

is mounting by leaps and bounds and now that Bangladesh has become independent and we are in a better position and in view of the fact that defence is eating up our national resources to a large extent, can you not cut down that expenditure so that this obnoxious heavy taxation of the common people can be reduced?

SHRI VIDYA CHARAN SHUKLA : I would like to remove two misconceptions from the hon. Member's mind. First of all, whatever expenditure is incurred in the Defence Ministry is not infructuous or wasteful. A lot of it goes towards national-building and it has a lot to do with our prosperity and economic well-being.

And Sir, coming directly, coming strictly, to the Defence Production side, I can say that in the Defence public sector undertakings, which number eight now and we have taken over another company which will soon be made into a Defence public sector undertaking and which will bring the total to nine, most of the production goes for civilian use. For instance, our production in the financial year that we have just passed, in 1972-73, is worth about Rs. 180 crores of goods. We produced over Rs. 180 crores worth of goods in our Defence public sector undertakings and over Rs. 100 crores worth of goods went for civilian purposes like road-rollers, air compressors, cranes and many other things for which we have the capacity and which we produced and fulfilled the Defence requirements and then use all our capacity for fulfilling the other needs of the nation. Therefore, for the honourable Member to assume that whatever comes out of the Defence expenditure is wasteful and is only going for arms and ammunitions is not really correct.

MR. CHAIRMAN : Yes, Mr. Goray.

SHRI N.G. GORAY : Sir, I would like to have more light on the statement that was made just now by the honourable Minister saying that the Defence Plan and

the National Plan are things apart from each other.

Sir, I would like to know from him one thing : When we are thinking in terms of more naval craft, more missiles, better battle tank, etc., does it not mean that we will have to have better alloys and when we have to have more and better alloys, then is it not necessary for him to have consultations with the Steel Ministry which alone can supply us more and more of sophisticated steel and other alloys that we require for the Defence forces?

SHRI VIDYA CHARAN SHUKLA : Sir, the honourable Member is quite correct. We are in the process of setting up a special alloys steel plant with the help of the Ministry of Steel & Mines in Kanpur for such requirements. Recently, the Cabinet has also our project to be set up in Hyderabad for super alloys and other alloys which are used extensively in aviation and electronic-industries and these are the few things which are the basic raw materials for which till now we have been depending on foreign sources. But action in this direction has now been taken and this will fulfil our requirements.

SHRI N.G. GORAY : What I am suggesting is that to that extent your Plan will be integrated with the Plan that the Planning Commission has drawn up.

SHRI VIDYA CHARAN SHUKLA : I did not say they will not be integrated.

MR. CHAIRMAN : All right. Next question.

#### **REALISATION OF ARREARS OF PROVIDENT FUND ETC.**

94. SHRI KRISHAN KANT : SHRI KOTA PUNNAIAH : SHRI BRAHMANANDA PANDA : SHRI J.S. TILAK :

The question was actually asked on the floor of the House by Shri Krishan Kant

SHRI CHANDRA SHEKHAR :  
SHRI AG. KULKARNI : DR.  
Z.A. AHMAD :

Will the Minister of LABOUR AND REHABILITATION be pleased to state :

(a) the step taken to recover the arrears of

- (i) Employees' State Insurance Scheme;
- (ii) Employees' Provident Fund Scheme;

(b) the amount of actual arrears as on ] 31st March, 1973 in respect of the above two schemes showing separately the employees' contribution and the contribution of the employers;

(c) whether it is also a fact that the few relating to the realization of employers' contribution has been found ineffective under these two schemes; and

(d) if so, the steps taken to remedy the situation ?

THE MINISTER OF LABOUR AND REHABILITATION (SHRI K.V. RA-GHUNATHA REDDY) : (a) to (d) : A statement is laid on the Table of the Sabha.

The Employees' State Insurance Corporation and Provident Fund authorities have reported as under :—

(a) Employees' State Insurance Corporation :

(i) Recovery of arrears is effected as arrears of land revenue under sections 37D and 45B of the employees State Insurance Act, 1948.

(ii) Recovery of arrears is also effected through civil proceedings under section 75(2) of the Act.

(iii) Criminal action is also taken against defaulting employers, where necessary, under section 85 of the Act.

#### Employees' Provident Fund :

(i) Prosecution is launched under section 14 of the Employees' Provident Funds and Family Pension Fund Act, 1952.

(ii) Revenue recovery proceedings are initiated under section 8 of the Employees Provident Funds and Family Pension Fund Act, 1952.

(iii) In suitable cases, complaints are filed with the Police/Courts under section 406/409 of the Indian Penal Code.

(iv) Penal damages are levied under section 14B of the Employees' Provident Funds and Family Pension Fund Act, 1952.

(v) Default is brought to the notice of the Employers' and the Workers' Organisations including the Trade Unions.

(vi) In some cases, the establishments are afforded a change to pay the dues in suitable instalments subject to production of adequate guarantee, surety, etc.

(vii) In the case of textile mills which have gone into liquidation reconstruction Schemes are examined on merits.

(b) The information as on the 31st March, 1973 is not yet available. However, the total amount of arrears as on 31.12.1972 was as under :—

Employees State Insurance Dues	*Rs. 17.33 crores
Employees Provident Fund Dues	₹Rs. 21.74 crores
♦Employers' Special Contribution—	Rs. 13.48 crores, and
Employees' Contribution—	Rs. 3.85 crores

Separate figures of Employers' and Employees' contributions are not available.

(c) Yes, Sir.

(d) Employees State Insurance Corporation :

Proposals for amendment of the Employees State Insurance Act, 1948, with a view to providing for more stringent penalties in cases of defaults, are under examination. A proposal for treating the dues of the Corporation as preferential

claims under the Companies Act, 1956 is also under consideration.

Employees' Provident Fund :

An amending Bill has been introduced in the Lok Sabha on the 7th March, 1973, which *inter alia* seeks to vest on the Provident Fund authorities the powers to initiate legal proceedings against the defaulting establishments and provides for more stringent penalties in cases of defaults in payment of contribution and other offences under the Employees' Provident Funds and Family Pension Fund Act, 1952.

SHRI KRISHAN KANT : Sir, the honourable Minister has given too legalistic a reply and he has not taken responsibility on himself when he says in his reply that (he Employees' State Insurance Corporation and the Provident Fund authorities have reported as under, etc., etc., as though he does not know whether it is correct or not. Anyway, I want to know whether the figures given by him that the arrears are Rs. 17.33 crores in respect of the ESI and Rs. 21.74 crores in respect of EPF do not indicate that the amounts are huge. What have they done under the various provisions of the Acts to recover the arrears as given in his reply ? How much of it has been recovered ? Can he tell this first ? Then I will come to the other things,

SHREK.V. RAGHUNATHA REDDY : Sir, I also agree that the arrears that are outstanding are considerable.

As far as the reply is concerned, it has been properly worded and I do not think that the honourable Member can have any objection to it.

For the purpose of recovering all dues, as land revenue arrears, the Corporation has to depend on the State Governments. Currently, arrears of over Rs. 586 lakhs are pending with the Collectors of the various State Governments and every possible effort is made to persuade the State i

Governments for the collection of the arrears through the Collectors. Recently, the Corporation has made arrangements in Tamil Nadu and Orissa States to reimburse the cost which has to be deducted by the State Governments for the collection of the Corporation dues. The results are yet to be watched. In Gujarat State, the Corporation has agreed to pay centage on recoveries effected to meet the extra cost in employing the staff for the recovery of its dues. In the States of Punjab and Haryana, assistance by the local officers is being given. In Maharashtra State, the proposal is to have a separate cell with a Tehsildar and his staff at the cost of the Corporation, to deal with cases of recovery of the Corporation dues exclusively.

Further, I may also say that we are contemplating to amend the Act in such a way as to provide for heavy punishments.

SHRI KRISHAN KANT : May I know whether he has got reports that even out of the funds which are employees' contributions, employers are using some funds ? If so, how much of it has been misappropriated ? As far as the employees' share is concerned, can you give this figure ? He said that he does not have those figures. Then, may I know when they are going to bring the new Bill ? For the last 5 or 10 years the Ministers have been saying that the present law is insufficient.

SHRI K.V. RAGHUNATHA REDDY : The provisions are there for certain kinds of punishments for realising the dues as land revenue. As far as the arrears are concerned, the statement says that the employers' special contribution is Rs. 13.48 crores. The employees' contribution is Rs. 3.85 crores. On the specific question by the hon. Member as to how much of it has been realised as misappropriated, it is very difficult to answer. I do not have the figures available immediately. I am myself interested in knowing this and I will pursue

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About the Bill, I hope I will be able to introduce the Bill in the next session.

SHRI KOTA PUNNAIAH : May I know from the hon. Minister whether there are any public sector organizations which have defaulted in giving their contribution. How is the Government treating the provident fund remittances ? Are these amounts being utilised for the ways and means requirements of the Government ?

SHRI K.V. RAGHUNATHA REDDY : There are certain exempted categories under the Provident Fund Act. Contributions are a trust. About the public undertakings I do not have the figures just now. I shall collect and furnish them later.

SHRI BRAHMANANDA PANDA : Sir, the statement given to us is like a 'correspondence course'. The real question is in part (c) : Whether the law relating to the realization of employers' contribution has been found ineffective"...

MR. CHAIRMAN : What is your question ?

SHRI BRAHMANANDA PANDA : Can the hon. Minister give an assurance that the next Bill will be a positive legislation and will not be ineffective "...

SHRI K.V. RAGHUNATHA REDDY : With respect to the Provident Fund, already legislation has been introduced in the Lok Sabha. It is awaiting consideration by the Lok Sabha. With respect to insurance matters, I have submitted already that we are considering the question and amending the legislation on more or less the same lines as we have done in the case of Provident Fund, and we would like to make the provisions as effective as possible and as practicable as possible for the purpose of recovering the money.

SHRI J.S. TILAK : May I know the number of textile mills which have mis-

appropriated or misused the provident fund and from which the employers' contribution could not be realised?

SHRI K.V. RAGHUNATHA REDDY : Out of the total default of Rs. 992 lakhs (upto 30-9-1971 as on 30-9-1972), the textile industry alone is in default to the extent of Rs. 449 lakhs representing 45.26 per cent of the total arrears. In textile industry, control of 103 sick Mills has been taken over by the Government either under Industries (Development and Regulation) Act, 1961 or the Sick Textile Undertakings (Taking over of Management) Act, 1972. The past arrears due from these mills are to the extent of Rs. 288 lakhs. Proposals for discharge of past liabilities by these mills have been asked for and it will take some time before entire dues against these mills are cleared. Further, a number of these Mills have been declared Unemployment Relief Undertakings by the State Governments and all legal actions of recoveries prior to the period of takeover have been stayed. The amount due from such relief Undertakings works out to Rs. 144 lakhs out of Rs. 449 lakhs due from the textile mills. Another Rs. 90 lakhs could not be recovered due to court injunctions, factories having been closed or gone into liquidation, etc.

SHRI A.G. KULKARNI : Rupees 56 crores have been shown as due on 31-12-72. It has been stated in reply to (c) that the present Act is ineffective and, as such, he is introducing another Act wherein stringent action will be taken. I want to know as per his information, how many of the monopoly houses, particularly out of 75 houses, are responsible for provident fund default and whether it is a fact that 40 monopoly houses are in default to the Provident Fund Commissioner. Is a public sector undertaking like I.D.P.L. also in default ? You cannot help the textile employees in this

matter even by taking over the textile mills. What will be the specific nature of the law?

SHRI K.V. RAGHUNATHA REDDY: Sir, with respect to the business houses which are categorised as monopoly houses, I myself expected this question this morning and I must say that I do not have the information unfortunately.

SHRI A.G. KULKARNI : You will never have.

MR. CHAIRMAN : It does not matter.

SHRI A.G. KULKARNI : It matters a lot.

SHRI K.V. RAGHUNATHA REDDY: I will collect the information and place it on the table of the House. I am myself interested to know the nature of this kind of legislation. I said that I had also introduced a legislation in Lok Sabha and a similar legislation will be brought forward.

SHRI A.G. KULKARNI : Is I.D.P.L. in default?

SHRI K.V. RAGHUNATHA REDDY : I will have to make an enquiry on that also.

DR. Z.A. AHMAD : Who is empowered to prosecute the employer who has indulged in such practices ?

SHRI A.G. KULKARNI : Nobody has that power in this country.

MR. CHAIRMAN : Mr. Kulkarni, please do not answer the question.

DR. Z.A. AHMAD : Who has the right to prosecute them ? So far as I understand you have given the power to State Governments to prosecute the employers in case of default. Now, in the new Bill, you propose to bring in the Central Government also if the defalcation is for more than 6 months, [-would like to know whe-

ther in the new Bill that you have introduced in the Lok Sabha, you would introduce an amendment to the effect that not only the State Government or the Central Government, but the victim of that embezzlement or defalcation, that is to say the employee, has the right to prosecute the employer after a certain period fixed by law.

SHRI K.V. RAGHUNATHA REDDY : This suggestion will be examined.

DR. Z.A. AHMAD : Very seriously and sympathetically.

SHRI K.V. RAGHUNATHA REDDY : Yes, Sir, very seriously.

SHRI JANARDHANA REDDY : May I know from the hon. Minister whether he is aware of the fact that non-commercial organisations like university press are being brought under this Act and the Vice-Chancellors were given threatening prosecution summons? If so, I would like to know if the university presses which are not making any profit are going to be exempted from this scheme, particularly when they have got their own P.F. scheme being maintained by the Universities.

SHRI K.V. RAGHUNATHA REDDY : If any undertaking has got its own scheme and if it files an application for exemption, the application will be considered on merits. So the question of exempting university presses does not arise.

SHRI KALYAN ROY : Has the Minister's attention been drawn to the serious irregularities by one of the biggest monopoly houses, by the Bata Shoe Company? I would like to know : What is the total amount of provident fund which has not been deposited so far by the Bata Shoe Company and whether they are being prosecuted under sections 406 and 409? If not, why not?

SHRI K.V. RAGHUNATHA REDDY : I need notice on this specific question. I will find it out.

SHRI A.P. JAIN : I thought that there is a section in the Indian Penal Code which makes misappropriation punishable and punishable quite heavily. Now, why has the hon. Minister not taken advantage of that section in the Indian Penal Code, whether he be a manager of a public concern or a private concern? He wants to enact new laws but he does not want to make use of the present law.

MR. CHAIRMAN : All right. He will give the answer. (*Interruptions*). Order please. Mr. Harsh Deo, I have not called you.

SHRI K.V. RAGHUNATHA REDDY : With respect to this specific question raised by the hon. Member, one of the High Courts, I do not remember the name of the High Court, had held that this matter does not fall under section 409 of (the Indian Penal Code).

SHRI A.P. JAIN : What a fantastic reply. (*Interruptions*)

MR. CHAIRMAN : Mr. Kalyan Roy, I won't call you if you interrupt.

SHRI K.V. RAGHUNATHA REDDY : Therefore, in order to remove doubts in respect of this matter, an amendment had also been specifically introduced in the amending Bill in order to see that such acts are brought under the provisions of the Indian Penal Code and that it should be deemed to be misappropriation under section 409.

SHRI N. H. KUMBHARE : Is it a fact that several limited companies from whom the amount is recoverable have gone into liquidation and, therefore, that amount cannot be recovered from them? If it is so,

what are the steps that the Government has taken to compensate the loss to the workers on account of this non-payment? The second question is...

MR. CHAIRMAN : Only one question, please, Yes, Mr. Minister.

SHRI K.V. RAGHUNATHA REDDY : Sir, if it is a particular company I do not have information of the particular company. If a specific question is put, certainly I will answer that.

MR. CHAIRMAN : All right, Mr. Niren Ghosh.

SHRI NIREN GHOSH : I would like to know whether the hon. Minister is aware or he admits that so far all those labour legislations have been loaded in favour of the employers and this ESI scheme has now become an oppressive scheme for the workers. They are not getting any of the benefits though they are contributing to the fund and at the same time it is a huge amount. So, I would like to know in the legislation you contemplate what sort of punishment you will provide. Would you provide for jail or laying hands on the property, assets of the General Managers of the concerned houses so that it can be done within a specific period of time or you will somehow or other manage that the employers can get away and the workers cheated?

MR. CHAIRMAN : All Right.

SHRI K.V. RAGHUNATHA REDDY : I cannot at this stage itself indicate what will be the provisions but I can only say that deterrent provisions are contemplated for the purpose of dealing with such situations.

DR. BHAI MAHAVIR : Will the hon. Minister kindly give us some of the important cases of Dcthi where employers'

have been proceeded against for this offence? On the last occasion when the question came before this House we learnt that two important defaulters were Aju-dhia Textile Mills which were being run by the Government and the National Herald which is very close to the Home Minister and the Prime Minister, and then we were told that action was being considered against them. I would like to know whether any action has been taken against them and if not whether it is because in your answer you say that criminal action is taken "where necessary" and in another place you say "in suitable cases complaints are filled with the police." What is this "suitability" and how to do you explain "where necessary"? Is it to cover the people whom you want to shield;

SHRI K.V. RAGHUNATHA REDDY : I wish to make it very clear that there is no intention nor does the Government at any time cover any persons who commit any offence under the Act. As *for* the specific question that has been put by my hon. friend, if he had been kind enough to give notice I could have collected the information and given it to him. This is a general question that has been asked and it is very difficult for me to answer specific questions. There are so many companies in the country which have got this provident fund scheme. If a specific question had been put I could have answered even now.

DR. BHAI MAHAVIR : This is not a new question. A number of times this has come up and I thought he was bright enough even otherwise. He himself said that he could foresee what questions would be raised. We thought it would be possible for him to reply. In any case he should find out and let us know.

SHRI KALYAN ROY : Sir on a point of order. There is...

MR. CHAIRMAN : No, no, you please sit down.

Now he does not remember what had happened earlier and he wants notice. He is perfectly entitled to ask for notice.

DR. BHAI MAHAVIR : Now that he has got notice he can find out and let us know.

SHRI N.K. SHEJWALKAR : He can lay the reply on the Table of the House. That can be done.

Loss of Man days 95. SHRI CHANDRA SHEKHAR : SHRI KOTA PUNNAIAH : SHRI BRAHMANANDA PANDA : SHRI J.S. TILAK : SHRI KRISHAN KANT : SHRI A.G. KULAKARNI : DR. Z.A. AHMAD :

Will the Minister of LABOUR AND REHABILITATION be pleased to state :

(a) the number of man days lost due to strikes, lock outs and lay offs during the years ending 31st March, 1971, 1972 and 1973 and their state-wise breakup ;

(b) the main reasons thereof; and

(c) the steps taken or proposed to be taken to curtail the loss of man days in industry ?

THE MINISTER OF LABOUR AND REHABILITATION (SHRI K.V. RAGHUNATHA REDDY) : (a) and (b) Statement showing the available information about the number of man days lost, statewise, due to strikes and lockouts, during 1970, 1971 and 1972 is laid on the Table of the House. These disputes and the resulting man days lost were mainly over issues relating to wages and allowances, personnel matters, bonus, retrenchment, alleged indiscipline and violence, and leave and hours of work.

The question was actually asked on the floor of the House by Shri Kota Lunnaiah.