

7.1 The Government has provided social security cover to most of the workers in the organized sector through the Employees Provident Fund Organization (EPFO) and Employees State Insurance Corporation within the legal framework. However, by and large, no such social security cover has been provided to the workers in the unorganized sector who constitute 93% of the total work force. The concept of Labour Welfare Fund was, therefore, evolved in order to extend a measure of social assistance to workers in the unorganized sector. Towards this end, separate legislations have been enacted by Parliament to set up five Welfare Funds to be administered by Ministry of Labour & Employment to provide housing, medical care, educational and recreational facilities to workers employed in beedi industry, certain non-coal mines, and cine workers.

7.2 The scheme of Welfare Funds is outside the framework of specific employer and employee relationship in as much as the resources are raised by the Government on a non-contributory basis and delivery of welfare services effected without linkage to individual worker's contribution. Welfare funds, which follow a sectoral approach, are in addition to a large number of various other poverty alleviation and employment generation programmes, which follow a regional approach and for which most of these workers are eligible.

LABOUR WELFARE FUNDS

7.3 The Ministry of Labour & Employment is administering five Welfare Funds for beedi, cine and certain categories of non-coal mine workers. The Funds have been set up under the following Acts of Parliament for the welfare of these workers:-

- The Mica Mines Labour Welfare Fund Act, 1946;
- The Limestone and Dolomite Mines Labour Welfare Fund Act, 1972;
- The Iron Ore, Manganese Ore and Chrome Ore Mines Labour Welfare Fund Act, 1976;
- The Beedi Workers' Welfare Fund Act, 1976; and
- The Cine Workers' Welfare Fund Act, 1981.

7.4 The Acts enable the Central Government to meet the expenditure incurred in connection with measures and facilities which are necessary or expedient to promote the welfare of such workers. In order to give effect to the objectives laid down in the above Acts, various welfare schemes have been formulated and are under operation in the fields of Health, Social Security, Education, Housing, Recreation and Water Supply.

7.5 Ministry of Labour and Employment has initiated action for rehabilitation of the beedi workers to provide them alternate source of employment for viable alternative sources of livelihood as there is apprehension among Beedi Manufacturers/Beedi Workers Associations that employment may be reduced in beedi industry due to the labeling the pictorial warning on beedi bundles specified under the Cigarettes and Other

Tobacco Products (Prohibition of Advertisement and Regulation of Trade and Commerce, Production, Supply and Distribution) Act, 2003. Hon'ble Minister for Labour & Employment has laid foundation stone of 15 bedded Hospital for Beedi Workers at Yadgiri (Karnataka) on 10.07.2012. LEM has inaugurated the 15 bedded Hospitals for Beedi workers at Sircilla, Karim Nagar District, Hyderabad on 15.09.2012. Under the Education Scheme, instructions have been issued to all Welfare Commissioners to invite applications under this scheme through the National Scholarship Portal w.e.f 01.09.2014 which is a part of the PMOs Digital India Programme and the payment under this scheme will be made through the Public Financial Management System (PFMS).

7.6 The Revised Integrated Housing Scheme (RIHS) 2005, effective from 1st April, 2007, was approved by the Ministry of Finance, Department of Expenditure. Under the amended scheme, the workers' contribution of Rs.5,000/- is deposited only after the administrative approval granted by the Ministry. The 1st installment of Rs. 20,000/-, as advance subsidy, is released after receipt of workers' contribution. The subsidy is released by the Director General Labour Welfare (DGLW) on 50:50 basis, in two equal installments to (a) Welfare Commissioner of the region concerned, in case construction of a house by the worker individually; (b) Co-operative Group Housing Society of workers for construction of houses under Group Housing Scheme (GHS); and (c) State Government concerned for construction of houses under the Economically Weaker Section (EWS) component of the Scheme.

7.7 The 1st installment of Rs.20,000/- per tenement per worker, as advance subsidy, is released by the DG(LW) at the time of grant of administrative approval for the purpose of construction of the house till roof level. The balance of 50% i.e. 2nd instalment of Rs.20,000/- of the total subsidy is released when 50% progress

i.e. construction reaching at roof level is reported to the DGLW for the purpose of completion of construction in all respects. Details of houses sanctioned during last three years under the Revised Integrated Housing Scheme (RIHS) are as under:

Financial Year	Number of Houses sanctioned for which subsidy released	Expenditure (Rupees in crore)
2012-13	21579	43.16
2013-14	10519	21.03
2014-15	12354	24.71
2015-16	10000	20.00 (till 31.12.2015)

In the Central Advisory Committee meeting on Beedi Workers Welfare Fund, Iron/ Manganese/Chrome Ore Mines Labour Welfare Fund, Limestone and Dolomite Mines Labour Welfare Fund, held on 21.08.2014, 16.09.2014 and 24.09.2014, it was decided to increase the housing subsidy under the Revised Integrated Housing Scheme (RIHS) 2007, from Rs. 40,000/- to Rs. 1 lakh. Accordingly action has been taken to amend the Scheme which is under process.

7.8 A special drive to close down all erstwhile Integrated Housing Scheme, 1999, 2001 & 2004 was launched during 2007-08 under the direct supervision and personal monitoring of DG (LW). All previous cases have been settled and outstanding subsidy in respect of remaining houses is being released during the current year. Besides, concerted efforts are being made to settle cases sanctioned from 2005-06 to 2007-2008 under RIHS, 2005 during the current year. Due to the

sincere efforts made by the officers of the Ministry, Utilization Certificates of Rs.25 Crore for the houses under Economically Weaker Sector sanctioned during 1985-86 to 1996-97 have been obtained from the Government of Andhra Pradesh.

7.9 The Labour Welfare Organization which administers these Funds is headed by a Director General (Labour Welfare). He is assisted by the Welfare Commissioner (Headquarters) who supervises seventeen (17) Regional Welfare Commissioners for the purpose of administration of these Funds in the States. The jurisdiction of each Welfare Commissioner has been shown in the **Table 7.1**.

ADVISORY COMMITTEES

7.10 To advise the Central Government on matters related to administration of the above Funds, tripartite Central Advisory Committees have been set up under the respective Welfare Fund Acts. These Committees are headed by a Chairman nominated by Union Labour and Employment Minister. The Central Advisory Committees on Beedi Workers Welfare Fund and Cine Workers Welfare Fund have 21 members, 7 each from Central Government, Employers' Organisations, and Employees' Organisations respectively and Central Advisory Committee on Iron Ore, Manganese Ore and Chrome Ore Mines Labour Welfare Fund and Limestone & Dolomite Mines Labour Welfare Fund have 18 members, 6 each from Central Government, Employers' Organisations, and Employees' Organisations respectively excluding the Chairman and Secretary.

LEVY OF CESS:

7.11 Labour Welfare Funds are financed out of the proceeds of the cess levied under the respective Cess/Fund Acts on manufactured beedis, feature films, export of mica, consumption of limestone & dolomite and consumption and

export of iron ore, manganese ore & chrome ore as per the rates given below:-

- Beedi Workers Welfare Cess Act, 1976 provides for levy of cess by way of excise duty on manufactured beedis from Re.1/- to Rs.5/- per thousand manufactured beedis. This is presently Rs 5/- per thousand manufactured beedis w.e.f.01.04.2006.
- The Cine Workers Welfare Cess Act, 1981 provides for duty of cess, at such rate not being less than one thousand rupees and not exceeding twenty thousand rupees, on every feature film submitted to the Chairman, Central Board of Film Certification. This is Rs. 20,000/- per feature film of Hindi and English and for regional films it is Rs.10,000/- per film w.e.f. 20.04.2001.
- The Iron Ore, Manganese Ore & Chrome Ore Mines Labour Welfare Cess Act, 1976 provides for levy and collection of cess on Iron Ore, Manganese Ore & Chrome Ore between paise 50 to Re.1/-, Re.1/- to Rs.4/- and Rs.3/- to Rs.6/- respectively. The rate of cess is Re.1/- per MT on Iron Ore. The rate of cess is Rs 4/- per MT on Manganese Ore and Rs 6/- per MT on Chrome Ore w.e.f. 11.09.2001.
- The Limestone and Mines Labour Welfare Fund Act, 1972 provides for the levy and collection of cess on Limestone and Dolomite as a duty of excise at such rate not exceeding one rupee per metric tone of limestone & dolomite. The rate of cess on Limestone and Dolomite is Re.1/- w.e.f. 27.12.2000.
- Mica Mines Labour Welfare Fund Act, 1946, provides for levy and collection of cess on all mica exported as duty of Customs not exceeding 6.25% ad valorem. This is 4.5% ad valorem on export w.e.f. 01.11.1990.
- In the Central Advisory Committee on Beedi Workers Welfare Fund, Iron/

Manganese/Chrome Ore Mines Labour Welfare Fund, Limestone and Dolomite Mines Labour Welfare Fund, held on 21.08.2014, 16.09.2014 and 24.09.2014 it was decided to increase the Cess rates as follows:

- Beedi From Rs.5/- to Rs.8/- per 1000 manufactured beedis.
- Iron Ore from Re.1/- to Rs. 2/- per metric tonne
- Manganese Ore from Rs.4/- to Rs.6/- per metric tonne

d. Chrome Ore from Rs. 6/- to Rs. 8/- per metric tonne

e. Limestone and Dolomite from Re. 1 to Rs.1.50/- per metric tonne.

Accordingly action has been taken to amend the respective Acts to facilitate this increase in the cess rates. Three different Cabinet Notes are under process for the above purpose.

7.12 Progress under Welfare Funds, in brief, are given in Table-7.2.

WELFARE COMMISSIONERS AND THEIR JURISDICTION		
Sl. No.	Name of Region	States Covered
01.	Welfare Commissioner	Headquarters
02.	Allahabad	Uttar Pradesh
03.	Ahmedabad	Gujarat , Diu
04.	Aimer	Rajasthan
05.	Bangalore	Karnataka
06.	Bhubaneshwar	Odisha
07.	Hyderabad	Andhra Pradesh
08.	Jabalpur	Madhya Pradesh
09.	Nagpur	Maharashtra, Goa, Dadar Nagar Haveli & Damna
10.	Ranchi	Jharkhand
11.	Patna	Bihar
12.	Raipur	Chhattisgarh
13.	Dehradun	Uttarakhand , Himachal Pradesh
14.	Kolkata	West Bengal, Andaman & Nicobar & Sikkim
15.	Kolkata	Assam, Meghalaya , Nagaland, Tripura, Arunachal Pradesh , Manipur , Mizoram
16.	Tirunelveli	Tamil Nadu , Puducherry
17.	Chandigarh	Punjab, Delhi, Chandigarh, Haryana , Jammu & Kashmir
18.	Cannanore	Kerala . Lakshadweep.

Table 7.2

WELFARE FUNDS COLLECTION AND EXPENDITURE

(Rupees in thousands)

Beedi Workers Welfare Fund		2013-14	2014-15 (Upto October 2014)
Utilization of Welfare Funds		1734395	845554
Cess Collection		1586900	615624
Expenditure	Health	798710	521939
	Housing	217628	107713
	Education	625586	144151
	Recreation	1421	972
Limestone & Dolomite Mines Labour Welfare Fund			
Utilization of Welfare Funds		118112	73807
Cess Collection		648400	5
Expenditure	Health	67654	41032
	Housing	4512	2595
	Education	7160	2860
	Recreation	5479	2700
IOMC Mines Labour Welfare Fund			
Utilization of Welfare Funds		132789	85604
Cess Collection		348300	36
Expenditure	Health	82956	51797
	Housing	1822	1041
	Education	22438	16315
	Recreation	1342	1077
Mica Mines Labour Welfare Fund			
Utilization of Welfare Funds		22015	16224
Cess Collection		229700	00
Expenditure	Health	11822	8682
	Housing	00	00
	Education	5499	3997
	Recreation	278	262

(Rupees In thousands)

Cine Workers Welfare Fund			
Utilization of Welfare Funds		14613	8409
Cess Collection		68100	5
Expenditure	Health	12344	7426
	Housing	00	00
	Education	2179	931
	Recreation	00	00