Only negligent employers to be charged for Covid-19 cases, clarifies govt

Last Updated at April 23, 2020 06:40 IST

- **Home ministry clarified that penal measures will not be across the board after India Inc raised concerns.**
- **The labour ministry has also compiled the data of 2.2 million migrant workers living in shelter camps, employers' premises or residential clusters, and a mapping exercise will begin soon to deploy them to nearby units.**

The Union government on Wednesday clarified that companies would be penalised only for negligence or cognisance in case their employees tested positive for the novel coronavirus (Covid-19), a day after India Inc raised concerns over the official guidelines to restart economic activity.

“The MHA (Ministry of Home Affairs) guidelines misinterpreted. Penalties under the Disaster Management Act, 2005, applicable if an offence occurs with consent, cognisance or negligence of the employer," a home ministry spokesperson said on Twitter.

Industry had flagged the issue once again on Wednesday to Union Labour and Employment Secretary Heera Lal Samariya, who promised to take up the matter at “the highest level”.

“Companies should follow the Ministry of Home Affairs (MHA) guidelines…The most important (element) is that there should not be any criminality (clause) and I fully agree with you. (I) will take it up at the highest level,” Samariya said during an interaction with the Federation of Indian Chambers of Commerce and Industry via videoconferencing.

Samariya stressed that the government was expected to soon receive a report from the Parliamentary Standing Committee on the Code on Industrial Relations and the Code on Social Security, which were tabled in the Lok Sabha. “Labour law reforms will be the government’s top priority,” he said, adding that the government was looking to provide a slew of relief measures to industry, including a reduction in contributory rates towards the Employees’ State Insurance (ESI) scheme to lessen their financial burden.

According to sources, after his meeting with Ficci executives, Samariya attended a meeting at the Prime Minister’s Office (PMO) to discuss the challenges faced by industry.

Most industry representatives raised concerns over the inability to pay the wages of employees during the lockdown period and suggested ways by which the government could help them. However, the secretary dismissed the demand for utilising the ESIC corpus to give out wages.

Resource: Business Standard, 23 April 2020

PLAN OF ACTION

- **Govt planning to reduce rate of contribution towards** ESI scheme, which will reduce wage bill of firms
- **To push for proposed codes on industrial relations** and social security to usher in labour law reforms
- **Workers covered under EPFO and ESIC schemes** don't need separate medical insurance while on work
- **Data collected for 2.2 million migrant workers to provide** relief measures and deploy them at nearby workplaces

"The ESI money belongs to the insured worker… Let's not give this idea that this money can be diverted to provide for wages of employees. It's the poor man's money and let it be with them," Samariya said.

The labour ministry has also compiled the data of 2.2 million migrant workers living in shelter camps, employers' premises or residential clusters, and a mapping exercise will begin soon to deploy them to nearby units.

The secretary said the wage assistance for the micro, small and medium enterprises (MSMEs) and "other industries so that they survive" will be taken up "at the highest level". "If something is done, it will be great," Samariya said.

"A proposal to increase the wage threshold of workers to be covered under ESIC is on the table," a senior government official said, requesting anonymity. Another alternative being explored by the government is to provide medical insurance to workers through the Pradhan Mantri Jan Arogya Yojana, which provides a cover of up to Rs 500,000 a family every year. This proposal will lead to a financial outgo from the government.