

SHRI C. R. PATTABHI RAMAN : Madam, I move :

"That the Bill, as amended, be passed."

The question was put and the motion was adopted.

THE EMPLOYEES' PROVIDENT FUNDS (AMENDMENT) BILL, 1964

THE DEPUTY MINISTER IN THE MINISTRY OF LAW (SHRI JAGANATH RAO) : Madam, on behalf of Shri A. K. Sen, I beg to move :

"That the Bill further to amend the Employees' Provident Funds Art, 195?, be taken into consideration."

Madam, as the House is aware, the Employees' Provident Fund Act, 1952, provides for the institution of compulsory provident fund in factories and establishments covered under this Act. The Act which was initially applied to only six industries in 1952, at present applies to 96 industries and classes of establishments.

There is also provision in this Act to exempt certain industries and establishments from the operation of this Act and the schemes made thereunder, provided these industries and establishments have some scheme of provident fund or other retirement benefits to the employees. That exemption is granted under section 17 of the Act and section 17 says that this exemption can be granted by the Central Government in cases of establishments belonging to, or under the control of, the Central Government or connected with a railway, major port, mine, oilfield or controlled industry, and by the State Governments in other cases. Instances have come to the notice of the Government of hardship where several branches of these establishments and shops are situated in various States and the exemption under the Act as it stands today, has to be given by the various State Governments in whose jurisdiction these branches are situated. It is necessary to have uniformity in the grant of these exemptions to these types of

branches and units and so we now propose to amend the definition of the term "appropriate Government" in section 2(») of the Act by the insertion of the words : "or in relation to an establishment having departments or branches in more than one State." This is now sought to be inserted for the sake of convenience and uniformity all over the country.

Madam, this is a simple amendment which is now sought to be brought forward for the approval of this House.

I also submit that this amendment may be deemed to have come into force on the 24th of November, 1964. Several cases came to the notice of Government and Government had passed some orders of exemption on 24th November, 1964 and it is now sought to give effect to the orders of exemption granted by the Central Government.

Madam, I move.

The question was proposed.

श्री दत्तोपभक्त ठेंगड़ी (उत्तर प्रदेश) : उप-सभापति महोदया, यह विधेयक अवश्य तर्क-संगत है और इसका आना स्वाभाविक है क्योंकि परिस्थितियों में कुछ परिवर्तन आए हैं। इनको ख्याल में रखते हुए और इस दृष्टि से भी यह कोई विवाद का विषय नहीं हो सकता, जहां तक संशोधन के रूप में यह यहां पेश किया गया है। तो भी इसमें प्रमुख कुछ इस समय पर मजदूरों की ओर से रखना मैं आवश्यक समझता हूं। उनके हितों की दृष्टि से यह अधिक अच्छा रहेगा कि यह जो इक्जेंप्शन दिया जाता है—हालांकि उसमें कहा गया है कि यदि दूसरी कोई स्कीम वहां लागू की गई हो जो कम फेवरेबिल नहीं हो, तो उसमें इक्जेंप्शन दिया जायगा—तो भी यह इक्जेंप्शन देने की जो व्यवस्था है, वह वापस लेनी चाहिये। किसी भी तरह का इक्जेंप्शन नहीं। एक तरह की एकरूपता इस कानून के अमल में होनी चाहिए। यहां इस संशोधन विधेयक के बारे में जो कहा गया है

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for : "This is necessary for the sake of uniformity and convenience of all concerned." and "uniformity and convenience of all concerned"

'की दृष्टि से यह अच्छा रहेगा कि इक्जेंप्शन की व्यवस्था वापस होनी चाहिये।

साथ ही साथ इसी समय यह भी कहना मजदूरों की दृष्टि से आवश्यक होगा कि इस विधेयक के अंतर्गत जो कुछ भी लाभ होता है, वह सभी मजदूरों को प्राप्त हो, यह भी देखना होगा। इसलिये किसी भी संस्थान में, चाहे वह वाणिज्य संस्थान हो या औद्योगिक संस्थान हो, उसमें कितने कर्मचारी काम करते हैं, यह सदा न देखते हुए, सभी संस्थानों पर यह योजना लागू होनी चाहिये भविष्य निधि की, ताकि जहां एक कर्मचारी भी हो, वहां यह योजना लागू हो। किसी भी तरह का इक्जेंप्शन इसमें नहीं होना चाहिए। बल्कि एक कर्मचारी भी लाभान्वित हो सके, यह आवश्यक बात है।

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) in the Chair.]

साथ ही साथ कई जगह ऐसा दिखाई दिया है कि मालिकों को भविष्य निधि में जो अपना हिस्सा देना चाहिये, उसके बारे में वे बहुत उदासीन रहते हैं। इसके कारण मजदूरों को नुकसान रहता है। इसी तरह के संस्थान जब सरकार अपने हाथ में लेती है, तो वह पैसा सरकार को अपने खजाने में से देना पड़ता है। इस व्यवस्था का फिर से निर्माण न हो, इस दृष्टि से यह जो व्यवस्था है कि मालिकों को अपना हिस्सा कर्मचारी भविष्य निधि में देना चाहिये, इस व्यवस्था का बहुत ही कड़ाई के साथ पालन होना चाहिये। इन मुद्दों के साथ मैं इस बिल के लिये अपना समर्थन प्रगट करता हूं।

SHRI D. L. SEN GUPTA (West Bengal):
Mr. Vice-Chairman, this is an innocuous Bill and ordinarily I would not have taken

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any part in this debate. But what worries me is this. The Government is confused between two things. One of them is expediency and the other is legality. The Government has already, on the ground of expediency, done an illegal act and now the Government wants to legalise it by giving retrospective effect to this measure. Here there is confusion and there is an anomaly. I may invite the attention of the House to the Statement of Objects and Reasons where it is stated :

"It is considered that where an establishment consists of departments or branches located in different States, the power to grant exemption should be exercised by the Central Government. This is necessary for the sake of uniformity and convenience of all concerned. It is accordingly proposed to amend the definition of the term 'appropriate Government' given in section 2(a) of the Act."

Of course, nobody can have any dispute over this appropriateness. But what I object to is the last sentence here : "As this power has already been exercised by the Central Government in some urgent cases, it is proposed to give retrospective effect to this amendment."

How could the Central Government, which did not have the necessary power at that relevant time, exercise that authority and allow the exemption from the provisions of the Provident Fund Act ? So till the day this Bill is passed, the Government was assuming jurisdiction where it had none. The Central Government should not, on the ground of expediency, enlarge the scope of its jurisdiction in granting such exemptions. If this position or justification of expediency is accepted by us, then it will lead to an anomalous position. The Government will every time be doing it. Today it may do it in favour of labour and tomorrow it may do it in favour of the management. I am not speaking here in favour of either labour or the employers. I am speaking as a Member of Parliament on the floor of the House here. Let us see what is the legality of it and whether the Government should be allowed to do such things in

[Shri D. L. Sen Gupta.] future also. If we pass this Bill here and now and legalise that illegal action of the Government then they will feel encouraged to do such illegal actions even in future and come up with similar amending Bills, seeking to give retrospective effect to their actions. What I am inviting the attention of the House to is sub-clause (2) of clause 1 where it is stated : "It shall be deemed to have come into force on the 24th day of November, 1964." So from the 24th day of November, 1964, this department of the Government of India has been assuming illegal jurisdiction over certain matters where they had none. Having done that, they found that suddenly sense dawned on them and so they have brought forward this Bill. There was not even an Ordinance promulgated. At least they could have assumed power under an Ordinance. They did not do so and so it is not stated in the Statement of Objects and Reasons. In the past on many important occasions, just to take the law into the hands of the Government, Ordinances were promulgated. Why was not an Ordinance brought forward in this case ? Now, having done something illegal they want to legalise it. You cannot work democracy like that. It is not a democratic way. The Government also should be guided by the laws of the land. The Government is not above the law and I consider this a dangerous sign and it should be stopped.

4 P.M.

SHRI I. V. ANANDAN (Madras) : Mr. Vice-Chairman, Sir, this is a very simple amendment brought forward by the Government taking into consideration the vast expansion in the industrial sphere that is taking place in the country. It is the working class that suffers if this power is not entrusted to the Central Government because our country is vast and widespread. Some States are more than a thousand and odd miles from the Capital. Therefore for purposes of uniformity, this power should be in the hands of the Central Government. But one experience that we have gathered in this centralisation is that there is unnecessary red-tapism and delay. That should not happen when this power is given to the Central Government; otherwise the poor working classes would suffer. I my-

self come from the working class and I know the difficulties of our workers in the country. That is why I say that only the minimum of red-tapism should be allowed, and not to the extent that we have been experiencing in this country.

There are one or two other points that I would like to point out. While the Law Minister has been kind enough to bring forward an amendment to section 2 of the Act he should also have thought of amending section 6 where 8 £ per cent contribution should be compulsorily made without giving option to the worker. We know we have got an exclusively a Ministry called the Ministry for Social Security and social security is very vital today. Instead of our having to point this out, we would have applauded the Minister had he introduced an amendment to section 6 of the Act himself.

Another point about which I would like to make a slight mention here is about the interest rate on the provident fund accumulations. The interest on the provident fund accumulations should not be lower than what the Government charges on the loans to the agriculturists. I have seen the relevant papers; and from the replies given by the Ministers in the House we know that not less than eight to nine per cent interest is charged by the Government on the loans granted to the agriculturists. Even the Railway Ministry pays 5.75 per cent interest to the capital at charge whereas for the accumulations got from the working class which run into thousands of rupees and which you use in the concerns, the interest is very low. The worker would surely expect to get a better turnover than what you now grant.

I hope the hon. Minister will keep these facts in mind whenever he brings forward another amendment so that the working classes would be indebted to the Ministry and to the Government.

Sir, I have nothing more to add and I would conclude by saying that I support the amendment.

SHRI ARJUN ARORA (Uttar Pradesh) : Mr. Vice-Chairman, Sir, this Bill seeks to

give the Central Government certain powers of exemption. I thought that the time had come when the Central Government would bring forward a Bill doing away with exemption altogether. The employees' provident fund scheme was introduced by an ordinance in 1952. Later an enactment came and in the early stages the scheme was made applicable only to six selected industries which were supposed to have the capacity to pay. Now of course more than 60 industries are covered by the employees' provident fund scheme. But the Act gives the appropriate Government certain powers to exempt certain factories from the operation of the employees' provident fund scheme. Thus the employees in a particular industry are governed by more than one provident fund scheme. As is obvious, frequent changes in the place of employment take place and a worker who today is employed in an exempted factory may in due course join a factory where the employees' provident fund scheme under the Act is applicable. Then he faces a lot of difficulties in the transfer of his funds from the exempted scheme to the statutory scheme. It is therefore time that the Government did away with exemption altogether.

Then, Mr. Vice-Chairman, the need for a comprehensive social security scheme is well accepted in the country. The Government of India some ten years back appointed a working group headed by Mr. V. K. R. Menon, Director of the Regional Office of the I.L.O. in New Delhi. That working group went round the country and produced a comprehensive scheme for social security and the recommendation was that the employees' state insurance and the employees' provident fund schemes should be merged into one social security scheme which would also be able to give workers unemployment benefits and old age pensions. It is more than ten years since this Report was submitted and though the Government appears to have accepted the recommendation in principle, nothing has been done in that matter. That is probably due to the fact that a number of provident fund schemes are exempted from the operation of the statutory scheme. How will the Government merge these exempted schemes into the

social security scheme? So if the Government are serious about merging the employees' state insurance and the employees' provident fund schemes, it is time that they did away with exemptions. Here it appears that the Government of India have granted exemptions even where under the law they had no power to do so. That is a wrong trend and I must voice my protest against this.

Then, Mr. Vice-Chairman, the management of the employees' provident fund by the trustees needs a great deal of improvement. Now under this scheme some thirty lakh workers contribute. Some of them contribute 6 per cent of their meagre wages; others contribute 8 per cent. The Trustees are so callous that they do not see to it that all the deductions from the workers' meagre wages are deposited with the proper authorities in time. The result is that lakhs and lakhs of rupees deducted from the workers' wages as their contribution to the provident fund schemes are not deposited with the provident fund authorities or appropriate authorities. The employers are allowed to convert that money, workers' savings, into their working capital. It is the business of the administration, it is the business of the trustees to see that every pie deducted from the workers is deposited with the appropriate authorities within the time-limit laid down under the rules. What we find is there are penal provisions, but those penal provisions are not enforced and employers are allowed to convert workers' savings into their capital. That is highly undesirable. It is also harmful to the workers because unless the money is deposited with the provident fund authorities, workers' accounts do not show the contributions deducted from them. The result is that in some cases where the Regional Directors of the provident fund scheme are honest and straightforward, they issue to the workers their account slips without showing the amount due from the employers. The worker, who has contributed hundreds of rupees, finds that the account slips issued by the provident fund authorities show only a meagre deposit in his name and he gets confused, agitated and discontented and his heart is not in the work, because money deducted from his

[Shri Arjun Arora.] wages for his old age is allowed to remain with the employers and the provident fund accounts do not give him credit for that sum. Where the Regional Directors and regional accounting officers are not so honest, they do not issue account slips to workers for years together and the worker is kept in the dark about the state of his amount in his provident fund merely because the employer has not contributed the workers' share and his own share is with the provident fund authorities. All litis goes on, but the provident fund authority of the Government does not prosecute

s not send to jail the defaulting employers. The provident fund scheme was introduced to give the worker a sense of security, a sense of feeling that something is being collected for his old age, but the maladministration of the scheme creates a deep sense of insecurity in the worker

what he finds is that far from some money being collected for his old age, money is deducted from his wages and he does not know where it has gone. Prompt realisation of dues from the employers is absolutely necessary and it is also absolutely necessary that account slips be issued to workers promptly. That does not happen.

Then, there is another matter of serious concern to those who wish well of the Employees' Provident Fund Scheme. The trustees do not issue their annual accounts and balance-sheets in time. When they issue their accounts, balance-sheets and reports, they are matters of history. I am told that no such reports have been issued for the last three years and we do not know what is the state of management of the employees' provident fund during the last three years. Where deposits of Lakhs of workers are concerned, it is only proper that the reports and accounts of the employees' provident fund are brought out in time, published in all the regional languages and made available to the workers. That is not being done.

Then, the operation of the scheme has, so far, been limited and commercial employees, particularly commercial employees who are employed in smaller establishments, are not given the benefit

of this scheme. Perhaps the Government have administrative convenience uppermost in their mind, but it is in the case of the smaller industries, in the case of smaller commercial establishments that we, even today in the year of Grace 1965, find sweated labour in our country. Where Government wants to create a sense of security, where Government wants to create some sort of provision for the old age of the workers, those employed in the sweated industry should be the first to get the benefit. It is, therefore, only proper that the Government examines the demand of commercial employees, shop assistants, etc. to extend the benefits of the Employees' Provident Fund Scheme to them. Administrative convenience is there, but administration is supposed in this country to serve the people and sweated labour employees in the smaller commercial establishments stand in need of them.

Then, there is a persistent demand of the organised labour in the country that the contribution of workers as well as employers to the provident fund scheme should be raised. In some industries it has been raised to 8 per cent. It is time that the rate of 8 per cent was made a rate of universal application.

With these words I support the Bill, but I hope the Government will not misuse the power that it is seeking and that it will not exempt industries as far as possible.

Thank you.

SHRI ABID ALI (Maharashtra) : Mr. Vice-Chairman, most of what I wanted to mention has already been covered by friends who have preceded me. I have only a few items to add to what they have said. The first is with regard to what the hon. Member, Shri Arora, has just said, namely, covering more workers under the scheme. I have been giving notice of a Resolution for more than a year, but somehow luck is not helping me. So, I would like to take this opportunity here to mention the same thing, as has been just now pointed out. I do not know what comes in the way of the Government in order to

cover all workers who are coverable under the scheme. Now, very few of them are left. Most of them have already been covered. Then, the present 6i per cent contribution should be raised to 8 per cent. When the matter was being formerly discussed here, I moved an *amendment* which was kindly accepted by the Government which empowered them to extend the benefit to all the establishments which are already covered and to be covered. This will give according to my rough estimate about Rs. 120 crores of savings every year including the new coverage. We are very much anxious that inflation should be curbed. This will be giving additional help to the efforts of Government to curb inflation to that extent at least. Also it will be to the advantage of workers. When workers contribute 8 per cent instead of 6i per cent, employers also will be contributing an equivalent amount. And it should also be taken into consideration that the value of the rupee, its purchasing power, is decreasing very much. The amount which we are now collecting from the workers will have much less value when it will be paid to them at the time of their retirement. Therefore, the decreasing value of the rupee also should be taken into consideration and workers should have a little more in their hands to get appropriately settled after retirement.

Also the Act needs amendment so that the coverage could be widened. Establishments having a smaller number of workers should also be brought under the coverage of the Act.

About the accounts which my good friend was mentioning, I may mention that it is not possible for anybody under the scheme which is prevalent to rob the workers. It may be that some employers may collect the amount and may not send it. But where workers have contributed, it is not that they come and contribute it to the cashier of the regional office or to the regional officer. There are systems evolved by which several statements and returns are prepared and accounts are maintained at various levels, and therefore it is not possible for them to rob the workers.

SHRI ARJUN ARORA: No. I never said that the worker is robbed. What I said was that unless the employer who has made the deductions deposits the money with the appropriate authority, the workers account is not given the credit for that sum which in fact has already been deducted.

Simi ABID ALI : That is correct. I was referring to the honest and dishonest officers that the hon. Member has mentioned.

SHRI ARJUN ARORA: There again I did not say that the officers rob the workers. I said that where the officers are honest, they tell the workers the true state of their accounts. Where they are not so honest, they do not tell the workers a word about the account.

ABID ALI : So far as the necessity of giving to the workers the position about the contributions to their credit is concerned, they should get fully posted the up-to-date position from time to time, and that is being done. There has been some improvement. So far as my information goes, there has been some improvement in this particular respect. The position was very bad some years back, but constantly it is becoming better and better. But where the position is rather deteriorating a little is, I am sorry to mention, with regard to the payment of the amount. It is very necessary that as soon as the workers retire or become entitled to the payment of the fund to their credit, it should be given to them very very quickly. Of course again there has been considerable improvement over what it was in the early stages, but subsequently in the last some months. I do not know what has happened suddenly, more and more complaints are coming in. There may be some difficulty in certain places, but complaints are coming in in larger numbers. Therefore, I would request the hon. Minister and through him the Department concerned—because this is a very efficient Department, this is a very good Department, this is a very beneficial Department, and it has been doing very very good work for the good of the workers, and I am happy and also the working class is

[Shri Abid Ali.] happy. These little difficulties also should be investigated and there should be no room for complaint. Why I say this is because the difficulty is that as soon as I retire I think of my future, and if for a large number of weeks I am made to stay in (the place where I was working or even if I go to my village home—which nowadays are not many—I am kept in suspense, and because my income has stopped, my expenditure is continuing and my funds are not coming, I am not able to plan for the future. So as soon as the amount comes into my hand, I know that this much is in my hand and I know what I should do for the future maintenance of myself and my family.

So far as the annual report is concerned, it may be that some individual establishment trustees may not be publishing it, but by and large the experience is that these accounts are coming. So far as the Central Accounts are concerned, these are circulated to hon. Members every year and the details which are needed are very well mentioned there and very convincingly too. These details are available.

About this exemption, my friend there perhaps may not be having much up-to-date information about this particular item. There is no exemption from the benefit of the provident fund contribution. Very unfortunately this phrase was inappropriately used when the Ordinance was promulgated, and once it was used it has gone into the scheme although there has been the intention to amend this word "exemption" to something more appropriate. Exemption does not mean that the workers are exempted from the benefit. It means that particular establishments which have got better schemes, which have got more beneficial schemes, which have got good, organised schemes with the working of which the workers are satisfied, are taken away from the direct operation of the provident fund scheme which is attended to by the various offices of the organisation. Otherwise, although exempted, workers do get provident fund like the Railways, like Defence establishments—there are so many other establishments which I need not mention—where the workers get provident fund but are not

directly supervised and managed by this particular organisation. That is about exemption. Though he is also active in the trade union field, perhaps he might not have caught the particular amendment which had been moved here.

During question hour and during the time of discussions and otherwise I have been insisting to know (a) what is the particular difficulty that is coming in the way of the Government to cover every worker who can be covered by this particular scheme, and (b) what is the difficulty in raising the quantum of contribution from 6 per cent to 8 per cent. Nobody has been able to say anything. This plea of the employers that it will be putting on them additional burden and they will be in difficulty, please do not pay any heed to it, because during my experience of the trade union—I started as a worker in 1914 and it is now 1965, that means more than 50 years—I have found that not one employer has willingly given one anna to the worker, and not one establishment has been closed because something more was paid to the workers. These two things have to be remembered. They will resist till the last point to the best of their ability and force and influence to see that workers are paid as less as possible. So with respect to these two items I was mentioning, (a) and (b), please do not listen to them, please do not heed to their arguments because I am again repeating that it has not been possible for me to find any semblance or iota of difficulty in their doing these two things.

SHRI JAGANATH RAO : I am very grateful to the hon. Members who have taken part in this debate. They have raised very many valuable points which, though not germane to the Bill under discussion, nevertheless are entitled to weight and consideration by the Government.

Regarding the question of coverage, several Members have referred that it should be extended. While moving this motion I mentioned that in 1952 there were only six industries covered under the Act. Now there are 96 industries and establishments under this Act. That shows how the coverage is being extended, and a

survey has been made already to cover nearly two lakhs of workers working in industries and establishments. We hope that they would be covered soon.

Then, Shri Arora has mentioned that the time has come when the exemptions should be dispensed with. As my friend, Shri Abid Ali, explained, the word 'exemption' does not mean that the worker is put to a disadvantage but where the industries or establishments have a scheme of their own for provident fund or death-relief fund or retirement benefit, etc., those firms or establishments are not brought under the operation of this Act.

SHRI ARJUN ARORA : Why not ?

SHRI JAGANATH RAO: Every case we examine carefully and scrutinise, and then only is exemption given; therefore no injustice is done to the worker. Regarding the question of extending it to every industry and unit employing even one worker, well, it has to be appreciated that there is difficulty in administering the scheme. Firstly, the industry or the establishment must be in a position to bear the financial burden. Secondly comes the question of administrative convenience, whether the administration is ready, is capable, is competent to cover every industry in the country. The object of the Social Security Department is to cover as early as possible as many workers working in a number of establishments and industries as possible. The progress, according to me, is very encouraging. I may point out that during the last two years 25 new industries have been covered.

Itien, regarding the Report of the Working Group referred to by my friend, Shri Arora, I may point out that this Working Group in 1958 submitted its Report. It did not suggest any scheme as such but the recommendation was that as early as possible, the two schemes, the Employees' State Insurance and the Provident Fund schemes, should be unified into one. But they also laid down two conditions. One is the question of administrative cost. It should be economical. The second is the question of convenience. These two aspects are under the conside-

ration of the Government. Now the Employees' State Insurance Review Committee is also considering the question of the desirability or the feasibility of combining these two schemes into one.

Then, Sir, it has been said about the accounts. I may point out that the accounts of 1963-64 are ready, and I am going to place the Annual Report of the Employees' Provident Funds Organisation on the Table of the House in a day or two. It will give all the details and points and the doubts raised by my friend would be clarified on a perusal of this.

Regarding the enhancement of the deposit, I may mention that this enhanced rate of 8 per cent has been applied to thirty industries, and about 57 per cent of the covered workers are getting the benefit of the higher rates. While we are anxious to extend this contribution from 6i per cent to 8 per cent, the question of the capacity of the employer or the establishment to bear the increased financial burden also comes up.

Then, Sir, it has also been suggested about the employers not depositing the contributions with the appropriate authority. There I agree. Several instances have come to my notice and I may tell him that even in the City of K'anpur itself where I went in July last, only five employers had to pay arrears of Rs. 30 lakhs. Immediately on return, I wrote to the Labour Minister of the U.P. Government. Similarly, recently I wrote to the Labour Ministers.

SHRI ARJUN ARORA : I never pleaded for any exemption to Kanpur employers. You deal with them harshly.

SHRI JAGANATH RAO : I am only saying this to support your contention that the employers are not depositing the funds in time with the authorities. It is not that I want to exempt them nor do I stand for it. I say, employers all over the country are not depositing the contributions with the appropriate authority in time, they are using them for their own purposes. This should be put an end to.

SHRI AKBAR ALI KHAN (Andhra Pradesh) : That is what Shri Arora says.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : We shall now take up the clause by clause consideration of the Bill.

SHRI JAGANATH RAO : In support of his contention I am stating; it came to my notice that in Kanpur itself five employers had not deposited Rs. 30 lakhs. Then I wrote to the Labour Minister and some positive steps were taken and a considerable amount has been realised. Then I wrote to the Labour Ministers of various Governments to recover as early as possible the arrears from the employers. Therefore, I may assure the House that steps are being taken to see that the employers do not take undue advantage of the contribution of the employees and use it for their own purposes for running their own industries. Government is constantly watching such malpractices and action is being taken.

Then, Sir, regarding the retrospective effect to this clause, my friend, Shri Sen Gupta, said that the Government now wanted to legalise an illegality committed by it. May I submit what has been done by the Government ? Conditions for granting exemption existed in a particular case but the Government thought that in fairness they should come to Parliament to get the definition of the term 'appropriate Government' amended. It was not that the industry was not entitled to exemption, it was entitled to, all the circumstances existed in favour of that industry. But when granting it, a doubt arose in our minds. Therefore, we thought that it would be appropriate for us to come to Parliament for the necessary amendment. Therefore it is only an irregularity that is now being sought to be regularised, it is not to legalise an illegality committed by the Government.

Thank you.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

"That the Bill further to amend the Employees' Provident Funds Act, 1952, be taken into consideration."

The motion was adopted.

Clause 2 was added to the Bill. Clause I—

Short title and commencement

SHRI JAGANATH RAO : Sir, I move :

2. "That at page 1, line 4, for the figure - 1964' the figure '1965' be substituted."

The question was put and the motion was adopted.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

"That clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause I. as amended, was added to the Bill.

Enacting Formula

SHRI JAGANATH RAO : Sir, I move :

1. "That at page I, line 1, for the word 'Fifteenth' the word 'Sixteenth' be substituted."

The question was put and the motion was adopted.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : The question is :

"That the Enacting Formula, as amended, stand part of the Bill."

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

The Title was added to the Bill.

SHRI JAGANATH RAO : Sir, I move :

"That the Bill, as amended, be passed."

The question was put and the motion was adopted.

THE INDUSTRIAL DISPUTES (SECOND AMENDMENT) BILL. 1964

THE DEPUTY MINISTER IN THE
MINISTRY OF LABOUR AND EM-
PLOYMENT (SHRI RATANLAL KISHORILAL
MALVITYA) : Sir, on behalf of Shri D.
Sanjivayya, I beg to move :

"That the Bill further to amend the
Industrial Disputes Act, 1947, be taken
into consideration."

This is a simple Bill to amend the
Industrial Disputes Act, 1947. Proposals for
amendment of the Act were considered by
the 21st Session of the Standing Labour
Committee, a National Tripartite Body
(which met in New Delhi on the 27th
December, 1963). The Committee
recommended certain proposals for amend-
ment of the Industrial Disputes Act. The
Bill now presented before the House seeks
to give effect to the recommendations of the
Standing Labour Committee and to a few
other proposals for amendment.

Under section 2(a) of the Industrial
Disputes Act, 1947, disputes in respect of
Indian Airlines Corporation and the Air
India Corporation which have been esta-
blished under the Air Corporations Act,
1953, fall in the State sphere. The functions
of the two Corporations are to provide safe,
efficient, adequate, economical and properly
co-ordinated air transport services, whether
internal or international, and to develop
these services to the best advantage. In order
to simplify the existing procedure for
handling disputes in respect of these
Corporations, it is considered necessary to
bring them within the jurisdiction of the
Central sphere, as in the case of some
Corporations of all-India importance, that is.
the Agricultural

Refinance Corporation and the Deposit
Insurance Corporation. This will obviate
the necessity of handling labour relations in
the various branches of the Air Corpo-
rations by the different State Governments
individually and the need for prior consul-
tation with State Governments for referring
such disputes to a National Tribunal. Such
an arrangement will also have the
advantage of ensuring expeditious, co-
ordinated and uniform action by the Central
Government in handling disputes
accompanied with threats of strike. The
State Governments were consulted in the
matter and almost all of them agreed to the
proposal.

Sections 2(p) and 12(3) of the Act
stipulate, among others, that a copy of the
settlement agreement or the memorandum
of settlement should be forwarded to the
'appropriate Government'. It is proposed
that instead of sending a copy to the
'appropriate Government' and also to other
officers subordinate to it, the copy need be
sent only to the officer authorised in this
behalf.

In construing the scope of industrial dis-
pute, courts have taken the view that a
dispute between an employer and an indi-
vidual workman cannot be an industrial
dispute, but it may become one if it is taken
up by a union or a number of workmen
making a common cause with the aggrieved
individual workman. Cases of individual
dismissals and discharges cannot, therefore,
be taken up for conciliation or arbitration,
or referred to adjudication, under the
Industrial Disputes Act. unless they are
sponsored by a union or a substantial
number of workmen. There has been a
demand that the machinery under the
Industrial Disputes Act should be made
available in such cases. The Standing
Labour Committee, in its 21st Session, also
recommended an amendment to the Act so
as to make the machinery under it available
in such cases. It is proposed to make such a
provision in the Act.

Section 25C of the Act provides that a
worker (who has completed not less than
one year of continuous service) on being
laid off is entitled to receive compensation