

## Cabinet clears minimum wage code bill

**New Delhi:** The Union cabinet on Wednesday approved the wage code bill that seeks to consolidate a clutch of wage-related labour laws and put in place a national minimum wage floor.

The cabinet nod in a way signals the formal start of the process of consolidating 44 labour laws into four codes that the government has been talking about for the past three years. It also gives momentum to the pending labour law reform process that is being touted as key to enhancing industrial productivity and aiding manufacturing, leading to job creation.

“Cabinet approved the wage code bill today to give the labour reform process further momentum,” said H. Samaraia, additional secretary in the labour and employment ministry.

The wage code bill seeks to merge the Minimum Wages Act, Payment of Wages Act, Payment of Bonus Act and Equal Remuneration Act. The bill, once approved by Parliament, will also put in place a national minimum wage.

States will not be able to pay less than the national floor and this may lead to inflation of wage expenses of employers. At present, every state decides the minimum wage for different industries and labour classifications.

In another decision, the cabinet allowed the finance ministry flexibility to redesign and introduce variants of the sovereign gold bond (SGB) scheme, targeted at various categories of investors, in an effort to make the scheme more attractive.

The decision will allow the finance ministry to fix different interest rates and offer varying levels of risk protection to investors.

“Ministry of finance (the issuer) has been delegated this power to amend/add to the features of the scheme with approval of the finance minister to reduce the time lag between finalizing the attributes of a particular tranche and its notification. Such flexibility will be effective in addressing the elements of competition with new products of investment, to deal with very dynamic and sometimes volatile market, macroeconomic and other conditions such as gold price,” a cabinet statement said.

The investment limit in a fiscal year has also been increased to 4kg for individuals and Hindu Undivided Families (HUF) from 500g earlier.

The cabinet statement said to improve liquidity of SGBs, appropriate market-making initiatives will be devised. “Market makers could be commercial banks or any other public sector entity such as MMTC, as decided by government of India. The government may, if so felt necessary, allow higher commission to agents,” it added.

The SGB scheme was notified by the government on 5 November 2015. The target was to shift part of the estimated 300 tonnes of physical gold bars and coins purchased every year for investment into “demat” gold bonds. The target mobilization under the scheme was Rs15,000 crore in 2015-16 and Rs10,000 crore in 2016-17. The amount credited to the government account so far is Rs4,769 crore.

The cabinet also revised the cost of the Socioeconomic Caste Census (SECC) 2011 from Rs3,543.29 crore to Rs4,893.60 crore.

The SECC 2011 project was concluded on 31 March last year. It aims at helping the government provide targeted intervention like subsidies to needy sections of society.

The path for applicability of the goods and services tax regime in Jammu and Kashmir was cleared with the cabinet approving with retrospective effect an amendment to the Constitution (Application to Jammu and Kashmir) Order, 1954, by way of the Constitution (Application to Jammu & Kashmir) Amendment Order, 2017. The Constitution (Application to Jammu & Kashmir) Amendment Order, 2017 was notified in Gazette of India on 6 July.

The cabinet was apprised of a joint declaration of intent between India's department of science and technology and the federal ministry of education and research (BMBF), Germany on an Indo-German Centre for Sustainability (IGCS) which was concluded on 30 May 2017 in Germany. The objective of the declaration is to promote cooperation between German and Indian scientists on fundamental and applied scientific research.

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