

**REPORT**  
**OF THE**  
**STUDY GROUP FOR**  
**SUGAR INDUSTRY**



**NATIONAL COMMISSION ON LABOUR**

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## FOREWORD

The National Commission on Labour appointed the Study Group for Sugar Industry in its attempt to understand the changes in conditions of labour in that industry since Independence. This was one of the series of Study Groups set up for different industries. The Study Group was required to analyse available information and project its thinking on labour problems in the Sugar Industry for the years to come taking into account the possible developments in the industry.

The views expressed in the report are the views of the Study Group. In examining them for framing its final recommendations, the Commission will attach due importance to these views coming as they do from knowledgeable persons in the Sugar Industry. In the meanwhile, the report is being published by the Commission with a view to seeking comments on it from persons/institutions interested in the development of that industry.

The Commission is grateful to the Chairman and Members of the Study Group individually for completing their work within the time-limit fixed for them. The Commission is also grateful to all persons/institutions who may have helped the Study Group in reaching conclusions.

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## CHAPTER I

### INTRODUCTION

1.1 The Government of India in the Ministry of Labour, Employment and Rehabilitation by their resolution No. 36/14 66-E&E dated 24th December, 1966 set up a National Commission on Labour with Shri P.B. Gajendragadkar as Chairman for reviewing the changes in the conditions of labour since Independence and to make recommendations *inter-alia* on the levels of workers' earnings, standard of living, social security, labour legislation and existing arrangements for labour intelligence and research etc.

1.2 In view of the comprehensive nature of enquiry and the need for tapping the expertise available within the country on labour problems in different industries on the various aspects of the Commissions' terms of reference, the Commission set up a large number of Study Groups. The composition of the Study Group for Sugar with headquarters at Kanpur is as follows :

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Lucknow. Member

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Srirampur, Distt. Ahmednagar,  
Maharashtra. Member
- (7) Shri H.M. Misra,  
Dy. Labour Commissioner, U.P.,  
Kanpur. Member-Secretary

1.3 The Study Group held several meetings. The meetings were held in Delhi, Bombay, Bangalore and Udaipur. It, however, experienced considerable handicaps, firstly, on account of a very difficult season for the sugar industry during which time several of the members of the Study Group were not easily available and secondly, towards the end of the season, the Member-Secretary of the Study Group Shri H.M. Misra left for United Kingdom on deputation. In spite of alternative arrangements, it was difficult to proceed with the work in the absence of the Member-Secretary who was associated with it from the beginning. Shri H.M. Misra returned from United Kingdom on the 6th July, 1968 and resumed the work of the Study Group on 8th July when a meeting of the Study Group was held in New Delhi. Following this, three more meetings were held; the total number of meetings being eleven.

1.4 In its study, the Group has endeavoured to cover most of the important available material relevant to the terms of its reference. It is hoped that the information and expertise expected by the Commission from this Study Group is available in the present Report and that it will be found useful for the Commission's task.

Member

Member

Member

## CHAPTER—II

### GROWTH, IMPORTANCE AND SPECIAL FEATURES OF THE INDIAN SUGAR INDUSTRY

2.1 India has been the home of sugarcane. References to it are found even in early Vedic literature. The story goes that sugarcane was one of the luxuries provided by Vishwamitra to Trishanku in the special heaven created for him. Crystal sugar manufacture too seems to have started in India first. Records exist of Chinese visiting India to learn the art of sugar making as far back as 610 A.D. Similarly, there are evidences to show that there has been export of crystal sugar from early times.

2.2 While the manufacture of crystal sugar by the indigenous process dates to early times, the manufacture of sugar by the modern vacuum-pan process began in the early parts of this century when for the first time a few factories were established employing this process. However, in the year 1929-30, there were only 29 vacuum-pan sugar factories in India producing 89,800 tons of sugar. The import of sugar in the same year was about one million tons. Since the grant of protection in 1932, the modern vacuum-pan industry made phenomenal strides. Appendix I gives the growth of the sugar industry in India in the post-protection period. From 29 in 1929-30 and 31 in 1931-32, the number of factories rose to 56 in 1932-33, 111 in 1933-34, 128 in 1934-35 and 135 in 1935-36. Thereafter, expansion of the industry became slow and halting. The number in 1936-37 was 137 which increased to 139 in 1938-39. It may be noted that the above figures in respect of the number of factories and production etc., refer to undivided India. From 1939-40 onwards the figures relate to areas subsequently forming part of the Indian Union. The production of sugar in 1939-40 by the factories in this area was 12.07 lakh tons. The development of the sugar industry was halted due to the Second World War. Thus, in 1950-51 prior to the initiation of the First Five Year Plan under independent India, there were 139 sugar factories working in the country with a sugar production of 11.16 lakh tons against the licensed

capacity of 16.68 lakh tons. By the end of the First Plan, the sugar production increased to 18.62 lakh tons and at the end of the Second Plan, it had reached 24.57 lakh tonnes. At the close of the Third Plan, the production increased to 35.6 lakh tonnes. The number of factories at the end of the First, Second and Third Five Year Plans was 147, 180 and 200 respectively. The additional capacity licensed against the first three Five Year Plans and the Draft Fourth Five Year Plan amounts to 27.75 lakh tonnes. Thus the total licensed capacity of the industry at present is 44.45 lakh tonnes. The Sugar Enquiry Commission (1965) estimated the sugar production target of 45 lakh tonnes for the Fourth Five Year Plan. The target of sugar production estimated for the Fifth Five Year Plan was 63 lakh tonnes. These targets, however, are presently under review.

#### Export :

2.3 Though export of Indian sugar was initiated in 1957, we entered the world market in a regular way in 1962, after the promulgation of the Sugar Export Promotion Ordinance. The exports of sugar from the year 1961-62 are as follows :—

Year	Sugar Export (lakh tonnes)
1961-62	3.30
1962-63	4.96
1963-64	2.62
1964-65	2.75
1965-66	4.33
1966-67	2.15
1967-68	0.95 (estimated)

2.4 By the end of the Fourth Five Year Plan, sugar exports are expected to be around 5 lakh tonnes. Thus, sugar has now become an important item on the export list for earning foreign exchange. The export, however, is heavily subsidised on account of wide disparities in the internal cost of production and the world free market prices. The subsidy is, to some extent, reduced by exports to preferential markets. Such exports amount to approximately 92,000 tonnes at present.

2.5 India has also made remarkable advance in the field of sugar machinery manufacture in as much as within a very short period of less than a decade, about 90% of the requirement of the complete sugar plant are being manufactured indigenously and further, the export of sugar machinery has also begun.



### Special features of the Industry

2.6 There are certain very special features of the sugar industry. It is an agro-based industry. The so-called manufacturing plant is, in fact, merely an extracting unit of the sucrose which is in the cane. The cane cost forms about two-third of the total manufacturing cost (excluding taxes) and the position has been about the same through the course of decades. The percentage recovery of sugar from cane depends on its sucrose content, its freshness and, of course, the efficiency of the plant. Since the sucrose contents decrease rapidly, if there is any considerable time lag between the harvesting and the final processing of cane, the raw material has to move fresh from the fields directly to the factory. A delay of even 24 hours has adverse effect on sugar recovery. Therefore, the factories besides being seasonal in character, have to be located in close proximity of the area of raw material supply. The only other industry approximating to the sugar industry in respect of absolute dependence on fresh raw material is fruit/vegetable processing. However, since that industry is not carried on in any large scale and has at present little employment potential, its effect on the overall economy of even the local area is not very significant. Compared to any other, the sugar industry becomes at once the dominant design and the principal weaver of the socio-economic tapestry of the area in which it comes to be installed.

2.7 In India, there are three main industries competing for sugarcane consumption, viz., the white sugar, gur and khandsari industries. There is considerable and almost cyclic variation in sugarcane production resulting from climatic factors, such as, rain-fall, floods or drought and incidence of plant diseases which very largely determine the availability of cane from year to year. During times of shortage of sugarcane, there is virtually no mechanism to regulate equitable distribution of the available sugarcane amongst the three consuming industries in the factory area. In such situations, quite often the khandsari and gur industries are found to be better bidders of cane chiefly because they are not controlled. So, the shortage of cane to the modern white sugar industry is further accentuated. On the other hand, when there is excess quantity of cane, the factories are, in practice, often required to continue crushing of even deteriorated cane in situations which are not economically advantageous. During years of cane shortage, being starved of cane, the factories are obliged to close sometimes

at the highest recovery period. In such years, the period of employment to the seasonal workers too is short and the cost of production per unit is extremely high.

2.8 The Committee on Rehabilitation and Modernisation of Uneconomic Units in India has observed that at present the two main characteristics of sugar manufacture in India are :

- (a) Fluctuations in production, and
- (b) High cost of production.

2.9 An important development in regard to country's sugar industry has been the emergence and rapid development of the co-operative sector. For a variety of reasons, such as the early existence of the industry, ready availability of cane even without adequate irrigation etc., the growth in the immediate post-protection period mostly took place in the sub-tropical regions of North India, particularly Uttar Pradesh and Bihar. The distribution of plants and productive capacity until 1949-52 was as shown in Appendix II. Planned development of the sugar industry started in 1951 with the beginning of the First Plan and the enforcement of the Industries (Development & Regulation) Act, 1951. It would also appear from the Appendix III that with this regulation, the further growth of the industry shifted mostly to the tropical South. Again, the distribution of additional capacity between the Joint Stock and the Co-operative Sectors has been as under :—

New Factories	Number	Capacity (lakh tonnes)
Co-operatives	74	11.52
Joint Stock	17	2.60
Public Sector (Nagaland)	1	0.12
	<hr/> 92	<hr/> 14.24
<b>EXPANSIONS</b>		
Co-operatives	45	4.18
Joint Stock	157	9.21
	<hr/> 202	<hr/> 13.39

The special features of the development under the Plans are :—

- (a) Installation of most of the new factories and major portion of the additional capacity in the tropical belt ; and

(b) Preference to the co-operatives.

2.10 As a result of the above, the sugar industry is now spread over both the tropical and the sub-tropical regions in the country. Sugarcane is grown in the tropical South under more favourable conditions and assured irrigation facilities and better standards of cultivation etc. In the North, having 76% of the total area under sugarcane, the crop is grown under comparatively less favourable climatic conditions and to a large extent without proper irrigation facilities and lack of essential inputs.

2.11 Apart from these, the low productivity on the agricultural side particularly in the North is due to small holdings which is also responsible for low inputs and employment of outmoded cultivation practices. The number of cultivators supplying cane to a factory in the North varies from 20,000 to 50,000 or more, while in the tropical South, it may vary from 1,500 to 7,000.

2.12 On the factory side, the tropical South has the greatest concentration of new units. Even the bulk of the old units in this area have been modernised and expanded. In the Northern belt while in West U.P., the plant capacities have generally been substantially expanded and in the process, a degree of modernisation has also been achieved, the bulk of the plants in East U.P. and Bihar have not been able to do so.

2.13 While in an industry which has grown over a long period, differences in the age, size, efficiency and design features of the production units are natural, in so far as the Indian Sugar Industry is concerned, the disparities between units in the same region and the conditions as between different regions are very wide indeed. The plants recently installed not only incorporate modern techniques and devices, but their minimum crushing capacity is around 1,250 tonnes per day capable of expanding to 2,000 tonnes per day. Simultaneous to this development, the concept regarding the economic size of a sugar plant has also kept on increasing. The average size immediately after the grant of protection was about 400 tonnes per day, with many plants of 100 tonnes capacity per day. About a decade ago, the economic size was around 700/800 tonnes and now the economic size is placed around 1,500 tonnes. With the present policy of licensing of factories of definite specifications and the obvious advantages inherent in the size of plants, the concept

regarding the economic size of sugar factories is bound to keep on increasing.

2.14 Apart from the licensed capacity, the factor of utilisation of the existing capacity is a matter very significant to note. While the contribution of the North Indian States as percentage of the country's total sugar produce was bound to diminish with the installation of new factories in the Deccan and the South and expansion of capacity of the plants already existing in these areas, a very disconcerting feature of the industry in the North Indian States has been that their production even in relation to the licensed capacity has been diminishing.

2.15 For the well-being of the sugar industry and the economy of the regions where the factories are situated, it is essential that a two way intensive programme directed to increase productivity in the fields and the factories is launched. It has already been observed that both in respect of sucrose content and yield per acre, the position has remained more or less static, particularly in the sub-tropical region. This leads to insufficient utilisation of the existing capacity and high cost of production. Further, with the recent introduction of certain high yielding and early maturing hybrid variety of wheat and rice, cane cultivation is becoming less and less competitive. Quite understandably, it is also leading to greater pressure for realisation of higher prices. The Indian cultivator needs generally to be provided with the facilities for greater inputs in the form of irrigation, manuring, insecticides etc. So far as cane cultivation is concerned, a break-through in the development of cane varieties and their large-scale distribution is one of the most urgent imperatives of the situation being faced by the sugar industry and the cane cultivators.

2.16 On the side of the factories, there is almost equally urgent need for rehabilitation and modernisation of plant and expansion of units which are either uneconomic or in whose case adequate justification exists for expansion. Reference has already been made to the report of the Committee on Rehabilitation and Modernisation of Uneconomic Units of the Sugar Industry. This Committee estimated the rehabilitation and modernisation requirements of the sugar industry at Rs. 90 crores. The Sugar Enquiry Commission (1965) has also gone into this matter in considerable detail. These are recent documents. And while there may be, as there indeed are, differences in the actual assessment of rehabilita-

tion and modernisation requirements and consequently about the monetary implications of the same, the reports of both these bodies highlight the great urgency of the matter as such. Unless finance from external resources is forthcoming, it will not be possible to undertake this task.

3.1 The economic position of the sugar industry presents a picture of highly fluctuating fortunes. Sugar has been a highly controlled industry. The licensing of capacity in the different regions as well as of the individual units is controlled under the Industries (Development & Regulation) Act, 1951. The sugar prices during the controlled periods are fixed by the Government on the basis of cost schedules worked out earlier by the Tariff Commission and from 1962 by the Sugar Enquiry Commission. During periods of decontrol, the prices are controlled by the system of monthly releases of sugar by the Government. From the year 1958-59 to 1966-67 there have been controls on sugar with the exception of the two years 1961-62 and 1962-63. During 1967-68, the Government adopted the policy of partial decontrol for sugar.

3.2 The profitability of the industry has been by and large depending on the Government policy which, however, has been characterised by ad-hocism. Clamping of controls has been too frequent. Absence of a long-term policy has created a climate of extreme uncertainty which has partly stood in the way of the mills adjusting their economy on sound lines. The production and consumption trends have also got disturbed. There is an increasing feeling based on the experience with controlled prices that the present classification into five regions has not been fair to a large section of the Northern Region of the country and the consequent dependence on natural vagaries has resulted in fluctuations in production. The disparity in the tax structure and the inequality of controls over production, prices and movement of the other two sweetening agents, viz., khandani and gur have further augmented the fluctuation in production of white sugar. The above uncertainties of production and systems of controls which apparently have not been quite adequate to meet the situation have been responsible for the widely fluctuating profitability of the industry in different years and also in different regions.

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## CHAPTER III

### ECONOMIC ASPECTS OF THE INDUSTRY

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3.3 According to the profitability studies of the sugar

industry made by the Reserve Bank of India, the ratio of gross profit to total gross capital employed, with 1955-56 as the base, was 109.4 in 1956-57, 110.6 in 1957-58, 108 in 1958-59, 120 in 1959-60. There was a sharp fall to 88.1 in 1961-62 and in the next year it remained at 90.5. The profits after tax as percentage of net worth in sugar industry as compared to some other important industries during the six year period—1960-61 to 1965-66 is shown in the table at Appendix IV. The dividends as percentage of profit after tax in the major industries are shown in the table at Appendix V. These indicators show that the sugar industry has been faring rather badly particularly since 1961. This trend inevitably had effect on equities. Thus, in 1962-63, the dividend exceeded the available profits by about 58%.

3.4 The Committee on Rehabilitation and Modernisation of Uneconomic Units worked out the average profit after tax or loss per year of sugar factories for the ten years ending 1961-62. The data are given in the table at Appendix VI. From these, it would appear that out of a total of 158 factories studied, only 59 units showed a profit of Rs. 3 lakhs or more. There were as many as 34 factories which actually showed losses. Of the factories recording losses or showing meagre profits, the largest number was concentrated in East Uttar Pradesh, Bihar and Punjab.

3.5 According to a study by the Reserve Bank, published in the Reserve Bank of India Bulletin of June, 1963 the average return on capital (which includes interest, managing agent's commission and taxes) employed in sugar industry decreased from 10.2% in 1959 to 8.8% in 1960 and 7.4% in 1961. The profits after tax as percentage of net worth in the following years were as under :—

1962-63*	2.1
1963-64	7.8
1964-65	8.7
1965-66	9.6

\*Records & Statistics—February 1968 (Quarterly Bulletin of Eastern Economist).

## CHAPTER IV

### RECRUITMENT, PROMOTION AND INDUCTION

4.1 On January 1, 1966, there were 212 vacuum-pan sugar mills in the country. These employed about 2.15 lakh persons. The problems connected with recruitment, promotion and induction of labour in the sugar industry are primarily conditioned by the seasonal character of the industry and its location in the rural areas. About 65 per cent of the employees are seasonal. The permanent employees account for about 29 per cent of the total strength. The rest are temporary. About 82% of the employees of the industry belong to the manual category. The clerical, supervisory, administrative, executive and miscellaneous staff together comprise 18% of the strength. Of the employees belonging to the manual category, about 62% are unskilled, 15% semi-skilled, 20% skilled and about 3% highly skilled. These figures are largely indicative of the composition and would keep on varying.

4.2 The skilled and highly skilled class of employees include various grades of mechanics, fitters, welders, turners, pan-men etc. In the clerical category, majority of employees are under-graduates. In the supervisory and administrative categories most employees possess graduate or post-graduate degrees in art, science, engineering, commerce, agriculture, law and technology. Thus, the requirement of staff and workers in the sugar industry represents a wide cross-section of trained and untrained categories.

4.3 The recruitment of the technical and supervisory staff is generally done through employment exchanges and by advertisement. Sometimes, it is also by direct contact. These methods of recruitment in so far as this category is concerned appear to be satisfactory on the whole. The recruitment of unskilled labour presents no problem as the industry is situated in rural areas and the requirement is met by drafting people from the surrounding areas. Almost every agricultural family has one or more members looking for regular employment as the agricultural holdings are small and the pressure of population on land is large.



## Promotion and Induction

4.4 Promotion is generally by seniority-cum-merit. However, in actual practice there appears to be a tendency to depend and pressurise promotion largely on the basis of seniority only. This takes away the much-needed urge to improve the skills. For fear of igniting agitations, managements also are chary of recruiting senior and trained craftsmen from outside. In these circumstances the induction of new blood in the skilled trades has suffered.

4.5 In our opinion rules for promotion need clearly to be set out. Within the field of eligibility determined by seniority, promotion should be the function of merit determined by trade tests and performance.

4.6 The industry being located in rural areas, the scope for training in the skills in the immediate vicinity of sugar factories is generally absent. While, in course of time, the multiplication of the various polytechnics may bring training opportunities nearer to the sugar factories, imperative need exists for training of the skills and it would be in the interest of the industry to institute suitable in-plant training courses for operatives working in the industry.

4.7 For the highly skilled and supervisory personnel, it would be desirable to provide refresher courses in the existing institutions and to enlarge their scope and extent particularly in view of the rapid advances in science and technology during recent years. We are aware that in recent years, demand was being made by a substantial section of the sugar industry in the south for setting up of an Institute for Sugar Technology in the southern region on the ground that the facilities in the Institute of Sugar Technology, Kanpur did not fully meet the requirements of the industry in this region. Consequently, a committee was appointed by the Government of India under the Chairmanship of Shri P. Ramakrishnan, M.P. to investigate the regional problems confronting the sugar industry in the Deccan and South with a view to examine the feasibility of establishing a regional institute in that area. While the Committee came to the conclusion that there was no further scope or need for establishing an additional institute merely for augmenting the facilities for training in various branches of sugar engineering, it recommended the establishment of an additional research institute devoted to tackling the specific technological problems of this region and for providing the

advisory and extension services. We are of the view that an Institute for these purposes needs to be set up soon.

4.8 Suitable schemes of talent-search within the unit and for inducing such talents to take to specialised skills need also to be instituted. Of importance are schemes of general education of the worker regarding the industry itself in which he is working and the starting of institutions of the kind of productivity and safety clubs etc., for self-training and improvement in working methods. These proposals are to achieve the objectives of—

- (i) Improving the versatility of existing workers ;
- (ii) Creating an efficient class of young workers for the future ; and
- (iii) To give scope to the worker for learning associated skills and to enable him to smoothly move to a skill which he finds more in line with his capacity and aptitude.

## CHAPTER V

### CONDITIONS OF WORK

5.1 The conditions under which an employee's work is performed affect his health and safety, application and efficiency and also his attitude to the management generally. Article 43 of our Constitution makes pointed reference to this matter in the Directive Principles of State Policy. The general awakening in the working class coupled with the health hazards posed by new industrial processes and complicated equipments are factors which emphasise the necessity for re-appraisal of the standards which had been prescribed in this regard.

5.2 The Factories Act, 1948, the Indian Boilers Act, 1923 and the Shops and Commercial Establishments Acts of the respective State Governments are the enactments which lay down the minimum working conditions, maintenance of which is the responsibility of the management. Of these, the provisions of the Factories Act are by far the most comprehensive, covering as they do such matters as hours of work, spread over, weekly rest, annual leave, cleanliness, disposal of effluents, light, ventilation, temperature and humidification etc. It also prescribes standards of welfare amenities like drinking water, washing facilities, arrangement for first aid, rest shelters and canteens etc. Since the standards regarding physical conditions of work have been prescribed for factories in general, they have been kept low. Their underlying purpose has been to provide for safeguarding of the health generally. Creation of comfortable conditions of work for promotion of efficiency has been a matter left to the managements.

5.3 The actual conditions of work in sugar industry in India vary from being satisfactory to highly unsatisfactory. The more recent installations have no doubt received considerable attention in relation to matters concerning layout, light, ventilation, heat conservation, cleanliness and drainage. The managements of several other units which, though not so new, have, in the process of expansion of their plants, given due attention to these aspects. But there are many old

units which had un-planned, haphazard expansions or modifications with scant regard to the working conditions. Unfortunately this aspect has not attracted adequate notice of the organised body of workers either. In such units the conditions are conducive neither to efficiency nor to supervision. Often the mills most deficient in these respects are those whose needs for rehabilitation and modernisation are particularly urgent. It would be very necessary that in the process of rehabilitation and modernisation of these units, the requirements of proper and safe working conditions are definitely attended to. At the same time, the enforcement of the existing statutory provisions in such units needs especially to be geared up. So long as the staff is not adequate, the Factory Inspectorate would do well to draw out a programme of more frequent inspections of such units.

5.4 The sugar factories belong to the class of industries which present special problems regarding disposal of their effluents. Work has been proceeding and indeed several methods for treatment of effluents before disposal have been suggested : the underlying object being to secure the removal of the harmful properties of the effluent. In our opinion research needs to be stepped up for evolving more simple and inexpensive method of treatment of sugar factory effluents. Apart from this, more frequent inspections for ensuring that proper treatment of effluents is being actually made by the factories is very necessary.

5.5 Besides the conditions of work inside the factory, the surroundings in which the workers and their dependents live and spend their off hours have important bearing on their operational efficiency, general morale and attitude towards the management. Housing, medical and health facilities, educational opportunities for the children and recreational facilities for the staff are important in this context. Of these, the housing affects the workers most intimately. Even small houses neatly built in clean surroundings reasonably distant from the factory premises and with adequate regard for privacy and good sanitation create a feeling of well-being which has far-reaching effect on production and industrial relations.

5.6 The sugar factories being located in rural areas provide housing facilities more commonly than other industries. But in the older centres these are generally very inadequate both in regard to quantity and quality.

In Maharashtra and South, the quality of housing provided by the sugar factories is definitely better but the number of tenements there too, fall much short of the actual requirements. Housing surveys had been conducted in the sugar factories of Bihar, U.P. (1963-64) and Maharashtra (1961). The studies made in Bihar reveal that there were 4,684 quarters constructed by the sugar factories of which 3,374 were single rooms. These tenements were occupied by 8,514 workers during the season and the average floor space available was only 81 sq. ft. The position of quarters available to the workers of sugar factories in U.P., is shown in the table at Appendix VII. The quarters themselves represent a wide variety of constructions. There are thatched and mud built quarters alongside the masonry constructions.

5.7 In Maharashtra, about 19% of the total workers employed in the industry were housed in the tenements constructed by the sugar factories. The percentage of workers housed to the total workers was 26.41% in the private sector and 10.23% in the co-operative sector. The unskilled seasonal workers in the co-operative sector in Maharashtra and the South are generally not provided with living accommodation as they are drawn from the neighbouring villages. Apart from this, housing is slightly more congested in the co-operative sector as compared to the factories in private sector in Maharashtra. This seems to be due to the co-operatives being comparatively new.

5.8 The Subsidised Industrial Housing Scheme has had little response from the sugar factory managements. The Co-operative Societies of sugar factory workers which are indeed few, have virtually showed no interest to avail the facilities offered by the Government of India, under the Scheme of Subsidised Housing for Industrial Workers, and it must be admitted that owing to the seasonal nature of this industry, the scope for construction of quarters by workers' co-operatives is indeed very limited. In our opinion, an important reason for the factories having not availed the Subsidised Housing Scheme for construction of workers' quarters is that the cost estimates under this Scheme fall substantially short of the actuals because, in the estimates, no allowance is made for the inevitable developmental expenditures even on such things as sewage, sanitation and road, etc.

5.9 There is acute shortage of living accommodation for sugar factory workers both quantitatively and qualitatively

and over the years this aspect has received scant attention. In our opinion, a situation has been reached when positive steps require to be taken to halt the drift and remedy the position. We consider that while granting licenses for the installation of new sugar factories, the Government of India should satisfy that provision for housing of workers on a scale related to the size of the plant and its location, has been made. Further, as a practical solution to the housing problem in the existing sugar factories, we suggest that a Central Cess which may be called the "Sugar Industry Workers' Housing Cess" may be levied through a separate enactment at the rate of Rs. 0.50 per quintal of sugar produced, for a limited period of five years. The funds realised by the Cess may be vested in a Tripartite Board. The Board should release finances to the respective factories for construction of workers' quarters including amenities, sanitation, road, clubs, etc., in stages and in strict proportion to the sugar produced by the individual mills; provided, however, that if a factory does not avail the facility for constructing the quarters and providing the amenities within the period or periods as may be specified by the Board, the allocation or allocations in respect of the defaulting factory would stand lapsed and could be diverted to the general pool.

We have proposed a levy by the Central Government and suggested a specific enactment for it with a view to highlight its purpose and to guard against its appropriation to the general revenues.

5.10 We have noticed that in a large majority of sugar factories, no shed is provided for the cane suppliers and the cartmen who come to the factories with cane supplies and have to wait their turn for several hours. It should be in the larger interest of the sugar factories themselves to provide at least the elementary facilities of this nature for their cane suppliers and the cartmen. Similarly, arrangements need to be made for providing shelters for the bullocks with facilities for fresh water troughs. In U.P., these matters are already regulated by Rule 40 of the U.P. Sugar Cane (Regulation Supply & Purchase) Act, 1953.

### **Medical Facilities**

5.11 The sugar industry is not covered under the Employees' State Insurance Scheme. The factories quite often employ an allopathic doctor who is in charge of a small dispensary. Some sugar mills also provide maternity facilities. A few have hospitals with a limited number of

beds for indoor patients. Occasionally and without making it a general practice, some factories also bear in part or whole, the expenditure incurred on specialist treatment in cases of some diseases e.g., tuberculosis. So, the standard of medical facilities provided by the sugar factories is generally sufficiently above the statutory requirements of the Factories Act. Being situated in the rural areas where such facilities have been scarce in cases of emergencies as well as for the treatment of the more common ailments, both the employers and the employees had none other but the factory doctor to depend upon.

5.12 However, the medical facilities, available to the sugar factories' employees at present are nowhere near those available to the industrial workers in the urban areas. Seemingly the obvious thing would be to extend the scope of the Employees' State Insurance Scheme to cover sugar mills workers too. But location of factories in the rural areas often far removed from one another, the seasonal employment of the large majority of employees and the paucity of medical staff might not perhaps make such extension of scope of the Employees' State Insurance Scheme possible in the immediate future. Besides, we are aware that the administration of the Scheme itself, needs very much to be improved. Therefore, we recommend that until such time as the sugar industry is not covered by the Employees' State Insurance Scheme or any other such scheme especially designed by the State for the needs of agro-based seasonal industry as sugar, the employers and the employees of the individual sugar factories should contribute to a special fund in the scales as would have been required of them, had the scheme of Employees' State Insurance been applicable. This Fund would be used towards providing of medical and unemployment benefits to the employees. The administration of this scheme should be through a bi-partite organisation with equal representation of the employers and the employees.

### **Welfare Facilities**

5.13 The provision regarding bathing, washing and W.C. facilities exists under the Factories Act. Similarly, the Factories Act also provides for the opening of canteens in factories employing more than 250 workers. As has been observed already, the sugar factories have been generally complying with the provisions of the law in this respect. However, it has to be recognised that the law in this respect

lays down the very minimum. Quite often the requirements of reasonably comfortable working conditions enjoin much more than the minimum prescribed under the law for compulsory and general compliance. In point of fact, the provisions of law in so far as they relate to this matter require to be reviewed in the light of Article 43 of the Directive Principles of State Policy as also in the perspective of the great advance made during the last twenty years in building technology.

5.14 The canteens have not been much popular in the sugar factories in the North. They have been comparatively a greater success in Maharashtra and South. A part of this difference is explainable by the difference in the food habits of the workers.

#### Leave and Holidays

5.15 The question of annual leave with pay is regulated by Section 79 of the Factories Act and by the Shops and Commercial Establishments Act. Similarly there is an All-India legislation for observance of holidays for three national festivals viz., Republic Day, Independence Day and the Birthday of Mahatma Gandhi. These apart, there has been built up quite a practice for grant of leaves and holidays over and above those enjoined by the law. During the first few years of National Independence there was a spate of industrial awards on these subjects. Later, a measure of stability and a sort of standardisation in this respect was sought to be brought about by collective agreements at the level of the industry in some regions. In U.P., for example, such agreements have been incorporated in the standing orders of the sugar factories. The standing orders for sugar factories in U.P. list a total of 18 festival holidays. However, only a few of these fall during the crushing season and not all of those which fall during the season have necessarily to be observed as close days. The workers are entitled for an extra day's payment in respect of each of the festival holiday not observed as close day. In addition, provision exists for casual and sick leaves as follows :

	Casual leave (1)	Sick Leave (2)
(1) Seasonal Workers	A $\frac{1}{2}$ day for every month of seasonal employment.	Same as in Col. 1
(2) Permanent workers	6 days in a year.	10 days in a year.

By and large, similar position obtains in Bihar.



5.16 In Maharashtra, however, the question of leaves (other than those admissible under section 79 of the Factories Act) and holidays has usually been determined at the level of individual units. Apart from the disparity which may well be expected in such a situation, there is notable difference between the mills in the co-operative sector and those in the purely private sector in respect both of the manner of determination of leave and holidays facilities as also their quantum.

5.17 The Survey Report (1961) showed that about 34% of workers in the private sector and about 25% of workers in the co-operative sector were entitled to leave with wages. The difference between the two percentages was due to larger preponderance of contract labour in the co-operative sector and comparatively smaller proportion of permanent staff. In respect of quantum, more liberal facilities of leave were found to exist in the co-operative sector than in the private sector.

5.18 Almost in every sugar factory where facility for leave over and above those provided under the Factories Act exists, the quantum of leave available to the seasonal employees is less than admissible to the permanent employees. But in the sugar factories in Maharashtra often there are variations in the leave quantum of different categories of workers too. As in Maharashtra, no standard pattern of leave and holiday facilities exist in the South Indian Sugar factories and the matter has been largely determined at the unit level by collective bargaining between the employers and the workmen and by industrial awards. While no statutory codification of leave or holidays facilities beyond that which had already been existing is considered necessary for sugar factories especially, the need for uniformity in respect of casual and sick leave and festival holidays, at least in a region is obvious. The organisations of the employers and workmen in each State need to give attention to this matter and hammer out as far as possible a uniform pattern. In view of the varying custom and festivities an all-India pattern is not possible to evolve. We commend the practice followed in U.P. in this regard.

The Study Group is of the view that in a State irrespective of what might have been the practice in the past in any individual unit the quantum of leave should be uniform.

#### **Subsidized Fair Price Shops :**

5.19 In a large majority of sugar factories there are no

subsidized fair price shops. Even though at a Tripartite Conference held centrally, an unanimous resolution in favour of opening of subsidized fair price shops was passed, it still remains to be implemented. It is well-known that the State Government provide food rations to the rural population at lower rates than that provided to the urban population. Even so, regular supplies are often not received. As for the other necessities of life, the sugar factory worker has to depend on the rural markets. We are given to understand that under the directions of the Government of Madras, the factories are required to help in the formation of Co-operative Consumers Societies and to extend several kinds of assistance to them. This experiment has served greatly to relieve the difficulties of sugar factories workers in that State and the Study Group recommends that similar action should be initiated in other States.

2.18 Almost in every sugar factory where facilities for leave over and above those provided under the Factories Act exist, the quantum of leave available to the seasonal employees is less than admissible to the permanent employees. But in the sugar factories in Maharashtra often there are variations in the leave quantum of different categories of workers too. As in Maharashtra, no standard pattern of leave and holiday facilities exist in the South Indian sugar factories and the matter has been largely determined at the unit level by collective bargaining between the employers and the workmen and by industrial awards. While no statutory codification of leave or holiday facilities beyond that which had already been existing is considered necessary for sugar factories especially, the need for uniformity in respect of casual and sick leave and festival holidays, at least in a region is obvious. The organizations of the employers and workmen in each State need to give attention to this matter and hammer out as far as possible a uniform pattern. In view of the varying custom and festivities an all-India pattern is not possible to evolve. We commend the practice followed in U.P. in this regard.

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## CHAPTER VI

### WAGES IN THE SUGAR INDUSTRY

6.1 Until the start of Second World War, wages of unskilled workers who form the majority of the employees in the sugar industry were, by and large, in level with the prevailing wages in agriculture. In 1938, the Bihar Government appointed a Labour Enquiry Committee with the late Dr. Rajendra Prasad (who was later to become the First President of India) as its Chairman. The Committee which submitted its Report in 1940 found that the earnings of the unskilled workers in most of the sugar factories surveyed by them "come to between Rs. 7/- and Rs 8/- a month" (vide page 224 of the Report). The near parity in the two wage rates is attributed to the circumstances contained in the following observations of the Indian Tariff Board on the Sugar Industry (1931) :

"We may add here that we made a point of examining the conditions of labour at the various factories we visited..... The employees are almost entirely drawn from the agricultural classes and as we shall show later, this employment comes at a time when their agricultural labour is the lightest. Consequently most of the employees prefer to live in their villages and attend at the factories as daily paid employees".

6.2 Then came the break and it has been growing sharp and wide. There have been distinct stages in the progress of wage rates of unskilled labour in U.P. and Bihar, the two centres with largest concentration of sugar industry. These may be briefly summarised.

Before 1940 Rs. 7/- to Rs. 8/- per month. Before the Factories Act 1948 was passed, there was no relieving shift in the factories which worked continuously for three shifts. Consequently, the workers worked for all the days of the month and did not enjoy any weekly rest.

Early 1940 Rs. 9/6/- per month. The U.P. Government in consultation with the then Indian Sugar Syndicate, advised the factories to increase the minimum wage to five annas per day or

Rs. 9/6/- per month. This was complied by the factories.

- Late 1940** Increased to six annas per day or Rs. 11/4- per month. This was also done on the advice of the U.P. Government in consultation with the Indian Sugar Syndicate.
- 1944** Nine annas per day, that is, Rs. 16.87 per month. This was done by award of Sri Pedley, Labour Commissioner, U.P. who awarded dearness allowance at 50% to the minimum wage earner who was getting six annas per day.
- 1946** 12 annas per day, that is, Rs. 22.50 per month. This was done by award of Sri K.R. Malcom, Labour Commissioner, U.P. who awarded six annas per day as dearness allowance for the minimum wage earner.
- 1946-47** Increased to Rs. 36/- per month. Bhatia Committee recommended increase in wages of unskilled workers from Rs. 22.50 per month to Rs. 36/- per month and also increase in the wages in other categories of workers. Its recommendations were endorsed by the U.P. Government statutorily.
- 1947-48** Increased to Rs. 45/- per month under a notification of U.P. Government.
- 1948-49** Increased to Rs. 55/- per month again by a notification of the U.P. Government. Increases were allowed to other categories too. In 1948 the new Factories Act had come into force which provided for weekly rest with pay. So, the above wage of Rs. 55/- per month was based on 26 days' working. The wage position brought about by this notification continued until the appointment of the First Wage Board.

Simultaneous to the increases in U.P. Sugar Factories, wage rates were revised in Bihar. The Punjab also followed the U.P. practice. In Maharashtra and the South—except in the newly established co-operative sugar factories or very small Joint Stock Sugar Factories—the wages were generally higher than those paid by the sugar factories in North India. Commenting on the wage position in the sugar industry in Maharashtra, the First Central Wage Board for Sugar observed :

“In Maharashtra, the wage scales for the unskilled operatives more commonly start at the basic pay of Rs. 23/- or Rs. 24/- and go up to Rs. 34/- with annual increment of Re. 1/-. The D.A. in majority of cases amounts to Rs. 47/- or Rs. 48/-.”

6.3 In 1958, the Government of India, appointed the First Central Wage Board for the sugar industry. It submitted its report in 1960. Apart from recommending increase in wages, the First Central Sugar Wage Board standardised the nomenclature of all but a few jobs and specified the duties and qualifications for most of them. It also evolved a scheme for payment of gratuity to all workmen by the Sugar Mills in India. Further, for the sugar factories of North and Central India, it recommended a scheme for calculation of annual profit sharing bonus, which has now been replaced by the Bonus Act.

6.4 The First Central Sugar Wage Board divided sugar factories in India in four regions for the purpose of wage fixation. Wages in each region were standardised. While the basic wage in all regions was fixed at an uniform figure, except for minor variations in some categories in Maharashtra, the initial dearness allowance was fixed at different levels, taking into account the paying capacity of the industry in each region. The following minimum wage was recommended by the First Central Sugar Wage Board for the various regions :

	North	Central	Maharashtra	South
Basic Wage	60	60	60	60
Dearness Allowance	16	6	27	21
Total :	76	66	87	81

6.5 The Board linked the above dearness allowance to the twelve monthly average of all-India cost of living index for working class for the period 1st July, 1959 to 30th June, 1960, which was 123 and recommended a certain rate of dearness allowance for each average annual ten points rise above or fall below the said index, which neutralised the rise in the cost of living to the extent of 91.3% for lowest paid category of workers. Due to continuous rise in cost of living, the wages have increased particularly during the last four years. The present wages of unskilled workers are given in the next pages.

	North	Central	Maharashtra	South
Basic wages in 1960	60	60	60	60
Increment in basic wage at Re. 1/- per year	7	7	7	7
	67.00	67.00	67.00	67.00
Dearness allowance at index of 123	16.00	6.00	27.00	21.00
Subsequent increase in dearness allowance for index of 214	50.05	50.05	50.05	50.05
Total wage :	Rs. 133.05	123.05	144.05	138.05

6.6 It has been an extremely happy feature that the recommendations of the First Sugar Wage Board have been implemented by the entire sugar industry. As could well have been expected, there indeed were disputes about the fitment of workers in the various categories and nomenclatures recommended by the Wage Board, but, by and large, they were resolved by voluntary negotiations or arbitration and in some cases through adjudication.

6.7 Apart from cash wages, there has been quite a strong tradition in the Sugar Industry for allowing fringe benefits to the employees. These have been mentioned in detail by the First Central Sugar Wage Board, who noted that "though expenditure for such amenities are not being adjusted against wages, the fact cannot be denied that to the employer all amenities and social security schemes constitute labour cost." Subsequent to this, provident fund contribution by the employers in the sugar industry have been increased from 6.25% to 8% of the employees' total wage.

6.8 In North India, and to certain extent in other States, categories of skilled seasonal workers were getting retaining allowance for the period of non-employment during the off season. The First Central Sugar Wage Board recommended that all mills in India should pay retaining allowance at 25% of the total wage to the semi-skilled workers and 50% of the total wage to skilled operatives and clerks. Accordingly, all mills are paying the said retaining allowance to their semi-skilled and skilled operatives and clerks.

6.9 The First Wage Board had stated that "in a progressive economy, wage would ever be a function of productivity. In the major organised industries, gradually the stage is being reached when further wage increases can come only out of increased productivity." While recommending early

institution of workload studies for assessment of fair workload and actual manpower requirements, the Board considered it important that such studies, to be really fruitful, should be preceded by reasonably specific programme of implementation drawn in consultation with the organisation of the concerned interests. Not much progress has been made in this direction. The Central Government has, however, initiated short programmes for imparting training in making workload study to the representatives of the employers and the workmen so that they can later on jointly undertake workload study in their respective sugar mills. Even this programme has not so far made any noticeable impact because there has been no joint workload study in any sugar factory.

6.10 The following are the figures of man-days per tonne of sugar as given in the 1955 report of the Committee appointed by the Central Government to go into the question of rehabilitation and modernisation of sugar factories in India.

Phillipines	2.10
Hawaii	0.58
Puerto Rico	0.64
Louisana	0.98
India	10.42

6.11 The Government has in 1966 appointed the Second Central Sugar Wage Board. It has made the following interim recommendations which have been accepted by the Central Government :

- (1) In case of the employees for whom wage scales were fixed for a span of seven years or less, the annual increments should continue to be given till the final recommendations are made by the Second Wage Board. For example, the scale of basic salary of unskilled workers was Rs. 60—1—65. The unskilled workers now continue to get their annual increment.
- (2) The increase in dearness allowance on the basis of average monthly index for the period 1st July to 30th June was payable from the following 1st October according to the recommendations of the First Wage Board. This has now been made payable from 1st July, that is, three months earlier.
- (3) According to the gratuity scheme evolved by the First Wage Board, 58 years was fixed for the superannuation age. The Second Wage Board has recom-

mended that pending reconsideration of the retirement age by the Board, employees, except those who have reached the age of 60 or will reach the age of 60, may not be retired on ground of superannuation.

6.12 The Second Wage Board on sugar industry is seized with the problem of making final recommendations. The Board would no doubt be considering all relevant aspects such as the capacity of the industry to pay, the need to arrest the spiralling of prices and to link wages to productivity and production.

While wage rates are, to some extent, bound to vary from region to region and from industry to industry, in our opinion, there is considerable scope for evolving a nationally integrated pattern of wage structure for the major industries and for classification of the more common trades with suitable monetary differentials to recognise the varying demands in respect of skill, responsibility, etc. Meanwhile, the Wage Boards need to co-ordinate their efforts. For several years there has been considerable talk of holding the price line but with little effect. In our opinion, for at least a decade, there needs to be a firm national price policy and the wage policy should be oriented to this.



## CHAPTER VII

### SOCIAL SECURITY

7.1 Opinions may differ on what social security should include. But there is little difference on the basic essentials of the concept that it is the "security which the society furnishes through appropriate organisations against certain risks to which its members are exposed." In its Directive principles of State Policy, the Indian Constitution lays down that "The State shall, within the limits of its economic capacity and developments, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want." This, in a large measure, covers the essential content of social security as understood in modern times.

7.2 All progressive Governments having social welfare as their objective administer programmes of social security in larger or smaller degrees. The number and the scope of the programmes vary depending on the stage of socio-economic development, the growth of social conscience and the ability of the administrative machinery to effectively implement various social security measures. The labour legislations in India have been enacted primarily with the object of providing a measure of social security, to the working class. The Factories Act, by prescribing minimum age of workers, regulating the hours of work, prohibiting employment of children and women during night shifts, providing for weekly rest, annual leave with pay and by laying down conditions to safeguard health and safety of the employees, constitutes the most rudimentary of the legislation on social security. Similarly, the Payment of Wages Act by prescribing the time limit for payment of due wages is another elementary measure in the same direction. Such labour legislations as the Industrial Disputes Act, 1947, the ostensible object of which is to provide for settlement of industrial disputes, do also provide for lay-off compensation and retrenchment relief to tide over the phase of undeserved want. However, the legislations wholly directed towards social security are :—

1. Workmen's Compensation Act, 1923.
2. Maternity Benefit Act, 1938.
3. The Employees' Provident Fund Act, 1952.
4. The Employees' State Insurance Act, 1948

7.3 The Employees' Provident Fund Act was applied to the sugar industry in 1956. The Employees' State Insurance Act has not been applied on the ground of its being a seasonal industry.

7.4 A gratuity scheme for the sugar industry employees was also evolved by the First Wage Board. It was made effective from 1st November, 1960. The salient features of this scheme are the following :

- (i) The age of superannuation is 58 years.
- (ii) Scale of gratuity.

Subject to all other provisions of this scheme, gratuity is payable according to the following scale :

- |  |  |
|--|--|
| (a) On death while in employment irrespective of the length of service.                              | One half of a month's pay to a permanent and   |
| (b) On attainment of the age of superannuation.  | one fourth of a month's pay to a seasonal workman for every continuous   |
| (c) On retirement or resignation due to continued ill-health.  | year or season of service, as the case may be, subject to a maximum of fifteen months' pay.  |
| (d) On resignation or on termination of employment for any reason other than for serious misconduct. | (i) For the period prior to enforcement of this scheme, on completion of ten, but less than thirty years' or seasons' continuous service, as the case may be, one-third of the month's pay to a permanent and one-sixth of the month's pay to a seasonal workman for every continuous year or season of service, as the case may be. |

(ii) For the period subsequent to the enforcement of this scheme, on completion of ten years' or seasons' but less than 20 years' or seasons' service, one-fourth of the monthly pay to a permanent and one-eighth to a seasonal workman for every completed year or season of service; but less than 30 years', one-third of the monthly pay to a permanent and one-sixth to a seasonal workman for every completed year of service.

(iii) On completion of 30 years' or seasons' continuous service as the case may be, the amount payable for events mentioned in clause (a) to (c).

(iv) Pay to be construed as meaning the "Basic Pay". Where, prior to 1st November, 1960 the wages were consolidated, in respect of the period of services rendered before 1st November 1960, the computation is to be made on the basis of 'National basic pay' as given by the Board in the schedule.

(v) Gratuity is not payable in the event of dismissal for serious misconduct.

(vi) Retrenchment compensations and gratuity not to be paid simultaneously.

The Second Wage Board for sugar industry has, by its interim recommendations, advised that pending the final recommendations, the workmen who attain the age of 58 years should be continued in employment until the age of 60 is attained. This has been accepted by the Government of India. That being so, for the present, the position is that superannuation retirements of sugar factory workers do not take place before the age of 60.

7.5 The programme of social security measures for sugar workers in our opinion could be divided in two parts: one, which needs to be taken in hand immediately and the other which can be set out as objective to be realised, in phases, in future. To the first category belong the question of application of the existing social security measures to sugar industry and widening the scope of some others. In this context, mention has already been made of the Employees' State Insurance Scheme. The Workmen's Compen-

sation Act, the Employees' Provident Fund Act and Employees' State Insurance Act at present cover employees receiving pay up to Rs. 500/-. In the context of the increase in the money wages registered during the last ten years and the liberal induction of technically qualified people in the ranks of highly skilled operatives and supervisory staff, the pay limit of Rs. 500/- for coverage under these enactments is low. In our view the limit needs to be raised to Rs. 1,000/- per month.

7.6 The Workmen's Compensation Act was originally enforced in 1923. Later, in 1933, it was amended and consolidated on the basis of the recommendations of the Royal Commission on Labour. There have since been numerous amendments in this Act. The Schedule I V regarding payable compensation has been revised and made more liberal. But the basic structure and some of the main provisions have not been materially changed. We are of the considered opinion that so long as it is applied to the sugar industry or, for the matter of that any other industry, drastic amendments need to be introduced in the scheme regarding its coverage of occupational diseases. Apart from this, we are of the view that minor diseases and even such diseases whose main or direct source may not be the occupation but the effect of which may be accentuated on account of particular occupations, may be covered by the scheme.

7.7 Again, the expressions "arising out of and in the course of employment" have been the subject of considerable legal interpretations. While it is true that deterrents have to be provided to workers for disregarding safety devices and courting uncalled for hazards, at the same time, it must be recognised that people in normal frame of mind do not, and would not, inflict disablement or court death. The types of circumstances which at present forfeit the worker of his right to compensation in event of disablements or death need, in our opinion, to be seriously reviewed.

7.8 In the administration of the Employees' Provident Fund Act, in our opinion, provisions need to be made for payment of a part of provident fund amount in the form of pensionary benefits. Further, if the death occurs during the tenure of employment or within three years of retirement, survivors' benefit related to the deceased's pay, period of service and provident fund contributions, should be payable to the assignee, so, however, that the family has had the benefits of some regular payments for a minimum of five years calculated

from the date of retirement or death of the earner, whichever is earlier.

7.9 In the long range, a comprehensive legislation integrating in one, the ingredients constituting the various social security measures needs to be introduced. The enactment should have a wider coverage too. Until that is done, efforts should be made to overcome the difficulties experienced in the operation of the existing schemes.

8.1 Trade Union. But no industry-wide bargaining is possible without the association of employers. In the sugar industry there are at present, two central organisations of employers viz., The Indian Sugar Mills Association, Calcutta and the National Federation of Co-operative Sugar Factories, New Delhi. There are besides State level Organisations which, however, are affiliated to one or the other of the above Central Organisations.

8.2 Out of 200 sugar mills working in 1967-68, 142 were Joint Stock and 58 were Co-operative Sugar Factories. All the Joint Stock factories are the members of the Association. The Association which was formed in 1932 and registered under the Trade Unions Act of 1926 is the sole representative of the employer in the joint stock sector of the sugar industry. With its headquarters in Calcutta, the Association has been serving the industry through its regional branches at Patna, Gorakhpur, Lucknow and New Delhi and the affiliated regional associations, namely, the Decan Sugar Factories Association, Bombay, Madhya Pradesh Sugar Mills Association, Indore, and the South Indian Sugar Mills Association, Madras. The regional associations and the branches attend to the regional problems of the industry and the Association at the national level takes up issues affecting the entire sugar industry, offers expertise to the State branches and affiliated associations and also assists in sponsoring of regional matters of common interest.

8.3 The National Federation of Co-operative Sugar Factories, which represents the industry in the co-operative sector, was established in the year 1960. The Federation is registered under the Bombay Co-operative Societies Act, 1925, as extended to the State of Delhi. Besides the Federation of Co-operative Sugar Factories at the national level, there are several State level federations of Co-operative Sugar Units also e.g., (i) Maharashtra Karkhane Sahakar

## CHAPTER VIII

### EMPLOYERS' AND EMPLOYEES' ORGANISATIONS

#### Employers' Organisations

8.1 Trade Unions can operate successfully even without industrywide bargaining. But no industrywide bargaining is possible without the association of employers. In the sugar industry there are at present, two central organisations of employers viz., The Indian Sugar Mills Association, Calcutta and the National Federation of Co-operative Sugar Factories, New Delhi. There are besides State level Organisations which, however, are affiliated to one or the other of the the above Central Organisations.

8.2 Out of 200 sugar mills working in 1967-68, 142 were Joint Stock and 58 were Co-operative Sugar Factories. All the Joint Stock factories are the members of the Association. The Association which was formed in 1932 and registered under the Trade Unions Act of 1926 is the sole representative of the employers in the joint stock sector of the sugar industry. With its headquarters in Calcutta, the Association has been serving the industry through its regional branches at Patna, Gorakhpur, Lucknow and New Delhi and the affiliated regional associations, namely, the Deccan Sugar Factories Association, Bombay, Madhya Pradesh Sugar Mills Association, Indore, and the South Indian Sugar Mills Association, Madras. The regional associations and the branches attend to the regional problems of the industry and the Association at the national level takes up issues affecting the entire sugar industry, offers expertise to the State branches and affiliated associations and also assists in sponsoring of regional matters of common interest.

8.3 The National Federation of Co-operative Sugar Factories, which represents the industry in the co-operative sector, was established in the year 1960. The Federation is registered under the Bombay Co-operative Societies Act, 1925, as extended to the State of Delhi. Besides the Federation of Co-operative Sugar Factories at the national level, there are several State level federations of Co-operative Sugar Units also e.g., (1) Maharashtra Rashtriya Sahakari

Sakhar Karkhana Sangh Ltd., Bombay, (2) Gujarat Rajya Sahakari Khand Udyog Sangh Ltd., Surat, (3) Madras State Federation of Co-operative Sugar Factories Ltd., Madras, (4) Andhra Pradesh State Federation of Co-operative Sugar Factories, Hyderabad, (5) Mysore State Co-operative Sugar Factories Federation Ltd., Mysore, (6) Punjab State Federation of Co-operative Sugar Mills Ltd., Chandigarh, (7) Haryana State Federation of Co-operative Sugar Mills Ltd., Chandigarh, (8) U.P. State Federation of Co-operative Sugar Factories, Lucknow. All these State federations of Co-operative Sugar Factories are affiliated to the National Federation of Co-operative Sugar Factories. In States in which there are no federations of co-operative sugar factories organised at the State level, individual co-operative sugar factories are direct members of the National Federation of Co-operative Sugar Factories.

8.4 The expenses for running these organisations are met out of the subscription received from members. The annual subscription is realised on the basis of sugar production and at a rate decided by a committee in case of the Association and the Board of Directors in case of the Federation.

8.5 The object of these bodies, as of all such bodies, is to protect and promote the interests of their members. However, since this encompasses a wide variety of complex matters, these organisations work through a system of standing committees which in turn appoint sub-committees, such as Labour Sub-Committee, Costing Sub-Committee, etc. In respect of industrial relations, the central responsibility of these organisations consist in negotiating and promoting effective comprehensive agreements. In addition, guidelines are provided for satisfactory company and factory level agreements. The Indian Sugar Mills Association also offers to its members the services of its officers to represent them before the Conciliation Boards, Labour Courts, Industrial Tribunals, etc. But its main role in the field of industrial relations consists in tackling comprehensive issues affecting the industry as a whole. The Study Group is happy to note that in this, the two organisations have had considerable measure of success.

8.6 In Uttar Pradesh, Bihar and Maharashtra most of the major labour problems in the sugar industry are usually settled through collective bargaining. Following are some of the instances in this regard :—

1. The Standing Orders governing the conditions of

employment etc. of workmen in sugar factories of Uttar Pradesh have been framed as a result of an agreement between the employers and the workmen and the same are enforced under the U.P. Industrial Disputes Act, 1947. The Standing Orders are revised after the issues involved have been discussed in the Standing Tripartite Committee for Sugar, on which both the employers and workmen are represented. The Standing Orders applicable to workmen in the sugar factories of Maharashtra have been settled under Section 35 (2) of the Bombay Industrial Relations Act, 1946.

2. The quantum of bonus payable to workmen in sugar factories of U.P. is determined year after year by Committees on which both the employers and workmen are represented with the State Labour Commissioner as the Chairman. Such a Committee is constituted after the terms of reference have been decided by the State Labour Tripartite Conference (Sugar) convened by the State Government. In Bihar also, the bonus issue is settled every year by the Standing Labour Tripartite Committee on which both employers and workmen are represented. This Standing Labour Tripartite Committee also settles other important labour issues.
3. The recommendations of the First Central Wage Board for the Sugar Industry were implemented in sugar factories of Uttar Pradesh as a result of an agreement arrived at the State Labour Tripartite Conference (Sugar).
4. After the recommendations of the First Central Wage Board for Sugar Industry having come into effect, numerous claims for proper fitment were filed by workmen. To deal with the situation a Committee was appointed by the U.P. Government with one representative each of the employers and the employees and with one of the officers (who had been the Secretary of the First Central Wage Board) as the Convenor. This Committee after studying the claims clarified various points affecting large number of claims and evolved several guiding principles for fitment of the employees. This served to dispose-off large number of workers' claims without much trouble. Some factories also agreed to settle claims of workmen



which were not covered by the Committee's clarification through Arbitration Boards. This could be possible mainly due to the existence of strong organisations at the industry level.

8.7 The Indian Sugar Mills Association has been publishing a monthly journal under the title of "Indian Sugar" and an annual number titled "Indian Sugar Year Book". The National Federation of Co-operative Sugar Factories has a technical cell headed by an eminent sugar engineer who renders technical assistance to member units on reference. The Federation also arranges to circulate among its members latest information and statistics about the sugar industry. Recently the Indian Sugar Mills Association and the National Federation of Co-operative Sugar Factories have, by joint efforts brought into being a Corporation (not yet registered) for export promotion. The Corporation under the name of "The Indian Sugar Industry Export Corporation Ltd"., with the representatives of the aforesaid two bodies is expected to be shortly registered.

8.8 In spite of undoubted representative character of the two employers' organisations in their respective spheres, there are occasions when a member does not fall in line with the assurances given by the organisation, on behalf of the industry. The question of union recognition is only a point in instance. Since the two organisations are voluntary bodies with little or no power of imposing sanctions, such a situation could not be unexpected. On the other hand credit must be given to them for the extent of conformations they have been able to secure.

8.9 In the past, most organisations of employers have, by and large, confined themselves to insisting on their members for common terms on which labour is to be employed. The system of industrial relations within the undertaking has been left severely alone. We believe that such a restriction is not in the interest of the members themselves, and reorientation of attitudes both on the part of the Organisations and their members is called for. The associations of employers could promote the interests of their members still more by assisting them to gradually develop orderly and efficient systems of industrial relations within the mills. For this purpose they should provide on a regular basis an expert Personnel and Industrial Relations Advisory Service, whose function should be to assist in removal of sore points and to guide to evolve healthy self-reliant systems in individual local situations

as contra-distinguished from contesting cases on behalf of the employers. This can also function as an inspection service of the employers' organisations to report to them in respect of compliance by the member mills of the obligations taken and assurances given on their behalf by the organisations.

8. 10 We also recommend that :

- (i) Conference and small meetings should be organised by these Organisations to which Labour Officers and Industrial Relations Advisers of Member factories could be invited to participate. Exchange of ideas on general and day to day problems will greatly help in solving labour problems at the factory level. It will be useful if more emphasis is given to discussions based on case studies covering various situations.
- (ii) More need-based training programmes, both short and long-term can be arranged for executives, middle line management, and the supervisory staff, preferably in collaboration with organisations like the All-India Management Association, National Productivity Council etc.
- (iii) These organisations should pay more attention towards workers' education and, therefore, should arrange special programmes for workers' education. Such programmes will develop a sense of responsibility and productivity consciousness amongst the workers.
- (iv) These organisations should make an attempt to publish case studies which will enlighten the management as also workmen and guide them in maintaining harmonious industrial relations.

#### **Employees' Organisations**

8.11 There are in the country three levels of trade union organisations. At the apex level there are the federation of unions like the Indian National Trade Union Congress, All-India Trade Union Congress, Hind Mazdoor Sabha and the United Trade Union Congress etc. Recent additions to the list of apex federations of the trade unions are the Hind Mazdoor Panchayat and the Bhartiya Mazdoor Sangh. Some of these organisations were conceived as trade union wing of one or other political party and even those not conceived as such, are in practice attached to, derive strength

from and are overwhelmingly under the influence of one or other political party.

8.12 At the second level, there are the industrial unions. In the case of the sugar industry, the largest industrial union is the Indian National Sugar Mills Workers' Federation. Finally, there are the primary unions of workers at the factory level.

8.13 Although there are regional variations in the situation, majority of trade unions in the sugar industry are affiliated to the Indian National Trade Union Congress. These affiliates are federated into the Indian National Sugar Mill Workers Federation which has its Head Quarters at Lucknow. There are State branches of this federation. The Hind Mazdoor Sabha has dominant hold of sugar workers' unions in Maharashtra. The influence of other Central organisations is not so concentrated. But unions affiliated to different apex organisations, and competing for membership in the same establishment are quite common. According to the available figures, the membership of sugar workers' unions affiliated to each of the four different central organisations of employees is as under :—

Indian National Trade Union Congress	51,969
Hind Mazdoor Sabha	28,570
All-India Trade Union Congress	7,303
United Trade Union Congress	897

Allowing for the membership of the unions affiliated to other apex organisations and those not affiliated to any apex organisation, it would be safe to infer that about 40 per cent of the sugar factory workers are unionised. In the perspective of the general apathy that attend union membership in India and the seasonal nature of the sugar industry, this percentage is indeed significant.

8.14 In Uttar Pradesh and Bihar the existence of comparatively strong organisation of workers has been conducive to effective collective bargaining at the industry-level in regard to matters affecting workers generally—In Maharashtra strong unions at the factory level have achieved significant results. Here, although the collective bargaining was limited to individual units, in practice a good deal of co-ordination was secured by reference to the agreements made in the neighbouring sugar factories. This became possible because often the unions were affiliated to the same organisation and even when a union was affiliated to a different organisation, it found itself on more solid grounds

to demand or, agree to that which had been already established by the collective bargaining process in other units.

8.15 In recent years, however, there has been large proliferation of trade unions in the sugar industry too. While many factors are responsible for this, unfortunately the Trade Unions Act itself makes such proliferation easily possible. At present, merely seven persons are required to form a union. In a country where most political parties consider it essential to have a trade union wing of their own, multiple unions competing for membership with one other in the same establishment especially when it requires only seven persons to have a registered trade union, is not a surprising phenomenon at all. So, although numerous trade unions could be formed, they could in fact provide but little protection to their members, and the ability for collective bargaining which is the real purpose of the trade union, really remains a far cry. It is, for this reason, that even in U.P. and Bihar where much has been achieved by collective bargaining at the level of the industry as a whole, (in which respect the respective State Governments played no small part), at the plant level, the individual unions did not achieve much in respect of improvement in working conditions, at least not during the last fifteen years within which period proliferation process has gained alarming proportion.

8.16 As an antidote to multi-unionism it has been suggested to us that all those workers who at all wish to be unionised should join one and the same union. In favour of this suggestion it was pointed out to us that while in this way there would be single strong bargaining agent on behalf of the workers, the policy of the union would naturally be shaped by the majority opinion of its members. Within the union, there would doubtless be an opposition with shadow office bearers who could contest at the next election of the union with its own alternative programme. Despite the baneful effect of multi-unionism, we are not in favour of anything which has even a remote semblance of interference with the freedom of association of the workers. However, we are of the considered opinion that the quantitative requirements for the registration of a union needs urgently to be revised. Recognising that there are large number of small-scale units in unorganised sector and that the trade union law has to be uniform, we are of the view that the minimum number required for the registration of a union should be seven or five per cent of the regular employees, whichever is higher.

8.17 A large number of unions are contented once registration has been obtained and the right to sponsor claims and represent workers before the various authorities has been secured. For the organisational side of work and for the following among the workers, the union officials often rely on their prowess before the Conciliation Boards, the adjudicators and the Tribunals. Being thus involved in the legal process from the inception of the union, and being already short of resources, the officials of the union can give little or no attention to the organisational aspects of the union.

8.18 The recognition of union had made little headway in areas where the matter had been left to the option of the employers. There are various reasons for this, some of which however, are quite understandable too. For one, the unrecognised unions are not barred from raising claims in regard to matters already covered by agreement negotiated by or with the recognised union. In such areas, except for certain sentimental values, the unions themselves are not often very keen on obtaining recognition since there are little rights and privileges flowing from recognition of unions under the Code of Discipline. We are of the view that until the right to negotiate and sponsor general claims vests in the recognised unions, there would not be really adequate inducement for building up strong trade unions in this country and climate would not be created for collective bargaining to thrive. For recognition of a union, in our opinion, the primary qualification should be a minimum membership of 30% of the employes in an establishment or the industry, as the case may be.

8.19 It is often suggested that from amongst the unions fulfilling the primary qualification the selection for recognition should be made on the basis of results of election in which all the workers should be eligible to cast votes by secret ballot. We have considered this suggestion too. In our opinion, in case all workers regardless of union membership are considered eligible to vote on question of recognition among various unions, there would be little inducement for them to be regular members of any union. Such a course, therefore, would not be in the interest of trade union movement itself and a handful of persons working under the label of different unions may vie with each other to arouse feelings and exploit matters of the moment. In any case, those who are not the members of any union would largely

determine the issue of representation by the unions. This would be contrary to democratic principles.

8.20 In this context, three other proposals were considered by the Study Group. Following from the above suggestion was the proposal that while the question of recognition may be determined by secret ballot, the right to vote should vest only in the unionised workers. Another proposal was that a system of checkoff, in which the various unions may submit the list of their members to the management with request for collection of union dues and the employees individually and separately authorise the management to do so, should be introduced. This system has the in-built merit of being able to show at any time the respective membership position of the different unions. Lastly, has been the proposal to adopt the system for determination of the recognised union which has been provided in the Bombay Industrial Relations Act. All the above proposals have their own merits and drawbacks. While a good measure of consensus is available for the adoption of the last of the above proposals, the Study Group, at the same time is of the unanimous opinion that the system of check off, of the nature stated above, has several outstanding merits, the greatest of which being its ability to show, at any point of time, the established position of membership of the various unions and thus of doing away with the need of large-scale verification which in any case is a long-drawn and a complicated process. The Study Group, therefore, recommends that this system deserves to be tried, at first on pilot basis. We hope that the results of the trial would justify its extension generally.

8.21 Either the Labour Commissioner himself or a Senior Officer of his Organisation is usually the Registrar of Trade Unions. Since the organisation of the Labour Commissioner is involved both in the process of framing and implementation of the labour policy of the Governments from time to time, there is a feeling that the Registrar after all is not entirely independent. Be that as it may, we are of the view that it is a matter in respect to which feelings should be respected. More so, because in the smooth operation of the system of union recognitions which we consider crucial to the success of collective bargaining, the Registrar will have more responsibility to discharge. We are, therefore, of the view that the Registrar of Trade Unions should be an authority entirely independent of the Head of the Labour Department.

8.22 Some of the existing functions of the Registrar border on quasi judicial, if not judicial. Further, we visualise that for the development of sound trade union organisations the office of the Registrar would require to be vested with greater powers to look into the affairs of the trade unions, especially with regard to holding of elections of office-bearers, observance of union bye-laws, collection of money by office-bearers and maintenance of accounts. However, we do not mean to suggest that the office of the Registrar should necessarily be filled by an official of the judicial service. What however we do consider essential to recommend is that the Registrar should be an officer who, by virtue of his high position in service could be expected to stand up to pressures and by his reputation for independence and impartiality inspire confidence. In the Chapter following, we have recommended the constitution of an All-India Labour Administrative Service. We recommend that the Registrar should be an officer drawn from this cadre.

8.23 The role of outsiders in the trade union movement is also an important matter for consideration. The trade union movement in the country owes indeed a great deal to outside leadership. In the trade union movement of sugar industry, a good proportion of even the so-called outsiders had inside experience of industry. However, we believe that a stage has been reached when further restrictions need to be placed on the inclusion of outsiders in the executive of the union. The limitation at present is of 50%. We consider that this should be reduced to 20 per cent and one of the two top officers of the union i.e. either of the President or of the General Secretary should be held only by a regular employee of the establishment or the industry, as the case may be.

## CHAPTER IX

### INDUSTRIAL RELATIONS

9.1 The expression 'Industrial Relations' is in fact a misleading title for the group of subjects it is commonly deemed to cover. For instance, it is by no means considered to include agreements among the firms or of the firms with their association or the relations which the firms may have with their customers. "The only aspect of business enterprise with which industrial relations is concerned is the employment aspect ; the relations between the enterprise and its employees and among those employees themselves". Further, the system of industrial relations is essentially a system of rules. "These rules appear in different guises : the legislation and in statutory orders ; in trade union regulations ; in collective agreements and in arbitration awards ; in social conventions ; in managerial decision ; and in accepted customs and practice. This list is by no means exhaustive, but 'rules' is the only generic description that can be given to these various instruments of regulation."

9.2 In India, industrial relations as a formalised system is of comparatively recent origin. Barring in just a few enlightened business houses which can be said to have been much ahead of their times, as a formalised, 'structured' system it came generally to be recognised only in early 1940s largely due to the exigencies of the Second World War and for the sake of maintaining supplies and services essential to the conduct of war. There too, the regulatory measures were devised for the most part to prevent work stoppages due to strikes or lock-outs.

9.3 On attainment of national independence and even before its ushering, the popular urges for the amelioration of the under-privileged classes manifested in a body of social security measures. The industrial relations in India are mostly built around such measures and to a much lesser extent, on customs and practices. How far the system of industrial relations, so created, has answered the hopes and aspirations of the workers, satisfied the basic essentials for economic growth and served the nation's interests is a matter which



constitutes the subject of study of a separate Study Group. What, however, must be recognised in relation to this matter is that there is a growing dissatisfaction against the working of the existing system. Detailed causal analysis of this need not be attempted here. We have referred to some of the afflictions of the system in the previous Chapter. A few of the more prominent ones would be briefly commented here. For the rest, this Chapter would be devoted to the institutional set-up.

9.4 In India generally the trade union movement was just one of the manifestations of the urge of national emancipation. It originated out of the movement for national independence and ran parallel to it. Even when political independence was attained, it had not as it were, found its foot and, therefore, used politics for its crouch. For inspiration, strategies and their timings, the dependence of the trade unions on political parties is still all too apparent. Trade union in some of the industrialised countries of the West constitutes a factor in politics which is vastly different from being a mere factor, or, back-wash of politics.

9.5 A distinguishing feature of early trade unionism in the sugar industry was that initially the unions were formed to represent workers' case before the Royal Commission (Nellikuppam Labour Union on February 12, 1929 and Samalkot Labour Union on February 1929 in South India.) In U.P. and Bihar first labour unions were formed in 1939 soon after the appointments of Khetan Enquiry Committee and Rajendra Prasad Committee respectively. The first labour union in sugar industry of Maharashtra was formed at Belapur in 1937 by the employees who were expropriated tenants.

9.6 In the previous Chapter we have referred to the tendency of almost every political party to have a corresponding trade union organisation as a necessary equipage. This has created numerous and often unnecessary divisions in the ranks of working class, hampered the growth of collective bargaining and at times provided motivations, wholly unrelated to the plants or the industry.

9.7 There is quite a sizeable body of informed public opinion which lays at the door of the Government the blame for slow growth of collective bargaining in this country. It is often contended that the Government in their eagerness to secure expeditiously substantial improvement in the

workers' lot, have all too often taken recourse to the facile method of bringing forth legislations. Thus, the trade union movement has more often been served with benefits instead of having secured them. This criticism must be viewed in the perspective of the times. To effect evolutionary changes at revolutionary pace is the problem which confronts most of the newly independent countries. What may appear to some as a large body of social legislations to be had within a matter of few years, is a natural corollary of the situation where the problem is to telescope several decades into a matter of few years.

9.8 We believe that there could possibly have been no escape from regulatory measures of the State if reasonable stability was to be maintained and popular aspirations were to be satisfied even to a limited extent. Further, in our too frequent criticism of the existing system of industrial relations and extolling the virtues of collective bargaining, we often miss to bear in mind the fact that strikes and lockouts are the very sine-qua-non of free collective bargaining. The country with this as the only traditional system for regulating industrial relations is having a deep look at it. Perhaps an economically underdeveloped country in the throes of economic development could not afford to leave things to be settled exclusively by collective bargaining, nor can the society accept the vagaries of strikes and lockouts as the normal method of settling industrial disputes. Collective bargaining itself needs to be saved by means of regulations from degenerating into an instrument of oppression or social waste. With this reservation, the law must of course help and not hamper collective bargaining.

9.9 It has already been mentioned in the previous Chapter that in the sugar industry the tradition of collective bargaining has been fairly strong particularly so in U. P., and Bihar where the Standing Orders in force were largely evolved by agreements between the parties. The bonus issues in U. P. have been settled year after year mostly by agreements between the representatives of the parties appointed in a Committee with the Labour Commissioner as the Convenor. Similarly, the fitment of employees in the grades devised by the First Wage Board was largely effected by agreements. However, at the plant level the collective bargaining has not been strong and the virus of multi-unionism, as also intra-union rivalries are preventing the emergence of competent bargaining agent.

## Plant Level Consultation

9.10 The institution of plant level consultation has not made any mentionable progress in the sugar industry. The Works Committees or consultative grievance machinery at the plant level have either not been brought into being or, are defunct. Better results may be expected when recognised and representative unions come to function more commonly at the plant level.

## Conciliation Board

9.11 In absence of satisfactory conditions for settlement of disputes at the plant level, quite a large proportion of industrial grievances find their way to the Conciliation Boards. The Boards have been successful in promoting settlements in fairly good number of cases. However, of late, the proportion of settlements to the total number of grievances referred to the Conciliation Boards has been showing diminishing returns. This is not true with respect to the sugar industry only, but the trend is general. Although the conducting of cases before the Conciliation Boards has not been affected by the virus of professionalism, weak unions and multiple unions are also responsible for the employers' reluctance to enter into purposeful negotiations with any. The Conciliation Officer himself is often burdened with too many cases. He does not have as much time as should be necessary to guide negotiations himself; with the result that for the most part the disputes are treated as mere cases to be disposed off, in routine, on the basis of such versions of the parties as they may choose to make or contest. Lastly, of late, there has been considerable lowering of standards in the quality of Conciliation Officers themselves. In order to do justice to his job, the Conciliation Officer must be possessed of abilities to comprehend complicated industrial matters, should be able to promptly distinguish the grain from the chaff, by virtue of his status in the hierarchy, be able to hold the balance even, and by dint of these qualities he should be able to inspire confidence in his ability to suggest just solutions of disputes. Since in recent years the cadre of Conciliation Officer has been greatly increased and adequate monetary regard was not made for attracting talents to the job, the quality of this cadre has greatly suffered. The lack of proper industrial training as well as regular refresher courses have also adversely affected the efficiency.

9.12 The work of officers of the Labour Departments is in many respects similar to the employments in the indus-

try. The fact that competent persons require to be remunerated at competitive rates is a fact which could be ignored only to the detriment of the standards of these services. If not technical, the job of handling industrial relations is of highly specialised nature. For these reasons as also for the sake of demonstrable appearance of independence we recommend that there should be an Indian Labour Administrative Service. The senior posts of the Labour Departments should be filled in by personnel belonging to this Service.

### Reference of Disputes to Adjudication

9.13 The disputes not settled before the Conciliation Boards are examined by the respective appropriate Governments to see if they merit reference to adjudication. Two kinds of criticisms are levelled against this system. From the workers' side it is often urged that with various restrictions placed on strikes, the recourse to judicial determination of disputes should not be barred by the Government. Another major criticism against the working of this system is that the decision to refer disputes or to withhold reference is sometimes not made on any strict principle and the system is open to pressurisation.

9.14 The Study Group has considered both these aspects. We are of the opinion that the reference for judicial determination of disputes in the present circumstances can be made only on selective basis. Obviously, the reference to adjudication of claims which are prima-facie frivolous or vexatious or without any arguable basis could lead to no good result and would only add to the existing pressure of work with the Labour Courts and Tribunals and thus cause delay in disposal of the genuine or really controversial claims. Similarly, a part of the criticism against reference of dispute of a particular nature in the case of one, and withholding reference in the case of another is misinformed. Dispute appearing to be similar may not in fact be so. Most cases relating to the same matter turn on their own individual merits. Even so, we recognise that as far as possible there should be definite principles evolved by Tripartite Body for guidance of the authorities concerned.

### Adjudication

9.15 Where disputes are not settled even at the stage of Conciliation Board and arbitration is not agreed to by the parties, the workers look to finality in the awards of the

Labour Courts or the Tribunals. Even if in course of time collective bargaining gradually grows to become the dominant method, it would still be necessary to retain the machinery of adjudication. The real problem is of making it work more expeditiously and efficiently. If the law is amended to make provision for recognised and representative unions, it is hoped that collective bargaining would be more effective. Similarly, if the conciliation machinery is better equipped, for which recommendations have already been made, the load of work with the Labour Courts and Tribunals should appreciably diminish. Still, the present number of Labour Courts and Tribunals will have to be substantially augmented. There is a large back-log already, and for inspiring confidence of the workmen in constitutional methods of settling their disputes, we deem it essential that the disputes referred to the Conciliation Boards should stand finally settled, at least within six months of such reference. Ordinarily, disputes before the Court or Tribunals should be disposed off within three months.

9.16 The issue of composition of the Labour Courts and Tribunals has an important bearing on their working. The practice of appointing retired personnel to serve as Presiding Officers of Labour Courts and Tribunals must be discouraged. We recommend that there should be an independent judiciary to man the post of Presiding Officers of the Labour Courts and Tribunals. Appointment of Presiding Officers should be made in consultation with the Chief Justice of the High Court. In this Judiciary the members of the Indian Labour Administrative Service, whose creation we have recommended, should also be eligible for being drafted. However, their deputation to the cadre of Presiding Officers should be on long-term basis.

#### Voluntary Arbitration

9.17 Although arbitrations in matters of major disputes have sometimes been agreed to at the industry-level and occasionally at plant-level too, as a regular method of settling disputes, the institution of arbitration has not made significant progress. There are several reasons for this. Absence of a strong bargaining agent from the side of workers has been the Achilles heel of arbitration. At the same time there has been shortage of qualified persons willing to arbitrate. At present, arbitrators usually receive no remuneration for their labour. In the United Kingdom where the system of arbitration arising out of contracts already entered into is very much

more popular, the arbitrators receive remuneration and office allowance too, for the work involved in arbitration of disputes. This practice may be adopted in this country with the difference, however, that the arbitrator's fee to be paid by the Government should be chargeable from the parties. A schedule of fees for various types of cases should be prescribed and a list of arbitrators should be maintained by the Government. Notwithstanding the above, if the parties find a mutually acceptable arbitrator willing to arbitrate without any fee, they should be free to choose him.

### **Tripartite Committees**

9.18 In the context of the working of industrial relations in the sugar industry, particularly in U.P. and Bihar, special mention needs to be made of the tripartite committees. We have already referred to some of its notable achievements in the forgoing chapter and in para 9.8 supra. It has exercised great influence in the direction of stability and has prevented fissiparous tendencies overtaking the industry. We consider that as the number of sugar units increase in other States, it would be necessary to provide standing tripartite organisations of this type to look to the general problems of the industry and labour which affect each other. Since the sugar industry is becoming increasingly more diversified and the affairs of this industry are subject to considerable measure of Central Control, we consider it desirable that a tripartite organisation in respect of this should be set up at the national level also. In fact some of our recommendations shall, for uniform application, require consultations with concerned interests centrally and for a few years at least such consultations will have to be made periodically.

Sd/- 1. S. N. Gundu Rao  
Convenor.

2. L. N. Wahi
3. R.P. Nevatia
4. P.S. Rajagopal Naidu
5. J.C. Dixit
6. G.J. Ogale
7. H.M. Misra

Dated the 4th October, 1968. Member-Secretary.

## CHAPTER X

### SUMMARY OF THE VIEWS AND RECOMMENDATIONS

1. Even among the agro-based industries, one of the most distinguishing features of the sugar industry is that it becomes all-too soon very integrated part of the socio economic condition of the area in which it is installed.

(Para 2.6)

2. There is considerable and almost cyclic variation in sugarcane production resulting from vagaries of climatic conditions which determine the quantity of available cane. The sugar industry is adversely affected both by shortage of cane as also excess of it from time to time. In the latter event, the factories are often required to continue crushing of even deteriorated cane in situations which are not economically advantageous.

(Para 2.7)

3. The special features of the industry's development under the 5 Year Plan had been :

(a) Installation of most of the new factories and major portion of the additional capacity in the tropical-belt : and

(b) Preference to the Co-operatives.

(Para 2.9)

4. On the factory side, the tropical South has the greatest concentration of new units. Even the bulk of the old units have been modernised and expanded. In the Northern belt, while substantial expansion has been made and a degree of modernisation has been achieved, the bulk of plants in East U.P. and Bihar have not been able to do so.

(Para 2.12)

5. A very disconcerting feature of the industry in the North Indian States has been that their production, even in relation to the licensed capacity, has been diminishing.

(Para 2.14)

6. The Indian cultivator needs generally to be provided with facilities for greater inputs in the form of irrigation,

manuring, insecticides etc., The break-through in the development of cane varieties and their large-scale distribution is one of the most urgent imperatives of the situation being faced by the sugar industry and the cane cultivators. This is all the more necessary in view of the fact of introduction of hybrid variety of wheat and rice on account of which cane cultivation is becoming less competitive.

(Para 2.15)

7. While there may be, as there indeed are, differences in the actual assessment of rehabilitation and modernisation requirements of the sugar industry, investigation in the matter highlights the great urgency of the rehabilitation and modernisation as such. Unless finance from external sources is forthcoming, it will not be possible to undertake this task.

(Para 2.16)

8 The profitability of the Industry has been severely affected by the Government policy characterised by *ad-hocism*. The disparity in tax structure and the inequality of controls over production, prices and movement of khandsari and gur have augmented fluctuations in production of white sugar.

(Para 3.2)

9. Rules for promotion of employees need clearly to be set out. Within the field of eligibility determined by seniority, promotion should be determined by trade tests and performance.

(Para 4.5)

10. It would be in the interest of the industry to institute suitable in-plant training courses for operatives.

(Para 4.6)

11. In view of the rapid advances in science and technology, refresher courses for the highly skilled and supervisory personnel should be provided.

(Para 4.7)

12. Establishment of an Institute in the Southern Zone, to tackle the specific technological problems of this region and for providing the advisory and extension services, would satisfy growing need of the sugar industry of this region.

(Para 4.7)

13. The schemes of talent-search within the units and for inducing such talents to take to the specialised skills



need to be instituted. Starting of the Institutions of the kind of productivity and safety clubs should be encouraged.

(Para 4.)

14. The general awakening coupled with the health hazards posed by the new industrial processes and complicated equipments emphasise the necessity for reappraisal of the standards prescribed for the workmen.

(Para 5.1)

15. The actual conditions of the work in sugar industry in India vary far from being satisfactory to highly unsatisfactory. While this subject has received attention in the new units and several of the plants which have been expanded, there are many old units which have unplanned, haphazard expansions or modifications with scant regard to the working conditions.

(Para 5.3)

16. The enforcement of the existing statutory powers regarding working conditions in the older units needs especially to be geared up. The Factory Inspectorate should draw out a programme of more frequent inspections of such units.

(Para 5.3)

17. While several methods have been developed for treatment of effluents, research needs to be stepped up for evolving a more simple and inexpensive method of treatment of sugar factory effluents. More frequent inspections for ensuring proper treatment of effluents by the factories, need to be made.

(Para 5.4)

18. The Subsidised Industrial Housing Scheme has had little response from sugar factory management. One of the reasons for the factories having not availed the Subsidised Scheme for construction of workers' quarters is that the cost estimates under this Scheme fall substantially short of the actuals, because in the estimates, no allowance is made for inevitable developmental expenditure even on such things as sewage, sanitation and road, etc.

(Para 5.8)

19. While granting licences for the installation of new sugar factories, Government of India should satisfy that the provision of housing of workers on a scale related to the size of the plant and its location has been made. As a

practical solution to the housing problems in the existing sugar factories, "The Sugar Industry Workers' Housing Cess" may be levied through a separate enactment at the rate of Rs. 0.50 per quintal of sugar produced for a limited period of five years. The funds raised may be vested in a Tripartite Board.

(Para 5.9)

20. It should be in the larger interest of the sugar factories themselves to provide shelter to their cane suppliers and the cartmen, and sheds, water-troughs for the bullocks.

(Para 5.10)

21. Until such time as the sugar industry is not covered by the Employees' State Insurance Scheme or any other such Scheme, especially designed for the need of agro-based seasonal industry as sugar, employees and employers and the individual factories should contribute to a special fund on the scale as would have been required of them, had the scheme of Employees' State Insurance been applicable. This fund should be used towards providing of medical and unemployment benefits to the employees. The administration of this scheme should be through a bi-partite organisation.

(Para 5.12)

22. In a State irrespective of what might have been the practice in the past in any individual unit, the quantum of leave should be uniform.

(Para 5.18)

23. In spite of the unanimous resolution of Tripartite Conference centrally convened, the fair price shops have not been opened in majority of the sugar factories. In the State of Madras under the directives of State Government, consumer co-operative societies have been opened with the assistance of the factory management. It is recommended that this practice should be adopted in other States too.

(Para 5.19)

24. In the context of the increase in the money wages registered during the last ten years and the liberal induction of technically qualified persons in the ranks of highly skilled operatives and supervisory staff, the pay limit for coverage of employees under the Workmen's Compensation Act should be raised to Rs. 1,000/- per month.

(Para 7.5)

25. Further, amendments need to be introduced in this scheme regarding its coverage of occupational diseases. Minor diseases and even such diseases whose main or direct source may not be the occupation, but the effect of which may be accentuated on account of particular occupations may be covered by the scheme of Workmen's Compensation Act.

(Para 7.6)

26. The types of circumstances which at present forfeit the worker of his right to compensation in the event of disablement or death need to be seriously reviewed.

(Para 7.7)

27. Under the Employees' Provident Fund Act provisions need to be made for pensionary benefits, together with the system of lump sum payment. If the death occurs during the tenure of employment or within three years of retirement, survivors' benefit related to the deceased's pay, period of service, and provident fund contributions should be payable to the assignee, for a minimum of 5 years calculable from the date of retirement or death of the earner whichever is earlier.

(Para 7.8)

28. In the long range, a comprehensive legislation integrating in one, the ingredients constituting the various social security measures needs to be introduced.

(Para 7.9)

29. The Association of Employers have played a remarkable role in tackling the issues at the industry level. They could promote the interests of their members still more by assisting them to gradually develop orderly and efficient system of industrial relations within the member mills. For this purpose, they should provide, on a regular basis, an expert personnel and Industrial Relations Advisory Service.

(Para 8.9)

30. On the basis of available figures of membership of trade unions affiliated to four of the Central Trade Union Organisations, it is estimated that about 40% of the total sugar factory workers are unionised. In Indian situation and in the perspective of seasonal nature of sugar industry, this percentage is indeed significant.

(Para 8.13)

31. In U.P. and Bihar, the existence of comparatively strong organisation of workers has been conducive to effective collective bargaining at the industry level. In Maharashtra, strong unions at the factory level have achieved significant results.

(Para 8.14)

32. In recent years, there has been large proliferation of trade unions in the sugar industry too. Unfortunately, the Trade Unions Act itself makes such proliferation easily possible because merely 7 persons are required to form a union.

(Para 8.15)

33. The quantitative requirements for registration of the union need urgently to be revised. Recognising that there are large number of small-scale units in unorganised sector and that the trade union law has to be uniform, it is recommended that the minimum number required for registration of a union should be 7 or 5% of the regular employees whichever is higher.

(Para 8.16)

34. Until the right to encourage and sponsor general claims vests in the recognised union, there would not be adequate inducement for building up a strong trade union and climate for collective bargaining would not be created. The primary qualification for recognition of a union should be the minimum membership of 30% of the employees in an establishment or the industry as the case may be.

(Para 8.18)

35. In regard to the question of determination of the recognised union, while a good measure of consensus is available for the adoption of the procedure provided in the Bombay Industrial Relation Act, the system of check-off in which various unions may submit the list of their members to the Management with the request for collecting union dues and the employees individually and separately authorise the management to do so has several outstanding merits. It is therefore recommended that this system deserves to be tried on pilot basis. It is hoped that the results of the trial would justify its extension generally.

(Para 8.20)

36. The Registrar of trade unions should be an authority entirely independent of the head of the Labour Department. It is also recommended that the Registrar should be an officer drawn from the cadre of the Indian Labour

Administrative Service whose creation has been recommended.

(Para 8.22)

37. The Registrar requires to be vested with powers to look into the affairs of the trade union, especially with regard to the holding of elections of office bearers, observance of union bye-laws, collection of money by office bearers and maintenance of accounts.

(Para 8.22)

38. The proportion of outsiders in the executive of the union should be reduced from the present limit of 50% to 20% and at least one of the top offices of the Union, i. e. either of the President or the General Secretary should be held only by a regular employee of the establishment or the industry, as the case may be.

(Para 8.23)

39. In India, industrial relations as a formalised system, came generally to be recognised during the Second World War and for sake of maintaining supplies and services essential to the conduct of the war.

(Para 9.2)

40. The industrial relations in India are mostly built around social security measures initiated during the post-independence period and to a much lesser extent on customs and practices.

(Para 9.3)

41. In India generally trade union movement was just one of the manifestations of the urge for national emancipation. Even when political independence was attained, it had not as it were found its foot and, therefore, used politics for its crutch.

(Para 9.4)

42. A distinguishing feature of early trade unionism in sugar industry was that the first union was formed to represent workers' case before the Royal Commission on Labour or Committees appointed to investigate into their conditions.

(Para 9.5)

43. The institution of plant level consultation has not made any mentionable progress in the sugar industry. Better results may be expected when recognised and representative unions come to function.

(Para 9.10)

44. The figures of agreements before the Conciliation Board show declining trends. Among various reasons responsible for it, the fact that the Conciliation Officer is burdened with too many cases and there has been considerable lowering of the standards in the quality of Conciliation Officers themselves.

(Para 9.11)

45. Adequate monetary regard was not made for attracting talents to the post of Conciliation Officers. The lack of proper industrial training and regular refresher courses have also adversely affected the efficiency.

(Para 9.11)

46. If not technical, the job of handling industrial relations is of highly specialised nature. Competent persons are required to be remunerated at competitive rates. For these reasons, as also for the sake of demonstrable appearance of independence, it is recommended that there should be an Indian Labour Administrative Service. The senior posts of the Labour Department should be filled in by personnel belonging to this service.

(Para 9.12)

47. In view of large volume of criticisms against policies followed in the matter of reference of disputes, it is recommended that there should be definite principles evolved by a Tripartite Body for guidance of the authorities vested with the discretion to refer disputes to adjudication.

(Para 9.14)

48. It is deemed essential that the disputes referred to Conciliation Board should stand finally settled at least within six months of such reference. Ordinarily, disputes before the Courts or Tribunals should be disposed off within 3 months.

(Para 9.15)

49. There should be an independent judiciary to man the post of Presiding Officers of the Labour Courts and Tribunals. Appointment of Presiding Officers should be made in consultation with the Chief Justice of the High Courts.

(Para 9.16)

50. While the members of the Indian Labour Administrative Service should be eligible for being drawn into the labour judiciary, their deputation to the cadre of Presiding Officers should be on long term basis.

(Para 9.16)

51. In the sugar industry, arbitration in matters of major disputes has sometimes been agreed to at the industry level and occasionally at plant level too. But as a regular method of settling of disputes the institution of arbitration has not made significant progress.

(Para 9.17)

52. It is recommended that the practice of remunerating arbitrators for their services as prevailing in the United Kingdom should be adopted in this country too, with the difference, however, that the arbitrators' fee to be paid by the Government should be chargeable from the parties.

(Para 9.17)

53. The working of tripartite organisations in U.P. and Bihar had been a notable success. As the number of units increases in other States, it would be necessary to provide Standing Tripartite Organisations of this type to look to the problems of industry and labour which affect each other.

(Para 9.18)

54. Since the sugar industry is becoming increasingly more diversified and the affairs of this industry are subject to considerable measures of Central Control, it is desirable that a tripartite organisation in respect of this should be set up at the national level also.

(Para 9.18)

Note:—Figures for the years 1932-33 to 1938-39 excepting 1937-38 have been taken from Sen Commission Report. Figures for the years 1937-38 and 1939-40 to 1954-55 have been taken from Indian Sugar Industry Manual by Gandhi and the remaining figures for years 1955-56 and onwards have been taken from the Indian Sugar Year Book 1955-56.

## APPENDIX I

### *Growth of the Sugar Industry in India in the Post-Protection Period*

( 1932 )

S.L. No.	Year	No. of factories
1.	1932-33	56
2.	1933-3	111
3.	1934-35	128
4.	1935-36	135
5.	1936-37	137
6.	1937-38	131
7.	1938-39	139
8.	1939-40	138
9.	1940-41	140
10.	1941-42	141
11.	1942-43	141
12.	1943-44	145
13.	1944-45	136
14.	1945-46	138
15.	1946-47	135
16.	1947-48	134
17.	1948-49	136
18.	1949-50	139
19.	1950-51	138
20.	1951-52	139
21.	1952-53	134
22.	1953-54	134
23.	1954-55	136
24.	1955-56	143
25.	1956-57	147
26.	1957-58	158
27.	1958-59	164
28.	1959-60	168
29.	1960-61	174
30.	1961-62	180
31.	1962-63	186
32.	1963-64	194
33.	1964-65	198
34.	1965-66	200

*Note* :—Figures for the years 1932-33 to 1938-39 excepting 1937-38 have been taken from Sen Commission Report. Figures for the years 1937-38 and 1939-40 to 1954-55 have been taken from Indian Sugar Industry Manual by Gandhi and the remaining figures for years 1955-56 and onwards have been taken from the Indian Sugar Year Book 1965-66.



## APPENDIX II

*Position regarding distribution of Factories and Sugar Production  
since the grant of protection to 1949-50.*

SL No.	Year.	No. of factories.	Production (lakh tonnes)
1.	1932-33	56	2.91
2.	1933-34	111	4.60
3.	1934-35	128	5.80
4.	1935-36	135	9.31
5.	1936-37	129	10.87
6.	1937-38	131	9.14
7.	1938-39	132	6.42
8.	1939-40	138	12.07
9.	1940-41	140	10.46
10.	1941-42	141	7.51
11.	1942-43	141	10.51
12.	1943-44	145	12.00
13.	1944-45	136	9.42
14.	1945-46	138	9.22
15.	1946-47	135	9.01
16.	1947-48	134	10.56
17.	1948-49	136	10.05
18.	1949-50	139	9.75

## APPENDIX III

*Statewise position of additional capacity licensed in the Sugar Industry against I, II and III Plan targets and progress of its implementation so far up to April, 1967*

(Capacity in lakh tonnes)

Sl. No.	State.	Additional capacity licensed against I, II and III Plan targets					Additional capacity implemented so far up to April, 1967.				
		New factories		Expansion		Total Additional capacity licensed.	New factories		Expansion		Total Additional capacity implemented.
		No.	Capacity.	No.	Capacity.		No.	Capacity.	No.	Capacity.	
1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.
1.	Uttar Pradesh	5 (4)	0.81	54	3.23	4.04	4 (4)	0.57	45	2.91	3.48
2.	Bihar	1 (1)	0.12	14	0.49	0.61	—	—	11	0.35	0.35
3.	Punjab & Haryana	7 (6)	0.92	2	0.32	1.24	6 (5)	0.80	1	0.27	1.07
4.	West Bengal	1	0.07	1	0.05	0.12	1	0.07	1	0.05	0.12
5.	Assam	1 (1)	0.10	—	—	0.10	1 (1)	0.10	—	—	0.10
6.	Rajasthan	—	—	2	0.11	0.11	—	—	1	0.09	0.09
7.	Madhya Pradesh	—	—	3	0.16	0.16	—	—	2	0.10	0.10
8.	Orissa	1 (1)	0.15	1	0.04	0.19	1 (1)	0.15	—	—	0.15
9.	Maharashtra	21 (19)	3.34	18	1.19	4.53	20 (17)	3.21	17	1.07	4.28
10.	Gujarat	3 (3)	0.45	—	—	0.45	3 (3)	0.45	—	—	0.45
11.	Madras	12 (6)	1.93	3	0.10	2.03	12	1.93	3	0.10	2.03
12.	Mysore	5 (5)	0.79	6	0.41	1.20	5 (5)	0.79	5	0.34	1.13
13.	Pondicherry	1	0.18	—	—	0.18	1	0.18	—	—	0.18
14.	Andhra Pradesh	10	1.18	11	0.70	1.88	9	1.03	9	0.57	1.60
15.	Kerala	2 (2)	0.25	—	—	0.25	2 (2)	0.25	—	—	0.25
<b>TOTAL :—</b>		<b>70</b>	<b>10.29</b>	<b>115</b>	<b>6.80</b>	<b>17.09</b>	<b>65</b>	<b>9.53</b>	<b>95</b>	<b>5.85*</b>	<b>15.38</b>

Note :—1. In addition to the above, one factory lying idle at Siwan in Bihar having an annual sugar production capacity of 0.09 lakh tonnes has gone into production during 1964-65 season.

2. \*Includes a capacity of 0.25 lakh tonnes achieved through partial expansion by some factories.

3. Figures in Cols. 3 and 8 given in brackets denote the No. of co-operative sugar factories.

## APPENDIX IV

*Profit after tax as percentage of net Worth.*

Industry	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
1. Woollen Textiles	18.0	20.3	18.0	16.1	13.0	3.2
2. Silk & Rayon Textile	15.0	12.6	8.6	11.5	12.6	17.8
3. Matches	12.5	11.7	13.7	10.0	7.9	9.1
4. Rubber	10.5	7.4	8.0	9.6	8.9	9.0
5. Mineral Oils	11.0	10.8	7.1	7.4	7.6	7.0
6. Medicines & Phar- maceuticals	17.2	16.0	11.9	12.7	16.3	15.2
7. Basic Industrial Chemicals	14.2	13.1	11.4	10.4	11.9	11.1
8. Other Chemical Products	12.9	10.7	12.3	9.9	8.6	12.2
9. Cotton Textiles	13.8	13.4	5.9	7.2	7.7	1.2
10. Electrical Machi- nery	13.7	13.3	11.1	15.5	13.9	14.4
11. Machinery other than Electrical	14.9	13.1	10.6	12.7	12.5	12.6
12. Non-ferrous Metals	17.5	13.1	11.1	13.1	17.9	16.3
13. Tobacco	8.7	6.9	8.0	4.3	6.7	8.8
14. Sugar	11.3	7.3	2.1	7.8	8.7	9.6

*Source—Records & Statistics—February, 1968.*  
(Quarterly Bulletin of Eastern Economist)

## APPENDIX V

*Dividends as percentage of profits after tax.*

Industry	1960-61	1961-62	1962-63	1963-64	1964-65	1965-66
1. Wollen Textiles	51.1	39.0	39.1	38.9	48.0	154.4
2. Silk & Rayon Textiles	50.1	50.9	71.2	50.1	57.7	40.4
3. Matches	74.4	78.5	63.8	77.6	97.6	83.8
4. Rubber	75.5	94.4	86.3	70.2	76.6	74.8
5. Mineral oils	58.5	67.4	119.6	123.1	68.3	110.9
6. Medicines & Pharmaceuticals	55.8	51.4	56.6	61.2	57.2	56.5
7. Basic Industrial Chemicals	48.2	53.8	59.5	58.5	60.9	65.9
8. Other Chemical Products	62.7	86.3	74.0	73.2	77.1	54.1
9. Cotton Textiles	45.8	46.5	86.9	75.9	70.0	384.6
10. Electrical Machinery	60.8	60.0	60.4	44.0	47.3	42.3
11. Machinery other than Electrical	45.1	51.2	50.2	45.7	47.1	39.7
12. Non-Ferrous Metals	47.9	56.2	49.4	36.4	43.7	28.4
13. Tobacco	72.5	87.2	64.6	97.1	85.4	71.4
14. Sugar	66.6	87.7	161.9	75.8	63.3	56.2

*Source*—Records and Statistics—February, 1968.  
(Quarterly Bulletin of Eastern Economist)

## APPENDIX VI

*Average profit after tax loss per year of Sugar Factories for the  
Ten years ending 1961-62.*

(Profitability Rs. Lakhs)

State/Region	Average profit per year per factory.	Distribution of factories in various profit slabs				Total
		No. of factories incurring loss.	No. of factories making profit in each slab		Total	
			0.00 to 3.00	3.00 & above		
1.	2.	3.	4.	5.	6.	
1. Punjab	0.73	2	2	2	6	
2. West U.P.	4.51	3	9	20	32	
3. East U.P.	0.71	7	24	2	33	
4. Bihar	1.33	7	10	8	25	
5. West Bengal	5.41	1	—	1	2	
6. Assam	7.46	1	—	—	1	
7. Orissa	3.03	—	—	1	1	
8. Madhya Pradesh	1.86	1	3	1	5	
9. Rajasthan	1.34	—	2	—	2	
10. Gujarat	1.72	1	—	1	2	
11. Maharashtra	6.57	8	7	10	25	
12. Mysore	3.68	2	1	4	7	
13. Andhra Pradesh	7.64	1	3	5	9	
14. Madras	9.26	—	3	3	6	
15. Pondicherry	1.82	—	1	—	1	
16. Kerala	3.56	—	—	1	1	
<b>ALL-INDIA</b>	3.23	34	65	59	158	

## APPENDIX VII

*Housing Accommodation available to the workers in Uttar Pradesh.*

	One Roomed	Two Roomed	Three or more Roomed	Total	Percentage
(i) No. of quarters built under Sugar Housing Schemes.	707	789	6	1502	10.1
(ii) No. of quarters built under other Housing Schemes.	9666	2658	1050	13374	89.9
<b>TOTAL :—</b>	<b>10373</b>	<b>3447</b>	<b>1056</b>	<b>14876</b>	<b>100.0</b>
Percentage of the total quarters constructed.	69.7	23.2	7.1	100.0	

### *Allotment of Quarters and the Sheds during crushing season*

Type of quarters.	Total no. of quarters available for allotment		Total no. of qrs. actually allotted		Total no. of quarters lying vacant	
	Sugar Housing	Other Housing	Sugar Housing	Other Housing	Sugar Housing	Other Housing
(a) One roomed	707	9666	690	9629	17	37
(b) Two roomed	789	2658	759	2644	30	14
(c) Three roomed	6	1050	5	1022	1	28
<b>TOTAL :—</b>	<b>1502</b>	<b>13374</b>	<b>1454</b>	<b>13295</b>	<b>48</b>	<b>79</b>

All the Sheds (712) were allotted to the workers during the crushing season.