalities be completed well in advance before the expiry of the term of Fund Managers so as to avoid making such stop-gap arrangements.

4.29 The Committee note that a sub-Committee of the CBT was constituted to suggest changes in the Employees' Provident

Fund and Miscellaneous Provisions Act, 1952 along with other comprehensive amendments required to bring the provisions of the Act in tune with the changed circumstances. The Sub-Committee has since submitted its report and the same is under consideration of the CBT (EPF). The Committee desire that the final recommendations made by the Sub-Committee and accepted by the CBT be sent to the Central Government without further delay for early consideration and implementation.

4.30 The Committee note that the Expert Committee, for reviewing the Employees' Pension Scheme, 1995, constituted in June, 2009 was required to submit its report within six months. However, the Expert Committee submitted its report on 05.08.2010. As per the direction of the Central Government, the report was placed before the CBT (EPF) who, in turn, forwarded it to the Pension Implementation Committee of the Board. The Committee find that Pension Implementation Committee has held four meetings so far, but the report is still languishing and is

currently engaged in building consensus on various recommendations of the expert committee. The Committee desire that the report be finalized without further delay for submitting the same to the Central Government.

4.31 The Committee observe that 3908 posts were lying vacant in EPFO as on 31.12.2010. The accumulation of pending cases may be partly attributable to shortage of staff. The Committee are dismayed to note that on the one hand the reasons for pendency are stated to be the deputing of staff for election and census related duties and on the other hand the posts are lying vacant. They, therefore, desire that all out efforts be made to fill up these vacancies without further delay to ease the burden on the existing staff as well as the angst of the subscribers to the Fund.

4.32 The Committee note that there is a well established system of "Redressal of Public Grievance" through Customer

Services Division, Bhavishya Nidhi Adalats, EPFiGMS and CPGRAMS. The Committee vide their 39th Report (14th Lok Sabha) presented to the House on 20.02.2009 had recommended that a separate Pension Division be created within EPFO and till such a mechanism is put in place, a specific grievance redressal cell, within the Public Grievance Handling System be set up for resolution of grievances of the ever growing number of pensioners. The Committee are saddened to note that even a specific grievance redressal cell for pensioners has not been set up despite the urgency of the matter. The Committee, reiterate that a separate pension division within EPFO be set up expeditiously and they be informed of the action taken thereon within a definite time-frame.

CHAPTER-V

CHILD LABOUR

5.1 The National Child Labour Project (NCLP) was started in 1987 in the areas of high concentration of child labour for their identification, withdrawal and rehabilitation. The Scheme is currently being implemented in 271 districts of 20

States in the country. As per Census of 2001 there are 1.26 crore economically active children in the age group of 5-14 years whereas in 1991 Census this number was 1.13 crore. Regarding the rehabilitation/repatriation of the child labour as identified by census of 1991 and the left out, the Ministry intimated as under:-

"As per the Census 1991 there were 1.13 Core working children. However, the Child Labour (Prohibition and Regulation) Act, 1986 prohibits the employment of children in the Hazardous occupations / processes only. As per the available information about 1.32 lakh child labour of age group of 9-14 have been mainstreamed into formal education system through National Child Labour Projects (NCLP) Schools from 1991-2001, apart from rehabilitation in other areas."

5.2 Regarding the reasons for rise in number of child labour and the current status of rehabilitation/repatriation of the child labour as identified by census of 2001, the Ministry informed as under :-

"According to Census 2001 figures, there were 1.26 crore working children in the age group of 5-14 , out of which approximately 12 lakh children were working in the hazardous occupations/processes which are covered under the Child Labour (Prohibition and Regulation) Act, 1986. However, as per the survey conducted by the National Sample Survey Organization (NSSO) in 2004-2005, the number of working children was estimated 90.75 lakh which shows the decline trend. There is a rise in the number of working children from 1.13 crore as per Census 1991 to 1.26 crore as per the

Census 2001 but the activity rate has been reduced from 5.4% in 1991 to 5% in 2001.

As per the available information about 7.05 lakh child labour of age group 9-14 have been mainstreamed through NCLP Scheme to formal education system since the inception of NCLP Scheme."

5.3 Regarding the number of children benefited by the NCLP right from its inception from the 7th Plan, the Ministry informed stated as follows :-

"According to the information available in this Ministry about, 7.05 lakh child labour of the age group 9-14 have been benefited through NCLP Scheme."

5.4 For strengthening of the National Child Labour Project Scheme, additional components/revisions were proposed. One such component was creation of National Monitoring Cell. Regarding the current status of creation of Monitoring Cell, the Ministry informed as under:-

"For strengthening of the National Child Labour Project Scheme, additional components / revision has been proposed. The Department of Expenditure, Ministry of Finance has not agreed for the creation of the National Monitoring Cell. The Ministry of Labour & Employment is taking up the matter for the reconsideration of left out components."

5.5 The Committee note that the National Child Labour Project (NCLP) was started in the 7th Plan period for identification, withdrawal and rehabilitation of child labour. As per Census of 1991, there were 1.13 crore economically active children in the age group of 5-14 years which rose to 1.26 crore as per the Census of 2001. Currently, the scheme is being implemented in 271 districts of 20 States. The Committee are of the view that this number would be much more if all the States and UTs are covered by the Scheme. The number could be much higher in the UTs as compared to States/rural areas as the child labour is cheap and easily available there. To avoid paying full wage to an adult, the employers employ ten child labour and make them work for 16 to 20 hours a day. Acknowledging that there is an urgent need to conduct more surveys for identification of child labour in urban areas than in rural areas, the Committee recommend that such survey be conducted expeditiously.

5.6 The Committee note from the reply of the Ministry that only 1.32 lakh child labour in the age group of 9-14 years have been mainstreamed into formal education system through the NCLP Schools from 1991-2001, apart from their rehabilitation in other areas. However, as per the information furnished by the Ministry about 7.05 lakh child labour have been mainstreamed through NCLP Scheme to formal education system since the inception of the Scheme. The Committee find that only 7% of the identified child labour has been rehabilitated. The Committee feel that at such a dismal pace of rehabilitation process, major chunk of the identified children would become adults before being rehabilitated and would, in turn, add to the already galloping unemployment index. They, therefore, desire that the process of mainstreaming be speeded up so as to rehabilitate all the identified child labour.

5.7 The Committee note that the Ministry of Finance has not agreed for creation of the National Monitoring Cell which was one

of the components for strengthening the NCLP. The Ministry is taking up the matter for the reconsideration of left out components. As successful implementation of any scheme is dependent on its evaluation and monitoring, the Committee desire that sound reasons be given to the Ministry of Finance for reconsideration of this component of the scheme.

New Delhi;
25 August, 2011
 3 Bhadrapada, 1933(Saka)

HEMANAND BISWAL
 CHAIRMAN
 STANDING COMMITTEE ON LABOUR

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON LABOUR
 HELD ON 7TH APRIL, 2011.**

The Committee met from 1130 hrs. to 1345 hrs. in Main Committee Room, Parliament House Annexe, New Delhi to take evidence of the representatives of the Ministry of Labour and Employment on Demands for Grants for the year 2011-12.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

**MEMBERS
 LOK SABHA**

2. Shri Raj Babbar
3. Shri Shafiqur Rahman Barq
4. Shri Hassan Khan
5. Shri Kaushalendra Kumar

6. Shri Hari Manjhi
7. Shri S. Pakkirappa
8. Shri P.L. Punia
9. Shri Ramkishun
10. Shri Chandu Lal Sahu
11. Dr. Virendra Kumar

RAJYA SABHA

12. Shri Aayanur Manjunatha
13. Dr. E.M. Sudarsana Natchiappan
14. Shri Rudra Narayan Pany
15. Smt. Renubala Pradhan
16. Shri Rajaram
17. Shri Praveen Rashtrapal
18. Shri G.N. Ratanpuri
19. Shri Ranbir Singh Parjapati

SECRETARIAT

- | | | | |
|----|---------------------|---|---------------------|
| 1. | Shri Devender Singh | - | Joint Secretary |
| 2. | Shri B.S. Dahiya | - | Director |
| 3. | Shri Ashok Sajwan | - | Additional Director |

Witnesses

Ministry of Labour and Employment

Sl.No.	Name of the Officer	Designation
1.	Shri P.C. Chaturvedi	Secretary (L&E)
2.	Shri S. Chatterjee	Central Provident Fund Commissioner
3.	Shri Chaman Kumar	Additional Secretary/FA (L&E)
4.	Shri Ravi Mathur	Additional Secretary

5.	Dr. C.S. Kedar	Director General, Employees' State Insurance Corporation
6.	Dr. Vinita Kumar	Labour & Employment Adviser
7.	Shri Anil Swarup	Joint Secretary (DGLW)
8.	Shri Sharda Prasad	Joint Secretary (DGE&T)
9.	Shri A.C. Pandey	Joint Secretary
10.	Dr. Harcharan Singh	Deputy Director General
11.	Shri K.M. Gupta	Economic Adviser
12.	Shri N.K. Prasad	Chief Labour Commissioner (Central)
13.	Shri V. Murali	Dy. Chief Labour Commissioner
14.	Ms. Amarjeet Kaur	Dy. Director General (Employment) DGE&T
15.	Shri R.K. Chug	Dy. Director General (Training) DGET&T

2. At the outset, the Chairman welcomed Shri P.C. Chaturvedi, Secretary and other accompanying officials of the Ministry of Labour and Employment and invited their attention to the provisions contained in Direction 55 (1) of the Directions by the Speaker.

3. The Chairman, thereafter, asked the Secretary to brief the Committee regarding the Demands for Grants (2011-12) of the Ministry of Labour and Employment.

4. The Secretary briefed the Committee on the budgetary allocations, revised estimates and the actual expenditure for the last year vis-à-vis for the year 2011-12 on various schemes/programmes undertaken by the Ministry.

5. The Committee, thereafter, asked various questions and sought specific clarifications from the representatives of the Ministry on the various aspects, prominently the following of the Ministry of Labour and Employment.

- (a) General Performance of the Ministry.
- (b) Difference between the allocation made this year vis-à-vis previous year.
- (c) Utilization of Workers Welfare Fund.
- (d) Functioning of Regional Provident Fund Commissioner and EPF benefits for contract workers.
- (e) Setting up of medical college in Orissa.
- (f) Inclusion of medical representatives in workmen's category.
- (g) Welfare of Plantation Labour.
- (h) Publicity of Rashtriya Swasthya Bima Yojana, ESI facilities for unorganized workers.
- (i) Formulation of Comprehensive Labour Policy.
- (j) Filling up of vacancies in Industrial Tribunals & Labour Courts.
- (k) Ratification of ILO Convention.
- (l) Welfare of Child Labour.
- (m) Vacancies in ESIC hospitals under different categories.
- (n) Computerization of EPFO and management of funds there of.

- (n1) Monitoring of the Central Acts by State/Union Governments.
- (n2) Non-implementation of Minimum Wages Act by oil companies.
- (n3) Publication of `Report to the People' – a status paper on the projects.
- (o) Under-utilization of funds under various heads.
- (p) Reconstitution of Tripartite Industrial Committee on Plantation under States.
- (q) Wage Board for working journalists and other newspaper employees.
- (r) Major achievements of National Instructional media Institute.

6. The Chairman directed the Secretary to send written replies to the unanswered queries to the Secretariat within three days.

7. The Chairman thanked the Secretary and other officials for giving valuable information to the Committee on various subjects.

A copy of verbatim proceedings of the sitting was kept for record.

{The witnesses then withdrew}

The Committee then adjourned.

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON LABOUR
HELD ON 25TH AUGUST, 2011.**

The Committee met from 1500 hrs. to 1530 hrs in Committee Room `C', Parliament House Annexe, New Delhi to consider and adopt the draft Reports on Demands for Grants for the year 2011-12 of the Ministry of Labour and Employment and Ministry of Textiles.

PRESENT

Shri Hemanand Biswal - Chairman

MEMBERS

LOK SABHA

2. Shri K. Murugesan Anandan
3. Dr. Kakoli Ghosh Dastidar
4. Shri Kaushalendra Kumar
5. Shri P. Lingam
6. Shri Hari Manjhi
7. Shri P. Balram Naik
8. Shri P.R. Natarajan
9. Shri S. Pakkirappa
10. Shri Ramkishun
11. Shri Mahendra Kumar Roy
12. Dr. Virendra Kumar

RAJYA SABHA

13. Shri Aayanur Manjunatha
14. Dr. E.M.Sudarsana Natchiappan
15. Shri Ranbir Singh Parjapati
16. Shri Mohd. Ali Khan

SECRETARIAT

- | | | | |
|----|-----------------------|---|------------------|
| 1. | Shri Devender Singh | - | Joint Secretary |
| 2. | Shri B.S. Dahiya | - | Director |
| 3. | Shri Arvind Sharma | - | Deputy Secretary |
| 4. | Smt. Bharti S. Tuteja | - | Under Secretary |

2. At the outset, the Chairman welcomed the Members and apprised them about the draft Reports on Demands for Grants for the year 2011-12 of the Ministry of Labour and Employment and Ministry of Textiles.

3. The Committee first took up the draft Report on Demands for Grants of the Ministry of Labour and Employment for consideration. After detailed deliberations, the Committee adopted the draft Report without any modification.

4. XX XX XX XX

5. The Committee then authorized the Chairman to finalise the Reports in view of the consequential changes arising out of factual verification and to present the same to both the Houses of Parliament.

The Committee then adjourned.

LABOUR BUREAU

STATUS OF RECRUITMENT ACTION TAKEN IN RESPECT OF VACANT POSTS IN LABOUR /BUREAU (AS ON 01.05.2011)

Sl. No	Name of the Post	Group A,B,C,D	Process of Recruitment	Name of recruiting agency/ organization	Action taken/Present Status
1.	Director / Joint Director	Group 'A'	<p><u>At present there are 2 vacant posts. These posts are vacant from 1.3.2009 & 1.3.2011 respectively.</u></p> <p>These are ISS Cadre posts and would be filled up by them.</p>	Indian Statistical Service Cadre.	These are the ISS Cadre posts and Cadre has been approached from time to time to fill up the posts.
2.	Deputy Director	Group 'A'	<p><u>At present there are 5 vacant posts. Five posts are vacant from 31.10.2007 (Indian Statistical Service), 15.12.2009 (Indian Economic Service), 22.9.2010 (Indian Economic Service), 25.11.2010 (Indian Economic Service), 30.11.2010 (Indian Economic Service) respectively.</u></p>	Indian Economic Service & Indian Statistical Service Cadre.	Being the Indian Economic Service and Indian Statistic Service Cadre posts, the Cadres have been approached from time to time to fill up the posts.
3.	Administrative Officer	Group 'A'	<p><u>The post is vacant since 19.6.2009 due to repatriation of the incumbent on completion of the period of</u></p>	Union Public Service Commission	In line with Department of Personnel & Training O.M. No. AB-14017/61/ 2008-Estt.(RR) dated 24.03.2009 the process of amending the recruitment rules was

			deputation.		<p>taken up and the amended recruitment rules have been notified.</p> <p>Labour Bureau has been requested to initiate the process for filling the post.</p>
4.	Assistant Director	Group 'A'	<p><u>At present there are 6 vacant posts.</u> Two posts are vacant from 29.12.2006 (ISS) 3.1.2007 (ISS) and other AD ex-Cadre posts are vacant from 31.1.2005, 13.12.2005, 28.12.2005 & 30.1.2006 respectively.</p> <p>Two posts belong to the ISS Cadre and four are ex-cadre posts.</p>	Indian Statistical Services Cadre & Union Public Service Commission	<p>As regards the ISS Cadre posts, the Cadre has been approached from time to time to fill up the posts.</p> <p>Amended recruitment rules for the post of Assistant Director (ex cadre) have been notified. Labour Bureau has been requested to initiate the process for filling the post.</p>
5.	Programmer	Group 'A'	<p><u>The post is vacant since 10.1.2008</u> due to resignation of the incumbent.</p>	Union Public Service Commission	<p>The proposal for amending the recruitment rules of the post of programmer has been submitted for the approval of Deptt. of Personnel & Training.</p>
6.	Investigator Grade-I & Statistical Investigator Grade-I	Group 'B'	<p><u>At present there are 21 vacant posts.</u> 19 posts are vacant from 1.2.2008, 1.3.2008, 25.3.2008, 1.2.2009, 1.7.2007, 1.9.2007, 8.7.2008, 1.10.2008, 1.5.2009, 1.5.2009, 1.8.2009, 1.8.2009, 1.9.2009, 1.9.2009, 1.12.2009, 1.12.2009, 1.2.2010, 1.1.2011 & 1.1.2011 respectively. Two SSS cadre posts are vacant from 1.5.2010 (Subordinate Statistical Services) &</p>	Union Public Service Commission	

		<p>17.5.2010 (Subordinate Statistical Services)</p> <p>The breakup of above posts is as under:</p> <p>(i) 14 posts have to be filled by Direct recruitment</p> <p>(ii) Recruitment action/abolition in respect of 4 vacant posts (3 included in the ADRP 2007-08 & 1 in ADRP 2008-09) has been kept in abeyance by the Screening Committee.</p> <p>(iii) One post is to be filled up by promotion.</p> <p>(iv) Two vacant posts belong to the SSS cadre.</p>		<p>(i) Nominations from UPSC for filling up 13 posts have been received and the process of pre appointment formalities is under way.</p> <p>Requisition for one post has been sent to the UPSC on 14.06.11.</p> <p>(ii) Recruitment action/abolition in respect of 4 vacant posts (3 included in the ADRP 2007-08 & 1 in ADRP 2008-09) has been kept in abeyance by the Screening Committee.</p> <p>(iii) The promotional post has been filled</p>
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				SSS Cadre	up. (iv)These are the SSS Cadre posts and Cadre has been approached from time to time to fill up the posts.
7.	Investigator Grade II & Statistical Investigator Grade II	Group 'B'	<p>At present there are 29 vacant posts. 24 posts are vacant from 30.6.2005, 30.10.2006, 1.3.2009, 1.8.2007, 22.10.2007, 6.8.2008, 2.6.2009, 1.9.2009, 1.9.2009, 1.1.2010, 1.5.2010, 1.9.2010, 1.9.2010, 1.9.2010, 4.9.2010, 4.9.2010, 4.9.2010, 13.1.2011, 13.1.2011, 9.2.2011, 9.2.2011, 1.5.2011 & 1.5.2011 respectively. Besides 5 SSS cadre posts are vacant from 18.10.2007 (SSS), 31.1.2008 (SSS), 2.6.2010 (SSS), 17.6.2010 (SSS) & 30.8.2010 (SSS).</p> <p>The break up of above posts is as under:</p> <p>(i) Twenty three vacant posts are to be filled up by the Labour Bureau through the Staff Selection Commission. The requisitions to the SSC were sent on dated 21-06-2007, 28-07-2010, 26-10-10 & 27-5-11</p>	Staff Selection Commission (SSC)	

		<p>respectively.</p> <p>(ii) Recruitment action/abolition in respect of 1 post included in the ADRP 2008-09 has been kept in abeyance by the Screening Committee.</p> <p>(iii) Five vacant posts belong to the SSS cadre.</p>		<p>(i) One candidate recommended by the SSC has joined on 01.06.11.</p> <p>Recruitment action for 15 vacant posts is already underway with the SSC. Recommendation of the candidates is awaited from the SSC.</p> <p>Recruitment action for other 7 vacant posts, which have fallen vacant recently, has been taken up with the SSC. NOC has been obtained from the Surplus Cell and the requisition has been sent to the SSC recently.</p> <p>(ii)Recruitment action/abolition in respect of 1 post included in the ADRP 2008-09 has been kept in abeyance by the Screening Committee.</p> <p>(iii)These are the SSS Cadre posts and Cadre has been approached from time to time to fill up the posts.\</p>
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				SSS Cadre	
8.	Computer	Group 'C'	These posts have been abolished as per recommendations of 5 th Pay Commission.	Not applicable.	These posts have been abolished as per recommendations of 5 th Pay Commission.
9.	Rota Print Operator	Group 'C'	<u>The post is vacant since 7.9.2010</u>	Staff Selection Commission	Due to advancement of technology these posts have not been practically useful now and become obsolete. Hence for redesignating/ abolishing these posts is under consideration.
10.	Rota Masta Plate Processor	Group 'C'	<u>The post is vacant since 1.7.2010</u>	Post is to be filled up by the Labour Bureau through the Staff Selection Commission.	Due to advancement of technology these posts have not been practically useful now and become obsolete. Hence for redesignating/ abolishing these posts is under consideration.
11.	Hindi Typist	Group 'C'	At present there are 2 posts vacant since 1.7.2010 due to promotion of the incumbents to the post of Investigator Gr. II.	Post is to be filled up by the Labour Bureau through the Staff Selection Commission.	The process of recruitment is held up at present due to non availability of the Recruitment Rules for the post. Efforts are, however, being made to obtain the Model RRs through the DOP&T and a reference in this connection has already been made to the DOP&T vide

					letter dated 23.02.2011.
12.	Junior Hindi Translator	Group 'B'	<p><u>At present there are 2 vacant posts.</u></p> <p>These vacant posts belong to the Official Language Cadre and would be filled up by them.</p>	Official Language Cadre, Ministry of Home Affairs.	The Cadre has been approached from time to time to fill up the post.
13.	Upper Division Clerk	Group 'C'	<p><u>At present there are 16 vacant posts.</u></p> <p>7 posts fell vacant on 1.10.2009, 8 posts fell vacant on 1.9.2010 & 1 post fell vacant on 15.3.2011.</p> <p>These vacant posts belong to the CSCS cadre under the Ministry of Labour & Employment and would be filled up by them.</p>	Staff Selection Commission	Nominations have to be received from SSC.
14.	Lower Division Clerk	Group 'C'	<p><u>At present there are 4 vacant posts.</u></p> <p>These posts fell vacant on 9.3.2006, 9.3.2006, 16.7.2007 & 15.2.2008.</p> <p>These vacant posts belong to the CSCS cadre under the Ministry of Labour & Employment and would be filled up by them.</p>	Staff Selection Commission	Nominations have to be received from SSC.

15.	Stenographer Gr. 'D'	Group 'C'	<p><u>The post is vacant in Labour Bureau since 1.1.1996</u></p> <p>This vacant post belongs to the CSSS cadre under the Ministry of Labour & Employment and would be filled up by them.</p>	Staff Selection Commission	Nominations have to be received from SSC.
16.	Data Processing Assistant Grade 'B'	Group 'B'	<p><u>The post is vacant since 1.9.2007</u></p>	Post is to be filled up by the Labour Bureau through the SSC.	Recruitment action/abolition in respect of this post included in the ADRP 2007-08 has been kept in abeyance by the Screening Committee.
17.	Data Entry Operator Grade 'B'	Group 'C'	<p><u>At present there are 9 vacant posts. These posts fell vacant on 27.3.2007, 1.12.2007, 1.8.2009, 10.8.2009, 1.9.2009, 1.11.2009, 1.5.2010, 1.7.2010 & 1.10.2010.</u></p> <p><u>(i)Recruitment action in respect of 8 vacant posts is already underway with the SSC. The requisition to the SSC was sent on 11.5.2010 & 07-12-2010.</u></p> <p>(ii)Recruitment action/abolition in respect of one post included in the ADRP 2007-08 has been kept in abeyance by the Screening Committee.</p>	Staff Selection Commission	<p>Recruitment action for 8 vacant posts is already underway with the SSC. Recommendation of the candidates is awaited from the SSC.</p> <p>Kept in abeyance.</p>

18.	Multi Tasking Staff (Peon)	Group 'C'	<p><u>At present there are 4 vacant posts.</u> These posts fell vacant on 6.9.2006, 5.11.2007, 1.5.2008 & 1.4.2011.</p> <p><u>(i)Recruitment action in respect of one vacant post is already underway with the SSC, Chennai.</u> The requisition to the SSC was sent on 30-08-2010.</p> <p>(ii)Recruitment action/abolition in respect of two posts included in the ADRP 2007-08 have been kept in abeyance by the Screening Committee.</p> <p><u>(ii)Recruitment action in respect of one post that fell on 1.4.2011 is to be taken up with the SSC, Chandigarh.</u></p>	Staff Selection Commission	<p>Recommendation of the candidate is awaited from the SSC.</p> <p>-</p> <p>NOC from the Surplus Cell is being obtained.</p>
19.	Multi Tasking Staff	Group	<p><u>The post is vacant since 1.5.2009.</u> The requisition to the SSC was sent</p>	Staff Selection	Recruitment action is already underway with the SSC. Recommendation of the

	(Chowkidar)	'C'	on 30.08.2010.	Commission	candidate is awaited
20.	Multi Tasking Staff (Sweeper)	Group 'C'	<u>The post is vacant since 21.7.2009.</u> The requisition to the SSC was sent on 30.08.2010.	Staff Selection Commission	Recruitment action is already underway with the SSC. Recommendation of the candidate is awaited
21.	Canteen Attendant (Bearer)	Group 'C'	<u>The post is vacant since 1.12.2009.</u> The requisition to the SSC was sent on 29.10.2010.	Staff Selection Commission	Recruitment action is already underway with the SSC. Recommendation of the candidate is awaited

DGMS

The details of the vacancies are as under:

Name of the post	Number of vacancies	Period from which the post/posts is/are lying vacant	Present position
Deputy Director General of Mines Safety (Mechanical)	1	1- post created vide Ministry's letter No.A-11011/5/2008-ISH.II dated 07.10.2009	DPC proposal sent to UPSC on 02.02.2011. DPC has been fixed for 16.05.2011 has been post-poned. Next date of DPC is yet to be fixed by UPSC.
Director of Mines Safety (Mining)	30	21-posts created vide Ministry's letter No. A-11011/5/2008-ISH.II dated 05.03.2009 1- 28.02.2009, 1- 05.03.2009, 3- 01.05.2009, 1- 01.08.2009, 3 -March, 2011	Due to Court case, proposal for filling up the posts could not be sent to UPSC. Now, the Hon'ble High Court has passed an interim order staying the order of Hon'ble CAT. DPC proposal for promotion the grade of Director of Mines Safety (Mining) has been sent to UPSC on 16.05.2011 and additional information sent to them on 08.06.2011.
Director of Mines Safety (Electrical)	5	4- 01.04.2010 1- 31.03.2011	Vacancies have been circulated for inviting applications from the eligible candidates as these vacancies are to be filled up by deputation.
Director of Mines Safety (Mechanical)	11	10- posts created vide Ministry's letter No.A-11011/5/2008-ISH.II dated 05.03.2009 1- 28.02.2011	Vacancy circular circulated and published in Employment News (4-10 Sept, 2010) for inviting applications as these vacancies are to filled up by deputation. Applications received in this are under scrutiny.

Deputy Director of Mines Safety (Mining)	38	17 – posts created vide Ministry’s letter No.A-11011/5/2008-ISH.II dated 05.03.2009 3 - 2004-05, 1- 13.06.05, 1- 28.06.05, 11.09.06, 1- 11.10.07, 1- 08.11.07, 15.11.07, 1- 05.12.07, 1- 07.02.08, 01.03.08, 1- 17.11.08, 1- 21.11.08, 26.02.09, 1- 26.02.09, 1- 06.03.09, 17.06.09, 1- 01.05.09, 1- 08.08.09, 10.06.10	1- 1- 1- 1- 1- 1-	Requisition sent to UPSC on 30.03.2010. Vacancies have advertised by the UPSC on 26.06.2010. Interview has been fixed for to be held in UPSC from 20.06.2011 to 23.06.2011.
Deputy Director of Mines Safety (Electrical)	32	16- posts created vide Ministry’s letter No.A-11011/5/2008-ISH.II dated 05.03.2009 1- 20.09.04, 1- 27.09.04, 1- 17.09.07, 05.11.09, 4- 09.11.09, 1-24.11.09 4- March-2011	4-	Requisition for filling up 30 vacancies sent to UPSC on 12.02.2010. Vacancies have been advertised by the UPSC on 23.05.2010. The interview date is to be fixed by UPSC. Requisition for filling up 4 vacancies arose during March/April 2011 will be sent to UPSC very soon.
Deputy Director of Mines Safety (Mechanical)	32	23- posts created vide Ministry’s letter No.A-11011/5/2008-ISH.II dated 05.03.2009 1- 30.07.01, 1- 30.03.05, 1- 07.06.06, 14.06.06, 1- 01.11.08, 2- 08.01.10, 07.01.10 & 1- 11.01.10	1- 1-	Requisition sent to UPSC. Vacancies have been advertised by the UPSC. The applications received from the eligible candidates are under scrutiny in UPSC.
Deputy Director of Mines Safety (OH)	4	4 - posts created vide Ministry’s letter No. A-11011/5/2008-ISH.II dated 05.03.2009		Vacancies circulated on 17.05.2010 for inviting applications as these posts are to be filled up by deputation. Applications received in this regard are under scrutiny.
Assistant Director of Mines Safety (OH)	2	1- post created vide Ministry’s letter No. A-11011/5/2008-ISH.II dated 05.03.2009		Requisition sent to UPSC on 05.05.2010. Vacancies have been advertised by UPSC on 28.08.2010. Interview held on 27.04.2011 and

Grade-I		1- 12.05.09		the recommendations in this regard are yet to be received from UPSC.
Director (Administration)	1	1- 1.3.2002		Vacancies has been advertised for filling up by transfer on Deputation
Deputy Director (Administration)	1	1-25.04.2005		A DR proposal has been sent to UPSC for advertisement.
Library & Information Officer	01	1- post created vide Ministry's letter No.A-11011/5/2008-ISH.II dated 05.03.2009		Recruitment Rules being framed, sent to Ministry of Law & Justice for vetting.
Stenographer Gr.II (re- designated as Stenographer Gr.II	32	1-8.7.04, 1- 17.08.2004, 1- 8.7.2004, 9.7.2005, 1- 14.07.2005, 1- 27.10.2004, 9.7.05, 1-3.3.2006, 1- 3.3.2006, 6.3.2006, 1-3.3.2006, 1-6.3.2006, 10.7.2006, 1- 30.1.2006, & 1-6.4.2007	1- 1- 1- 1-	Requisition has already been sent to SSC vide this Directorate's letter No.2B(2)2004-Adm.I/304 dated 31.05.2004 and reminder sent to SSC vide this Directorate's letter dated 7.7.2004, 3.9.2004, 4.2.2005 & 13.05.2007 Requisition of 29 posts have been sent to SSC. 12 candidates joined in this Directorate. Fresh requisition of 17 posts has already been sent to SSC vide this Directorate's letter dated 01.06.2011
Lower Division Clerk	04	1- 8.09.2008, 1- 12.09.2008, 28.11.2010 & 1- 28.12.2010	1-	No Objection Certificate from Surplus Cell has already been taken. Requisition for fill up the 04 posts has already been sent to SSC, Chennai, Mumbai, Raipur vide this Directorate's letter dated 01.06.2011.

Data Processing Assistant	01	1- 31.03.2011	Proposal for fill up the 01 posts has already been sent to Surplus Cell vide this Directorate's letter No.2B(2)2006-Adm.I/4462 dated 16.05.2011
Scientific Assistant	01	1-6.08.2008	Requisition for fill up the post has been sent to SSC vide this Directorate's letter No.2B(1)2009-Adm.I/3525 dated 23.3.2010

DG, FASLI

The status of the vacancies of Group 'A' are as under:-

Name of the post	Number of vacancies	Period from which the post/posts is/are lying vacant	Present position
Director General	1	01/05/2010	All formalities for the filling up the post were completed and DG took charge on 01/04/2011.
Director (Safety)	4	1- 17/1/1997 1 -1/07/2006 2 – 12/7/2010	One selected candidate did not accept the offer. UPSC is being approached to cancel the offer of appointment. Three post – The proposal is under process for sending to UPSC.
Director (Physiology)	1	01/03/2009	Fresh proposal for one post sent to UPSC. Post advertised on 11/06/2011.
Director (Industrial Psychology)	1	01/12/2010	Deputation vacancy circulated.
Deputy Director (Safety)	3	1/8/2010 1/10/2010	Requisition for four posts (Including one anticipated vacancy) of DD (Safety) sent to UPSC on 29/3/2011.

		01/2/2011	
Deputy Director (Medical)	2	1 – 8/10/2004 1– 05/3/2007	One post- UPSC intimated that none of the candidates were found suitable. Fresh proposal is being sent to UPSC for filling up both the posts as advised by Commission on 23/3/2011
Deputy Director (Industrial Hygiene)	2	1- 9/3/2011 1- 01/06/2011	Proposal is under process
Deputy Director (Physiology)	2	1 - 06/09/2007 1- 17/04/2009	One post is to be filled by deputation. Ministry has sent a proposal to UPSC on 10.5.2010 UPSC has sought certain clarification on 10.6.2011 which is being processed. One post- Requisition of filling up one post sent to UPSC on 9/6/10 for waiving of failing which clause.
Deputy Director (Industrial Psychology)	1	1 – 29/7/2010	UPSC vide letter dated 09/06/2011 intimated that recruitment process has become infructuous as none of the 20 applicants was found eligible. Fresh proposal is being processed.
Assistant Director (Safety)	15	30.6.1998, 1.9.1998, 7.12.1998 ,1.2.2001 , 19.6.2001, 29.8.2005 27.4.2006 ,19.6.2006	3 Post Which are Lying vacant since 1998, could not be filled up as the selected / recommended candidates did not join the post. Requisition for combined 15 posts of Assistant Director (Safety) has been sent to UPSC on 29/03/2011. They have sought certain additional information which is being processed.

		30.3.2007, 1.10.2007 30.10.2007, 19.11.2007 21.11.2007, 1.2.2008 21.7.2010	
Assistant Director (Industrial Hygiene)	3	3 – 28/1/2010	Proposal sent to UPSC on 11/4/2011.
Assistant Director (Industrial Psychology)	1	1 – 28/1/2010	Proposal sent to UPSC. Post advertised on 11/06/2011.
Assistant Director (Official Language)	1	1/3/2011	The proposal has been referred to Department of Official Language who are the cadre controlling authority.

Group B & C Posts of DG, FASLI

Name of the post	Number of vacancies	Period from which the post/posts is/are lying vacant	Status
Assistant Director (Official Language)	1	1.3.2011	Vacancy has been referred to Department of Official Language who are the cadre controlling authority.
Principal Private Secretary	1	10.3.2011	Nominations are awaited from SSC
Additional Assistant Director (Safety)	3	2 – 10.2.2010 & 1 - 21.7.2010	DPC to be held shortly.
Administrative Officer	2	1.10.2005 1.7.2009	For one vacancy, DPC already held. The other vacancy is to be filled by deputation – Post was advertised and there was no response. To be re-advertised soon
Technical Assistant	3	14.3.2006, 14.9.2006 & 10.1.2007	These 18 posts which have to be filled through recruitment agencies (SSC, Employment Exchange, etc] have already been referred to them and the recruitment action is at various stages
Library Information Assistant	5	1.11.2001, 1.7.2002, 1.7.2007 30.3.2010 & 21.7.2010	
Junior Scientific Assistant (Industrial Psychology)	1	16.1.2009	
Steno Grade III	2	18.3.2010 & 31.3.2010	
L.D.C.	5	31.12.2009, 12.3.2010, 1.12.2010, 5.1.2011 & 1.2.2011	
Laboratory Assistant	1	1 - 21.7.2010	

Grade I			
Staff Car Driver	1	31.12.2008	
UDC / LDC (CSCS)	4	4 – 14.3.2011	These 4 posts belong to Secretariat Cadre. Nominations are awaited from SSC.
Multi-tasking Staff	29	1.3.2006, 1.4.2006, 1.7.2006, 1.9.2006, 1.9.2006, 5.12.2006, 9.1.2007, 1.3.2007, 1.6.2007, 1.7.2007, 1.8.2007, 25.8.2007, 1.9.2007, 1.2.2008, 1.4.2008, 1.6.2008, 15.4.2009, 28.8.2009, 9 vacancies from 28.1.2010, 1.2.2010 & 1.2.2010.	SIU has recommended outsourcing the activities of these posts. A proposal has already been initiated.

STATEMENT OF RECOMMENDATION/OBSERVATIONS

Sl. No.	Para No.	Recommendations/Observations
1.	3.18	The Committee observe that most of the Schemes of the Ministry of Labour and Employment are continuing from the 7th Plan and are likely to be carried forward to the 12th Plan as well. In order to ensure concurrent and continual evaluation of the schemes, the Committee desire that at the end of every year, a Status Paper be issued which could be called "Report to the People" showing the details of the Schemes framed by the Union Government, contribution of the State Governments alongwith the completion status of the Schemes, the number of beneficiaries, total expenditure incurred State-wise and the reasons for non completion etc. especially in the case of Schemes in PPP mode.
2.	3.19	The Committee note that the expenditure on Centrally Sponsored Scheme on rehabilitation of

		<p>the bonded labourers has more or less remained static as out of an allocated amount of Rs.1326 lakhs during 11th Plan for the scheme only Rs.407 lakhs had been spent upto January, 2010. The reasons for underutilization of the funds are stated to be non receipt of proposals from the State Governments. The Committee find that no concerted efforts have been made by the Ministry in persuading the State Governments to identify the bonded labourers. The Committee also observe that no corrective steps have been taken by the Ministry for non-submission of proposals in this regard by the State Governments year after year. The Committee therefore, desire that the State Governments be impressed upon to enhance their efforts in identification and rehabilitation of bonded labourers so that the malaise is eradicated once and forever without any further delay.</p>
3.	3.20	<p>The Committee observe that the Ministry had to</p>

surrender funds due to non-holding the Prime Minister's Shram Awards for the years 2005, 2006, and 2007. However, as per the reply furnished to the Committee, the Ministry informed that "the combined Prime Minister's Shram Awards for the years 2005, 2006 and 2007 were given in a function on 15.09.2010". The Committee note that the awards were given well before the preparation of the budget proposals. The Committee are of the view that in such a situation when the Shram Awards were given before the preparation of budget proposals the same could have been reflected in the budget proposal documents. The Ministry owe explanation to Parliament as to why such an omission was made.

4.	3.21	<p>The Committee note that the funds were surrendered due to non-filling up of vacant posts under a number of sub-heads. The Committee find that so many posts lying vacant and some of them are even lying vacant from the year 2002. Further, the Committee observe that nearly in all the cases proposals for filling up of vacancies were sent to UPSC/SSC after one year from the date of vacancy. While giving due consideration to the reasons offered by the Ministry that the delay was on the part of the UPSC/SSC, the Committee recommend that all out efforts be made by the Ministry at their end for promptly reporting the vacancies to UPSC/SSC not only when the same arise but in great many cases steps need to be taken in anticipation of the posts becoming vacant. They also desire that the UPSC/SSC may be requested to forward the names of successful candidates and simultaneously forward a reserve panel so that the same could be considered in case the selected</p>
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		<p>persons do not join. The Committee also recommend that the Ministry workout the vacancy position/likely vacancies before the start of every calendar year, including their sub-ordinate offices so that the process of filling up the posts could be initiated well in advance.</p>
5.	3.22	<p>The Committee note that the setting up of the Regional Labour Institute (RLI) Faridabad was taken up during the IX Plan period but the Institute was inaugurated on 10th February, 2009 with the objective of strengthening of industrial safety and health. The Committee find that out of the 18 posts created in Group A, B and C, only 7 posts were filled up so far. As regards, the filling up of the remaining 11 posts, there is no concrete reply from the Ministry. The Committee are afraid that the very objective of establishing the Institute will be negated if the posts lye vacant for a long time. The Committee, therefore, recommend that the process for filling up of vacant posts be finalized</p>

		<p>urgently and the posts be filled up within a definite time frame and the Committee be apprised.</p>
6.	3.23	<p>The Committee note that the expenditure as compared to the cess collected under the Construction Workers Cess is almost nil in some States while in others it is very nominal. The Secretary, Ministry of Labour and Employment admitted that 'a huge amount of cess has been collected in the States and it is just lying there and they were proposing an amendment to the Act'. The Committee feel that the proposed amendment would spur the State Governments to collect the cess. The Committee therefore, recommend that the proposed amendment to the Act be carried out without any further delay. The Committee also observe that there is complete lack of awareness about the Fund in the construction workers. The Committee, therefore, desire that due publicity be given for general awareness of the workers engaged in construction activities and simultaneously the</p>

		<p>State Governments be persuaded to spend the cess so collected on the welfare activities of the construction workers.</p>
7.	4.19	<p>The Committee note that there were 5,57,58,703 subscribers from un-exempted sector of EPFO as on 31 December, 2010, but there is no regular and periodic updation of members' accounts. As per the reply of the Ministry, the accounts of PF Members are updated only after ascertaining the deposit position and receipt of Annual Returns from the employers. The returns are submitted by the employers on different dates throughout the year. The Committee find that the Ministry, instead of setting a cut off date for furnishing the returns by the employers, is justifying an outmoded system. The Committee have reason to believe that in the absence of regular updation of accounts, the number of defaulters could be more than the identified ones. The Committee therefore, recommend that a cut off date either of the</p>

		<p>calendar year or the financial year be set for submission of returns from the employers so that in case of any deviation, the employers could easily be reprimanded besides enabling the EPFO to have the information about the defaulting employers. This would also help the Ministry to have upto date information regarding the account holders.</p>
8.	4.20	<p>The Committee note that the CAG in its audit report of accounts of EPFO observed that the Interest Suspense Account includes a total amount of Rs.4671.83 crore available for credit into EPF subscriber's accounts and interest on 4.72 crore members' accounts were yet to be credited and were pending as on 31.03.2010. The CAG in its various reports has observed that the balance in Interest Suspense Account (ISA) is increasing which needs to be cleared by updating the pending accounts. The Committee co-relate this to the computerization of EPFO which is taking unduly long time and also felling on the resources. As per</p>

		<p>the reply of the Ministry, the 1st phase of computerization project has been implemented and the Project Plan, modalities, time- line and budget for the II phase are yet to be decided. The Committee desire that the updation exercise of the pending accounts be completed within a definite time frame including computerization of EPFO and the Committee be apprised.</p>
9.	4.21	<p>The Committee find that an amount of Rs.36,000 crore is lying un-credited to the accounts of the EPFO subscribers. The Committee were informed by the Ministry that the bifurcation of un-credited amount into individual members account is ascertainable only after receipt of these details from employers and also that some establishments default in submission of details, so EPFO cannot credit into account of such members any contribution or interest thereon. The Committee were further informed that efforts were being made to collect return from such employers by special</p>

		<p>campaign, newspaper advertisements and by deputing enforcement officers etc. The Committee do not accept the reasons offered by the Ministry as any amount deducted and forwarded to EPFO by any establishment cannot be shown under suspense accounts. The Committee, therefore, recommend that once any amount is received by EPFO from either side's contribution, the same may immediately be credited to the account of the member concerned without waiting for the other component. The Committee further recommend that the employer be directed to deposit the other part of the contribution with the EPFO within a fixed time-frame and cautioned of the consequences if he fails to do so. The Committee would like to be informed of the corrective measures taken to evolve an effective mechanism for maintaining/updating the accounts of subscribers on a regular basis.</p>
10.	4.22	<p>The Committee were informed that a total of</p>

166096 accounts were lying inoperative involving Rs.5892.53 crore as on 31st March, 2009. In a subsequent communication furnished to the Committee by the Ministry, it was informed that about 3 crore accounts involving an amount of Rs.8318.69 crore are lying inoperative. The Committee are astounded to note that the number of inoperative accounts have just doubled within a year. The Committee feel that either the figures provided to them last year were incorrect or the figures provided this year are incorrect. Needless to say, this casts serious aspersions on the functioning of the Ministry and the EPFO for failing to maintain the precise and correct data about the inoperative accounts. While deploring such carelessness on the part of the Ministry, the Committee demand that the figures of both the years along with the amount involved in the inoperative accounts be intimated to them after careful verification.

11.	4.23	<p>As per the information furnished by the Ministry, there are 5,57,58,703 subscribers to the EPF from un-exempted sector. The Committee find that more than 50% accounts <i>i.e.</i> 3 crore accounts are lying in-operative. The Committee are concerned to note that if this is the state of affairs prevailing in the EPFO what would happen when most of the accounts would become operational. The Committee, therefore, recommend that the subscribers whose identity could be established and is traceable may strictly be warned to withdraw their money within six months failing which the same would be transferred to dead accounts.</p>
12.	4.24	<p>The Committee note that the EPFO is disbursing interest on in-operative accounts irrespective of the period from which these accounts are lying inoperative. They further note that the account holders do not withdraw their accumulation because (i) the interest earned on such deposits is exempted from Income Tax, (ii) such deposits are</p>

		<p>safe investments and cannot be attached even by decree of any court and (iii) the rate of interest on Employees' Provident Fund deposits is higher than other comparative investments in the market. The Committee note that though the EPFO has taken decision now not to pay interest on in-operative accounts <u>w.e.f.</u> 01.04.2011, they desire that it is high time the EPFO take a policy decision regarding disbursement of interest to the subscribers only upto six months from the date of their opting out of the Scheme for whatever reason.</p>
13.	4.25	<p>The Committee note that the interest on in-operative accounts was disbursed upto 31st March, 2011, irrespective of the period for which the account was lying in-operative. The Committee, find it as one of the contributing reasons for addition to the number of bulging in-operative accounts. The Committee therefore, desire that wide publicity be given by EPFO to the effect that Government have stopped paying interest on in-</p>

		<p>operative accounts. The Committee feel that such a measure would definitely discourage those subscribers who do not withdraw their money from the EPFO just to earn higher returns.</p>
14.	4.26	<p>The Committee note that as on 31.03.2011, 7,17,612 claims were pending for settlement. The Committee are unable to reconcile the figures provided in respect of Zonal Office (Delhi & Uttrakhand) as there are 1,28,089 cases pending in total, out of which 71,404 are pending for less than a month and only 01 case is pending for more than a month. The Committee are concerned to know about the other 56,684 cases. They also find that the pendency position is grave in the Zonal Offices of Delhi & Uttrakhand, Maharashtra & Chhattisgarh, Karnataka & Goa, where the figures are hovering around a lakh. The Committee, therefore, desire that suitable steps be taken to improve the situation in these Zones and all the pending cases be settled expeditiously under intimation to the</p>

		Committee.
15.	4.27	<p>The Committee note that some of the companies exempted from the purview of EPFO are resenting the decision of increased interest rate to 9.5% on the ground that the average yield on investments is below 8.5% and even in some Trusts, it is between 7.2% to 7.99%. As per the reply of the Ministry, the exemption cannot be withdrawn till such time, the Exempted Trust continues to comply with all the necessary conditions, imposed at the time of grant of exemption. If the Trust fails to comply with the conditions or it voluntary surrenders the exemption, the exemption of such Trust is immediately withdrawn. The Committee feel that in such a case ultimate sufferer is the subscriber who has to trail the decision of his employer for not subscribing to the EPFO. The Committee desire that some alternative be evolved so that the innocent subscribers do not suffer on account of</p>

		imprudent investments by their employers.
16.	4.28	The Committee note that the EPFO had invited Expressions of Interest (EOI) for appointment of Fund Managers in February, 2011. The Committee also find that the process of appointment of the Fund Managers was started during January/February, 2011 whereas the Ministry was very well aware that the term of present Fund Managers was due to expire on 31.03.2011. Though the EPFO had engaged SBI for managing their funds till the selection of new Fund Managers, the Committee recommend that in future all procedural formalities be completed well in advance before the expiry of the term of Fund Managers so as to avoid making such stop-gap arrangements.
17.	4.29	The Committee note that a sub-Committee of the CBT was constituted to suggest changes in the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 along with other

		<p>comprehensive amendments required to bring the provisions of the Act in tune with the changed circumstances. The Sub-Committee has since submitted its report and the same is under consideration of the CBT (EPF). The Committee desire that the final recommendations made by the Sub-Committee and accepted by the CBT be sent to the Central Government without further delay for early consideration and implementation.</p>
18.	4.30	<p>The Committee note that the Expert Committee, for reviewing the Employees' Pension Scheme, 1995, constituted in June, 2009 was required to submit its report within six months. However, the Expert Committee submitted its report on 05.08.2010. As per the direction of the Central Government, the report was placed before the CBT (EPF) who, in turn, forwarded it to the Pension Implementation Committee of the Board. The Committee find that Pension Implementation Committee has held four meetings so far, but the</p>

		<p>report is still languishing and is currently engaged in building consensus on various recommendations of the expert committee. The Committee desire that the report be finalized without further delay for submitting the same to the Central Government.</p>
19.	4.31	<p>The Committee observe that 3908 posts were lying vacant in EPFO as on 31.12.2010. The accumulation of pending cases may be partly attributable to shortage of staff. The Committee are dismayed to note that on the one hand the reasons for pendency are stated to be the deputing of staff for election and census related duties and on the other hand the posts are lying vacant. They, therefore, desire that all out efforts be made to fill up these vacancies without further delay to ease the burden on the existing staff as well as the angst of the subscribers to the Fund.</p>
20.	4.32	<p>The Committee note that there is a well established</p>

		<p>system of "Redressal of Public Grievance" through Customer Services Division, Bhavishya Nidhi Adalats, EPFiGMS and CPGRAMS. The Committee <i>vide</i> their 39th Report (14th Lok Sabha) presented to the House on 20.02.2009 had recommended that a separate Pension Division be created within EPFO and till such a mechanism is put in place, a specific grievance redressal cell, within the Public Grievance Handling System be set up for resolution of grievances of the ever growing number of pensioners. The Committee are saddened to note that even a specific grievance redressal cell for pensioners has not been set up despite the urgency of the matter. The Committee, reiterate that a separate pension division within EPFO be set up expeditiously and they be informed of the action taken thereon within a definite time-frame.</p>
21.	5.5	<p>The Committee note that the National Child Labour Project (NCLP) was started in the 7th Plan period for identification, withdrawal and rehabilitation of</p>

		<p>child labour. As per Census of 1991, there were 1.13 crore economically active children in the age group of 5-14 years which rose to 1.26 crore as per the Census of 2001. Currently, the scheme is being implemented in 271 districts of 20 States. The Committee are of the view that this number would be much more if all the States and UTs are covered by the Scheme. The number could be much higher in the UTs as compared to States/rural areas as the child labour is cheap and easily available there. To avoid paying full wage to an adult, the employers employ ten child labour and make them work for 16 to 20 hours a day. Acknowledging that there is an urgent need to conduct more surveys for identification of child labour in urban areas than in rural areas, the Committee recommend that such survey be conducted expeditiously.</p>
22.	5.6	<p>The Committee note from the reply of the Ministry that only 1.32 lakh child labour in the age group of 9-14 years have been mainstreamed into formal</p>

		<p>education system through the NCLP Schools from 1991-2001, apart from their rehabilitation in other areas. However, as per the information furnished by the Ministry about 7.05 lakh child labour have been mainstreamed through NCLP Scheme to formal education system since the inception of the Scheme. The Committee find that only 7% of the identified child labour has been rehabilitated. The Committee feel that at such a dismal pace of rehabilitation process, major chunk of the identified children would become adults before being rehabilitated and would, in turn, add to the already galloping un-employment index. They, therefore, desire that the process of mainstreaming be speeded up so as to rehabilitate all the identified child labour.</p>
23.	5.7	<p>The Committee note that the Ministry of Finance has not agreed for creation of the National Monitoring Cell which was one of the components for strengthening the NCLP. The Ministry is taking</p>

		<p>up the matter for the reconsideration of left out components. As successful implementation of any scheme is dependent on its evaluation and monitoring, the Committee desire that sound reasons be given to the Ministry of Finance for reconsideration of this component of the scheme.</p>
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