

Under the Act, the gratuity is payable in the event of superannuation, retirement or resignation from service subject to completion of five years service. The condition of five years service does not, however, apply in cases of termination of employment due to death or disablement. The employees in the non-seasonal establishments are entitled to gratuity at the rate of 15 days' wages for every completed year of service or part thereof in excess of six months, while the employees in seasonal establishments are entitled to 7 days' wages for each season. The payment of gratuity is further subject to a ceiling of 20 months' wages.

The Labour Minister's Conference held in 1980 and 1982 had recommended *inter-alia* that the time limit for payment of gratuity might be prescribed in the Act itself and that there should be a suitable provision for recovery of interest in cases where the payment of gratuity is delayed. The trade unions have been representing for suitable enhancement in the wage limit for coverage and the ceiling for payment of gratuity. The trade unions have also been demanding the setting up of a fund for payment of gratuity. The question of funding of gratuity was considered by a Group of Labour Ministers and the Indian Labour Conference held in November, 1985 and they had recommended introduction of a suitable provision for compulsory insurance of employers liability with the LIC or setting up of a Gratuity Trust Fund under the Income Tax Act. for ensuring the payment of gratuity.

The various suggestions/recommendations have been considered and it is now proposed to carry out certain amendments in the Act. Some of the more important proposals for amendments are:—

- (i) The wage limit for coverage under the Act is being raised from Rs. 1600/- to Rs. 2500/-

per month. An enabling provision is also being made for raising the wage limit for coverage by a notification, from time to time.

- (ii) The existing ceiling of 20 month's wages for payment of gratuity is being replaced by a monetary ceiling of Rs. 50,000/-
- (iii) Provision is being made for payment of gratuity within 30 days from the date it falls due. If the gratuity is not paid within the prescribed time limit, the employer shall be liable to pay simple interest at a specified rate.
- (iv) Provision is also being made for compulsory insurance of employers' liability to pay gratuity under the Act or in the alternative for the setting up of a Gratuity Trust Fund under the Income Tax Act in relation to establishments employing 500 or more persons.

These are in short, some of the more important amendments proposed through this Bill. I hope the Members will welcome the proposed amendments, which are of non-controversial nature. With these words, I commend the Bill for the consideration of the House.

MR. SPEAKER: Motion moved:

"That the Bill further to amend the Payment of Gratuity Act, 1972, as passed by Rajya Sabha, be taken into consideration".

17.35 hrs.

STATEMENT RE: INDO-SRI LANKA  
AGREEMENT

[English]

THE PRIME MINISTER (SHRI RAJIV GANDHI): Mr. Speaker, Sir, I have just

[Shri Rajiv Gandhi]

returned from a brief but momentous visit to Colombo and I would like to take the House into confidence immediately about the outcome. I consider the visit momentous because His Excellency President Jayewardene of Sri Lanka and I signed an Agreement yesterday, the 29th of July, which aims at bringing to an end the difficult conflict which has afflicted our friendly neighbour Sri Lanka for years. The House is aware of the background of the ethnic conflict between the citizens of Sri Lanka which has its roots in complex historical and socio-economic factors. The conflict assumed acute dimensions over the last four years endangering the very stability, unity and integrity of Sri Lanka.

Things reached a low with the outbreak of unprecedented violence against Tamils in Sri Lanka in 1983. I do not wish to go into the details of the large scale killings and the extensive sufferings which affected the Sri Lankan people. The period between July 1983 and May 1987 was a particularly tragic chapter in Sri Lankan history. Thousands of civilians were killed—Tamils, Sinhalese, women, children, even monks and priests. Thousands were rendered homeless and became refugees, as it were within Sri Lanka itself. India received nearly 150 thousand Sri Lankan Tamil refugees.

We have structured a framework for a durable solution to Sri Lanka's ethnic problem. The Agreement meets the basic aspirations which animated the Tamils' struggle, namely, the desire to be recognised as a distinct ethnic entity; political autonomy for managing their political future; an appropriate devolution of governmental power to meet this objective, the recognition of the Northern and Eastern Provinces of Sri Lanka as areas of historical habitation of the Tamils and the acknowledgement and designation of Tamil as an official language of the Democratic Socialist Republic of Sri Lanka.

The Agreement constitutes the Eastern and Northern Provinces of Sri Lanka into one administrative unit with an elected Provincial Council and a Chief Minister.

Powers would be devolved to the Provincial Council within the framework of the proposals finalised between May and December 1986 to ensure a full measure of autonomy to the Provinces of Sri Lanka.

The Emergency in Sri Lanka is to be lifted in the near future. The cessation of hostilities and the surrender of arms is to take place within a defined time frame. A general amnesty is to be granted to all militant cadres. Elections to the Provincial Councils are to be held within three months.

The Agreement suggests the holding of a referendum on the basic issue of the link between the Northern and Eastern Provinces by the end of 1988, which the President has the discretion to postpone.

The President of Sri Lanka and I have also exchanged letters in which Sri Lanka has agreed to be responsive to India's political and security concerns. The Agreement and the letters detail the obligations which India has undertaken on its part to ensure the unity, territorial integrity and stability of Sri Lanka. We shall meet these obligations faithfully and in full.

The President of Sri Lanka informed me that he felt that the outbreak of violence in Colombo and other parts of Sri Lanka over the last few days was the work of the Sinhala terrorist organisation—the JVP. He felt that some members of the religious organisations and opposition parties had allowed themselves to be used as tools by the JVP. But none of the parties representing trade unions and workers had supported the violence.

Hon. Members would recall that the same organisation had engineered a large-scale insurrection in Sri Lanka in 1971. The then Prime Minister, Mrs. Bandaranaike, had asked for our assistance to put down the insurgency, and we had given prompt and full assistance.

President Jayewardene explained that because of the deteriorating situation as a

result of these disturbances and the increasing demands that this puts on the Sri Lankan security forces, his Government would need assistance to implement the Indo-Sri Lanka Agreement for ending the ethnic crisis. For this purpose the Government of Sri Lanka made a formal request for appropriate Indian military assistance to ensure the cessation of hostilities and surrender of arms in the Jaffna Peninsula and, if required, the Eastern Province. He also requested for air transport to move some of the Sri Lankan troops from Jaffna to points in the South.

In response to this formal request from the Government of Sri Lanka, and in terms of our obligations under the just signed Indo-Sri Lanka Agreement, units of the Armed Forces of India have today landed in the Jaffna Peninsula. Let me repeat that our troops have landed in Sri Lanka in response to a specific and formal request of the Government of Sri Lanka who have invoked our obligations and commitments under the Indo-Sri Lanka Agreement. Our troops have gone there to help implement the Agreement to end the ethnic strife in Sri Lanka and their despatch underlines our firm commitment to the unity and integrity of Sri Lanka. We are in continuous touch with the Government of Sri Lanka at various levels.

The conclusion of this Agreement has not been an easy exercise for the Sri Lankan Government and the Sri Lankan leadership. I wish once again to pay tribute to President Jayewardene's wisdom, courage and statesmanship.

I am confident that the Agreement which we signed with Sri Lanka yesterday brings to an end a tragic chapter of Sri Lanka's recent history and marks the beginning of a new chapter in Indo-Sri Lanka relations. I am equally confident that the Agreement will remove past tensions and mistrust and consolidate and strengthen the friendship between the peoples of Sri Lanka and India dating back to more than two thousand

five hundred years of shared history and heritage.

The text of the Agreement signed between His Excellency President Jayewardene and myself and of the letters exchanged between us at Colombo yesterday will be placed on the Table of the House at the earliest.

SHRI P. KOLANDAIVELU (Gobichettipalayam): You have \* Sri Lanka. We are very grateful to you, Sir.

MR. SPEAKER: That word shall not form part of the record.

AN HON. MEMBER: I request you now to adjourn the House.

[*Translation*]

MR. SPEAKER: We will do business.

SHRI RAM NAGINA MISHRA (Salem-pur): Mr. Speaker, Sir, all of us in this House should pray to God for long life of the Prime Minister who risking his own life, has done a big job for the betterment of India and Sri Lanka.

[*English*]

THE MINISTER OF ENERGY (SHRI VASANT SATHE): We feel relieved that Prime Minister after achieving such a great achievement has come back safe. Sir, I plead on behalf of the House that the House be adjourned today.

PROF. K.K. TEWARY (Buxar): For once, I support it.

MR. SPEAKER: Now we find that there is always a meeting point.

[*Translation*]

SHRI BAL KAVI BAIRAGI (Mandsaur): Mr. Speaker Sir, I congratulate the Prime Minister and offer six lines to Rajivji and to all of you on behalf of the country.

[Shri Bal Kavi Bairagi]

"Rakt sani dharti par chhirka maan ganga  
ka paani,  
Mahabudh ke beton ko de aye nai kahani,  
Tamil aur Singhal donon hain sage  
sahodar bhai,  
Jaan hatheli per lekar bhi tumne shanti  
sudha barsai,  
Maan Bharat ka aanchal turn per sadiyon  
tak lahraye,  
Amar rahe Rajiv hamara bachcha bachcha  
gaye."

[English]

MR. SPEAKER: I will accept the sugges-  
tion and with this prayer that Rajiv  
Gandhi....

[Translation]

SHRI YOGESHWAR PRASAD (Chatra) ·  
Mr. Speaker Sir, i also want to recite a

couplet in this regard.

"Aapka daure hakumat yaadgar-e-adal  
hai,  
Kashti-e-Gandhi ko sahil pe utara aapne".

MR. SPEAKER: This prayer and your  
good wishes will create a sense of brother-  
hood between India and Sri Lanka,  
between citizens of the two countries and  
they will work together for a golden future  
and forget all the past bitterness.

17.45 hrs.

*The Lok Sabha then adjourned till  
Eleven of the Clock on Friday, July 31,  
1987/Sravana 9, 1909 (Saka)*