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**STANDING COMMITTEE ON
COAL AND STEEL (2013-2014)
FIFTEENTH LOK SABHA**

MINISTRY OF STEEL

**"SERVICE CONDITONS OF WORKERS IN PUBLIC SECTOR
STEEL COMPANIES"**

FIFTYFIRST REPORT



**LOK SABHA SECRETARIAT
NEW DELHI
FEBRUARY, 2014/MAGHA, 1935(Saka)**

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STEEL COMPANIES"**

Presented to Lok Sabha on 06.02.2014

Laid in Rajya Sabha on 06.02.2014



**LOK SABHA SECRETARIAT
NEW DELHI
FEBRUARY, 2014/MAGHA 1935 (Saka)**

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COMPOSITION OF THE STANDING COMMITTEE ON COAL AND STEEL(2013-14)

Shri Kalyan Banerjee - Chairman

Name of the Member

Lok Sabha

2. Shri Hansraj Gangaram Ahir
3. Shri Sanjay Bhoi
4. Shri Bansa Gopal Choudhary
5. Smt. Jyoti Dhurve
6. Shri Ganeshrao Nagorao Dudhgaonkar
7. Shri Sabbam Hari
8. Shri Vishwa Mohan Kumar
9. Shri Yashbant N.S. Laguri
10. Shri Pakauri Lal
11. Shri Babu Lal Marandi
12. Shri Govind Prasad Mishra
13. Shri Rajaram Pal
14. Kumari Saroj Pandey
15. Shri Gajendra Singh Rajukhedi
16. Shri K.R.G. Reddy
17. Shri Pashupati Nath Singh
18. Smt. Rajesh Nandini Singh
19. Shri Uday Pratap Singh*
20. Shri K. Shivkumar alias J.K. Ritheesh
21. Shri Om Prakash Yadav

Rajya Sabha

22. Shri Ali Anwar Ansari
23. Dr. Pradeep Kumar Balmuchu
24. Shri Srinjoy Bose
25. Smt. Smriti Zubin Irani
26. Shri Jugul Kishore
27. Shri T. Rathinavel
28. Shri Sanjay Raut
29. Shri Dhiraj Prasad Sahu
30. Shri Nand Kumar Sai
31. Shri Dilip Kumar Tirkey

*Ceased to be Member of the Committee w.e.f 10.12.2013.

(iii)

SECRETARIAT

1. Shri Shiv Singh - Director
2. Shri Arvind Sharma - Additional Director

(iv)

INTRODUCTION

I, the Chairman, Standing Committee on Coal and Steel having been authorized by the Committee to present the Report on their behalf, present this Fifty-First Report (Fifteenth Lok Sabha) on the subject "Service Conditions of Workers in Public Sector Steel Companies" pertaining to the Ministry of Steel. In this Report the Committee have examined in detail the service conditions of workers of SAIL, RINL and MSTC Ltd.

2. The Committee took oral evidence of the representatives of the Ministry of Steel and representatives of SAIL and RINL on 08.10.2013. The Committee also took oral evidence of representatives of Trade Unions of RINL and representatives of Ministry of Steel, RINL and MSTC Ltd. on 11.11.2013.

3. The Committee wish to express their thanks to the officials of the Ministry of Steel, SAIL, RINL and MSTC Ltd. for appearing before them to tender evidence and in furnishing material/information from time to time as desired by the Committee. The Committee also wish to express their thanks to representatives of Trade Unions of RINL for furnishing memoranda and appearing before them to tender evidence on the subject.

4. The Committee considered and adopted the Report at their sitting held on 17.12.2013.

5. The Committee place on record their profound appreciation for the valuable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

6. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Part-II of the Report.

**NEW DELHI;
18 December, 2013
27 Agrahayana, 1935(Saka)**

**KALYAN BANERJEE
Chairman
Standing Committee on Coal and Steel**

(v)

CHAPTER-I

SERVICE CONDITION OF WORKERS IN STEEL AUTHORITY OF INDIA LTD.

Steel Authority of India Ltd. (SAIL) is one of the Maharatna PSU of Govt. of India. The Company is the largest Steel Producer in India and 24th in world during 2012. The turnover of the company is around Rs. 50,000 crore in 2012-13. According to the Ministry of Steel, as on 1st September, 2013, SAIL is having 98899 (Executives 14874 and Non-Executives 84025) employees.

1.2 SAIL has 5 Integrated Plants, 3 Special Steel Plants & a Ferro-Alloy unit spread over seven states in India. Moreover, the company has 20 Captive Mines - 9 iron ore, 7 fluxes & 4 coal. As regards the marketing network, the Committee were informed that SAIL has 37 Branches, 67 Ware houses, 27 Customer Contact Offices & around 2900 Dealers throughout the country. The company exports to around 20 countries including EU, Middle East, SE Asian countries etc.

A. Service Conditions of Employees

1.3 Service conditions of non-executive employees in SAIL plants/units are governed by following sets of rules:

- (i) Terms & Conditions of Appointment.
- (ii) Standing Orders or Conduct, Discipline & Appeal (CDA) Rules, as applicable.

1.4 The service conditions of employees of SAIL as per Terms & Conditions of Appointment are as under:-

- i. Appointment of non-executive employees is generally through the 'Trainee' route. The new-recruits are imparted training for a period of two years which may be extended by another two years at the discretion of the Company, as per requirement. During training period, the trainees are paid consolidated salary (along with statutory benefits). After successful completion of training, the employees are confirmed in regular pay scale.
- ii. On regularization, the employees are under probation. On successful completion of probation, employees are confirmed in the post.
- iii. The appointment is subject to the following conditions:-

- (a) Employees are governed by the service rules and regulations including Standing Orders (Plants/Mines) / CDA Rules as well as the administrative orders of the company in force from time to time and shall obey all such orders and directions as received from superiors.
- (b) Employee shall faithfully serve the company, obey its lawful orders, keep its secrets diligently and carefully learn and perform such work and business as may be entrusted, attend to work regularly during such hours as may be prescribed and perform such duties as may be assigned.
- (c) The offer of appointment is subject to the employee having not more than one spouse living. Employees have to furnish a declaration to this effect.
- (d) Employee shall, if already married or get married to a foreign national during service period in the Company, report the spouse's particulars such as name, age, place of residence with full address in the foreign country.
- (e) If employee is already in service, he/she will have to produce a No Objection Certificate from the present employer at the time of joining the service of plant/unit.
- (f) Services shall stand terminated on attaining the age of superannuation (60 years, at present).
- (g) During the period of probation, services can be terminated by the Company without any notice and without assigning any reason.
- (h) After successful completion of probation, employee is confirmed in the post. Thereafter, during the entire service period, services can be terminated by one month's notice in writing by either party without assigning any reason. The company always retains the right of giving pay in lieu of notice.
- (i) Services shall also be terminable at any time by the company without any previous notice if the company is satisfied on medical evidence that employee is unfit and is likely for a considerable time to continue to be unfit, for reasons of ill health and thereby unable to discharge

his/her duties, provided always that the decision of the company that employee is likely to continue to be unfit shall be conclusively binding on employee.

- (j) Shall have to work 8 hours a day and 48 hours a week and will work in any shift as per requirement. The work and conduct shall also be subject to rules and regulations notified by the Company from time to time.
- (k) Appointment in the Company will be as direct recruit and the company will not bear any liability on account of leave salary, pension contribution etc. to former employers, if any.
- (l) Will be liable to serve in any part of India.
- (m) The appointment shall be provisional and subject to the caste/tribe certificate being verified through the proper channels and if it is revealed in the verification that claim to belong to Scheduled Caste/Scheduled Tribe, as the case may be, is false, services will be terminated forthwith without assigning any further reasons and without prejudice to such further action as may be taken under the provisions of the Indian Penal Code for production of false certificates.

Service conditions as per Standing Orders/CDA Rules

1.5 The service conditions of regular and permanent Workers in SAIL are also governed by the respective Standing Orders of plants and units/CDA Rules, which among others prescribe the following:-

- (i) Every employee is provided with an identity card for the purpose of identification.
- (ii) Instructions issued from time to time relating to attendance, checking of arrival and departure, the periods and hours of work etc. are displayed for the benefit and guidance of employees.
- (iii) Shift working is regulated in accordance with the provisions of the Factories Act/Mines Act.
- (iv) Wages due to an employee are paid in terms of the Payment of Wages Act, 1936 before the expiry of the 10th day after the last day of the wage period.

- (v) Employees are entitled to Earned Leave as per eligibility. Employees are also allowed to carry forward leave upto a specified limit to the subsequent years.
- (vi) Half pay leave at the rate of 20 days for each calendar year may be granted either on medical certificate or on private affairs and this leave can also be accumulated and carried forward upto the specified limit.
- (vii) Commuted leave not exceeding half the amount of half pay leave due can be granted on submission of medical certificate.
- (viii) Extraordinary Leave for a period not exceeding three months can be granted in
 - (ix) special circumstances when no other leave by rule is admissible.
- (x) There is a provision of quarantine leave necessitated in consequence of the presence of any infectious disease in the worker's family or household.
- (xi) There is also provision of casual leave to Workmen. Special Casual Leave can also be sanctioned when the employee is unable to attend duty due to special circumstances for instance, due to civil disturbance, curfew etc.
- (xii) Workers are entitled to leave salary.
- (xiii) Workers may be transferred due to exigencies of work from their place of posting provided that the pay, grade, continuity and conditions of service do not get affected adversely on account of the transfer.
- (xiv) Workers are to observe all safety rules or orders notified by the Company and to use the safety equipment provided by the Company.
- (xv) An employee shall not work against the interest of the company and should maintain proper conduct. List of penalties is given in the Standing Orders. A list of acts of misconduct is illustrated in the Standing Orders and the procedure dealing with cases of misconduct, appeal and review is also spelt out.
- (xvi) Age of retirement on attaining the age of superannuation is spelt out. At present, the age of retirement for regular workers is 60 years.

1.6 Asked about the emoluments and allowances, the Ministry of Steel has informed the Committee as under:-

(a) "Emoluments

Pay scales and allowances to non-executive employees are negotiated and finalised by a National level bi-partite forum called National Joint Committee for the Steel Industry. The National Joint Committee for the Steel Industry

(NJCS), then called Joint Wage Negotiating Committee for the Steel Industry was constituted in pursuance of the decision taken at the second session of the Industrial Committee on Iron & Steel in October, 1969. The Committee has settled 8 National Wage Agreement for the workers of Steel Industry. The current wage agreement was signed on 29.4.2010 for a period of five years w.e.f. 1.1.2007. The salient features of the wage settlement are:

(b) Minimum Wage

Minimum Wage as on 1.1.2007 was fixed as under:-

Basic:	Rs.8630
DA:	Nil
Total:	Rs.8630/- per month

(c) Dearness Allowance

Industrial Dearness Allowance at AICPI (2001=100 series) 126.33 and is revised quarterly.

Other admissible allowances to the SAIL workers are as under:-

Pay & Allowances

Perk/Allowance	Slab/Rate
Reimbursement of Local Travelling Expenses Transport Subsidy	(Rs./month) Scooter/ Motorcycle 1000/- Moped 630/- Car (S9 to S11) 2000/- Maintenance Allowance equal to 2 months LTE
Night Shift Allowance	Rs.24/- per day of actual attendance subject to minimum of Rs.90/- p.m.
Washing Allowance	Rs.90/- per shift to those employees who works from 2200 hrs. to 0600 hrs.
Mining Allowance	General : Rs.100/- p.m. Fighter Fighting Staff/Nursing : Rs.150/- p.m.
Special (Difficult) Area Allowance	At Flux Mines: Rs.600 per month
Underground Allowance – ISP Collieries	At Iron Mines : 10% of Basic pay
Energy Allowance	Rs.300/- per month
Canteen Allowance	Rs.23/- to Rs.32/- per working day (varies unitwise) ➤ where there is no subsidised canteen
LTC/LLTC	LTC: Once in a block of two years to hometown or distance upto 750 km each way on actuals LTA: Once in a block of two years in lieu of

	LLTC ranging from Rs.30000/- to Rs.43000/-								
House Rent Allowance (HRA) [if not provided Company quarter]	<table border="1"> <thead> <tr> <th>Cities with Population</th> <th>Percentage of Basic</th> </tr> </thead> <tbody> <tr> <td>50 Lakh & above</td> <td>: 30%</td> </tr> <tr> <td>5 to 50 Lakh</td> <td>: 20%</td> </tr> <tr> <td>Less than 5 Lakh</td> <td>: 10%</td> </tr> </tbody> </table>	Cities with Population	Percentage of Basic	50 Lakh & above	: 30%	5 to 50 Lakh	: 20%	Less than 5 Lakh	: 10%
Cities with Population	Percentage of Basic								
50 Lakh & above	: 30%								
5 to 50 Lakh	: 20%								
Less than 5 Lakh	: 10%								
House Maintenance Allowance provided Company quarter]	1 room: 1050/- p.a. 2 rooms: 1400/- p.a. 3 rooms: 1750/- p.a.								

(d) Statutory Benefits

Statutory benefits include Provident Fund, Gratuity, Employees' Pension Scheme, Life Cover Scheme (in lieu of EDLIs), Workmen Compensation, Funeral Expenses, Maternity Benefits and Welfare measures as per provision of Factories Act.

(e) Other Non-Statutory benefits

- Employees are being provided with free Medical facility for self and dependants.
- Education facility for wards of employees in company run schools.
- Scholarship schemes to encourage and support the meritorious and needy children of employees, Farewell to superannuated employees.
- Long Service Award on completing 25 years of service.
- Leave Travel Concession/Leave Travel Assistance.
- All non-executive employees are eligible for an interest free Festival Advance.
- Benefits on separation:-
 - o Mediclaim Scheme (partial contributed scheme for retired employees) to take care of the medical requirement of employees on superannuation/resignation/VR.
 - o Employees Family Benefit Scheme – Provides for monthly payment equivalent to last drawn Basic + DA of the deceased employees to dependants till notional date of superannuation subject to depositing an amount equal to PF and Gratuity."

1.7 The Committee were informed that the process of finalizing the wages of the workers through negotiations with the representatives of the recognized Unions is at an advanced stage and expected to be finalized before end of December, 2013.

Infrastructural facility

1.8 SAIL is maintaining fully-developed residential townships at its plant/unit locations. SAIL also has own hospitals at townships with state of the art facilities where free outdoor and indoor medical treatment is provided to all regular

employees and their dependent family members. Good quality education centres for the benefit of the employees have also been provided. For recreation of employees, the townships are having Clubs, theaters, Sports Centres/Stadiums, Market places etc. The townships, known for their greenery and modern amenities, have been able to meet the aspirations of our employees.

1.9 Employees' wards are provided education on free-of-cost basis/nominal fee in Company run schools. SAIL also has tie-ups with various reputed educational societies to provide quality education to wards of employees. The schools at plant locations are known for their excellence in the field of providing quality education to the students."

B. Service Conditions of Contract Workers

1.10 As regards the service conditions of Contract Workers in Steel Authority of India Limited (SAIL), the Committee in a background note were apprised as under:-

- i. "SAIL awards Job Contracts in non core activities to contractors through tendering process to carry out different seasonal/temporary activities incidental to our work and for the jobs of specialized & intermittent nature. Contractors engage labour for executing the jobs. Majority of the contract labour are engaged in Projects/expansion areas as the expansion activities are in full swing at our major plants. Contract Labour are employees of Contractor who engages them.
- ii. Service conditions of the Contract Labour are governed under the provisions of Contract Labour (Regularization & Abolition) Act 1970 and other applicable Labour Laws.
- iii. Wages to Contract Labour are paid by the contractors engaging them in terms of the minimum wages notified by the Appropriate Government. SAIL, as a Principal Employer, ensures regular & correct payment by Contractor to the contract labour.
- iv. Payment of wages to contract labour is witnessed and certified by Contract Operating Authorities (COAs) as a representative of Principal Employer at the time of disbursement of wages by the contractors.
- v. In case of default by the contractor, as the Principal Employer, SAIL pays wages to contract labour directly and the amount so paid is recovered against contractor's pending bills/any payment due to the contractor.

- vi. Payment of prescribed wages and compliance of other statutory dues are further ensured to the contract labour at the time of issuing Statutory Dues Clearances (SDCs) to the contractor for release of their running bills.
- vii. SAIL as a Principal Employer also ensures compliance to various statutory provisions viz. PF deductions, ESI coverage, EPS'95 etc. Specific terms & conditions are also incorporated in the tender documents for ensuring contract labour welfare by the contractors.
- viii. Contract Labour are having access to all the basic welfare facilities like Canteen/Public Conveniences/Drinking water/Restroom/First Aid etc. inside the work premises as available to regular employees.
- ix. Special emphasis is given on the safety of Contract Labour deployed by the Contractors in the establishments of SAIL. General safety training & on the job training is provided prior to start of the job. In addition, personal protective equipments are also provided to them for their safety at work place, a clause for compliance is also inserted in the Notice Inviting Tenders (NITs)."

1.11 Asked about the role as principal employer played by SAIL, the Committee were informed that the company ensure payment of regular & correct payment by contractor, witnessing payment of wages by contract operating authority, PF and ESI deduction as per law, in case of default by contract payment and recovery from Contractor Bill.

1.12 As regards payment being made directly to contract labour through e-banking, the Ministry of Steel have informed the Committee that SAIL plants and units are not making direct payment to the contract labour. Payment is being made to the contractor in terms of contract / scheduled progress of the work awarded. SAIL plants and units as Principal Employer witness payment of wages by the contractor to his workers. Efforts have been made for introducing payment through cheque/bank to the contract labour at our plants and units. Some units like Bokaro Steel Plant (100%) and Bhilai Steel Plant (in long term contracts) have ensured bank payment through contractors.

1.13 The Company also ensure Provision of Welfare Amenities like canteens, rest-rooms, drinking water, first aid and crèche by contractor.

1.14 The Ministry of Steel have informed the Committee that as Principal Employer, the company also ensure implementation of following:

- Employees' Provident Funds & Miscellaneous Provisions Act, 1952.
- Employees' State Insurance Act, 1948.
- Factories Act, 1948
- Mines Act, 1952.
- Minimum Wages Act, 1948,
- Employees Compensation Act, 1923

1.15 As regards the number of Contract Labour engagement by SAIL(other than Projects), the Committee were informed as under:-

Area	Nos.
Works	19424
Non-Works	7878
Mining	5619
Total	32921

1.16 The contractors engaged by SAIL at projects are 60771 and total work force of contract workers in SAIL is 93654 plant-wise and area-wise contract labour engaged by SAIL is given at **Annexure-I**

1.17 Taking note of the Contract Labour(Regular and Abolition) Central Rules, 1971, Rule 25(2)(5A) states that in case where the workman employed by the contractor perform the same or similar kind of work as the workmen directly employed by the principal employer of the establishment, the wage rates holidays, hours of work and other conditions of service of the workmen of the contractor shall be the same as applicable to workmen directly employed by the principal employer of the establishment on the same or similar kind of work, the Committee had desired to know the fields in which contact labourers were engaged by SAIL. In this connection, a representatives of SAIL, informed the Committee during evidence on 8.10.2013 as under:-

"Our job contracts are awarded with respect to capital repairs. During capital repairs, we award job contract. Then, incase of any outsourcing type of jobs –Fabrication masonry, transportation –we award job contracts."

1.18 Asked about the Minimum wages paid by SAIL to unskilled workers in different states in a background note, Ministry of Steel have informed the Committee as under:-

"Wages – Unskilled

Unit	State Govt. minimum wage (Rs)	Wages per day (Rs.)		
		Basic + DA	Allow	Total
BSP	201.61	201.61	48.46	250.07
DSP	230.65	355.08	86.35	441.43
RSP	150	150	70.96	220.96
BSL	160.03	164.03	65.79	229.82
ISP	230.65	231	38.46	269.46
RMD	198	198	38.46*	236.46

*Allowances pertaining to welfare, attendance, housing, production also paid as per practices varying across mines."

1.19 The Committee were further apprised of the following proactive and welfare measures taken by SAIL for contract labourers:-

- (i) "Additional Welfare Amenity (AWA) paid @ Rs 38.46/- per day of attendance w.e.f. 01-10-2009
- (ii) Mandatory requirement of PF Code and ESI Code for contractors
- (iii) Photo – I Card/Gate Pass for contract labour
- (iv) Online Attendance System initiated
- (v) Facilitating Bank Payment
- (vi) Safety Measures:
 - a. Issue of Gate Pass on Safety Training and Medical Report
 - b. Training on Heights/other areas as per requirement
 - c. Provision of Personal Protective Equipment
 - d. System of Fine to Contractors on safety violation
- (vii) Employment on compassionate grounds
 - In case of death due to accident arising out of and in course of employment within the Works premises
- (viii) Access to all basic welfare facilities:
 - a. Canteen
 - b. Drinking Water
 - c. Rest Room
 - d. First Aid etc.

Welfare amenities are at par with regular employees"

1.20 When enquired about any specific instances of default by the contractors statutory deductions like PF and ESI in IISCO Steel Plant during last three years alongwith action taken thereon, the Committee in a post evidence reply apprised as under:-

"SAIL plants and units, as Principal Employer ensure compliance to various statutory provisions viz. PF deductions, ESI coverage, EPS'95 etc. by the Contractor. Before issue of Entry Gate Passes to the contract workers it is ensured that they are covered under PF & ESI. Random checking of all details is carried on thereafter with help of contract Executing Authorities. Running/Final Bills of the Contractors are released after checking records of PF & ESI deposits by the contractors with the concerned Authorities. Specific terms & conditions like possession of PF code etc. by the contractor are also incorporated in the tender document for ensuring social benefits & welfare of contract labour by the contractors.

No case of blacklisting etc. against the Contractors has been observed at any of the establishments of SAIL during last 3 years.

However, during last one year, 2 cases of PF default have been observed, details of which are as under:

ISP – M/s UB Engineering defaulted PF remittance in the Contract Job of Erection Testing & Commissioning of plant & equipment including refractory of BOF & CCP involving 900 contract labours. The matter was taken up with the Contractor & they have undertaken to comply with the provision of PF Act for all it's workers by making required deposit with the RPFC and producing the updated documentary proof to SAIL, ISP.

CFP - One case of provident fund default was observed in the security contract awarded to M/s. Central India Security Services in the year 2012-13 involving 48 security guards. The matter was taken up with the contractor and the requisite amount towards provident fund of the security guards has been deposited by the Contractor. PF authorities have verified the same.

The contracts being executed by M/s Tirupati Constructions awarded during the year 2013-14 at CFP have been verified and no violations were observed (The contracts for the earlier years are under verification)."

1.21 As regards the benefits provided to the dependents of contract labour in case of death during work by SAIL, the Committee in post evidence reply informed the Committee as under:-

- (i) **"Employment on compassionate grounds** - In case of death of a contract labour due to accident arising out of and in course of employment within the Works premises (including those engaged for Project work), employment to one of his/her dependents may be provided on a case to case basis.
- (ii) **Benefits under ESI Act** - Pension under ESI scheme, Funeral Expenses – through Contractor (A sum equivalent to the sum provided in the ESI Act. The present amount is Rs. 10,000/-).
- (iii) **Benefits under Employees' Compensation Act,1923** – At locations which are not covered under ESI Act, benefits under the Act are provided to the dependents.
- (iv) **Statutory payments** - like PF, Gratuity, Employee Deposit Linked Incentive Scheme (presently lump sum Rs. 130000).

In this regard, the decision has been uniformly implemented across SAIL Plants and units w.e.f. 1.4.2009. SAIL plants and units have provided employment on compassionate grounds to dependents of contract labour in 49 cases. Another 9 cases are in process. In 8 cases, there was no eligible dependant of the deceased contract labour."

CHAPTER- II

SERVICE CONDITIONS OF WORKERS IN RASHTRIYA LSPAT NIGAM LIMITED (RINL)

Rashtriya Ispat Nigam Ltd. (RINL)-Vizag Steel Plant is an integrated steel plant in the state of Andhra Pradesh. The plant has capacity to produce 3 Million tonnes of liquid steel with products consisting of long products viz., Wire Rods, Bars, Beams, Angles, Channels, Billets etc. RINL is a Navratna company under Ministry of Steel. The plant has been operating continuously over 100% of its capacity since 2001-02. RINL is continuously making profit since year 2002-2003.

2.2 RINL has undertaken expansion from 3.0 Mtpa to 6.3 Mtpa liquid steel which is already in advance stage of commissioning. This expansion plan is undertaken at a cost of Rs.12,300 Crores which is being funded mainly through internal accruals / borrowings.

2.3 The Committee were apprised that as on 31st August, 2013, RINL is having 18,404 employees (Executives including Junior Officers – 6335 and Non-executives – 12,069). Moreover, 7323 displaced persons were employed by RINL against the Commitment of 5000.

2.4 The terms and conditions of appointment/service of non executive employees of RINL are in line with the terms of the Certified Standing Orders – a tripartite agreement signed between the workmen, management and the Regional Labour Commissioner (Central) under Industrial Employment (Standing Orders) Act 1946.

2.5 The terms and conditions of appointment of executives of RINL are in line with the terms of the Executive Service Rules and Conduct, Discipline and Appeal Rules.

2.6 As regards the Employee Welfare, the Committee were informed that RINL provides the following amenities to its employees besides statutory facilities:-

(a) Housing

- (b) Advances towards festivals and medical expenses
- (c) Motivational schemes like Jawaharlal Nehru Awards, Suggestion Reward Scheme and Quality Circles
- (d) Mediclaim Insurance Policy for retired employees
- (e) Employees Consumers' Cooperative Society
- (f) Employees Cooperative Thrift and Credit Society
- (g) Recreational facilities in and around Ukkunagaram
- (h) Death Relief Scheme

2.7 As per Employee Family Benefit Scheme, in case of death/permanent total disablement arising out of accidents in course of employment while on duty or death/permanent total disablement arising out of accidents while coming to duty or going back from duty within one hour before or after the end of the shift on normal route of journey between the place of work and normal residence, the employee/dependants of such employee will have the following options:-

- (i) One of the dependants may opt for employment & he/she may be considered for regular employment to any of the posts mentioned in the scheme.
(or)
- (ii) The dependant may opt for monthly payment equivalent to last pay (Basic+DA) drawn till the notional date of superannuation of the deceased employee without requiring to deposit with the Company the amount equivalent to Notional Provident Fund and Gratuity.
(or)
- (iii) The dependant may opt for a lumpsum one time amount equivalent to (ii) above at a discount rate of 20% per annum without depositing the amount equivalent to Notional PF & gratuity with the company.

2.8 The Committee were also apprised of the other welfare activities for its employees by RINL which are as under:-

(a) "Educational Facilities:-

RINL has 14 Schools including Arunodaya Special School meant for differently abled children and 2 Junior Colleges for the wards of employees as well as the wards of people residing in and around Ukkunagaram, rehabilitation centers and townships of our captive mines.

RINL's Philosophy towards educational facilities is not only to benefit the children of employees but to extend educational facilities to the wards of

people dwelling in and around in the plant and also to act as catalyst in promoting quality education by encouraging reputed educational institutions.

(b) Township facilities:-

The Company has a well laid out township – Ukkunagaram, consisting of 7987 quarters with all modern amenities like water supply, underground sewerage, schooling, recreation facilities, parks, stadiums, shopping complexes etc. for its employees. Various types of quarters were constructed according to DPE norms. Apart from this, there are 386 quarters at our Captive Mines.

A congenial and beautiful township called Ukkunagaram, caters to the needs of employees and their families with all amenities to ensure good quality of life. Hailed as the heaven of Andhra Pradesh for its serene scenic beauty, green cover, cleanliness free of pollution of any kind. Ukkunagaram is an ideal model for any industrial township in the country with all the amenities.

(c) Medical Facilities:-

The company provides comprehensive health care scheme involving in-patient and out-patient treatment in Company run hospitals and specialized treatment at referral hospitals to the employees and their dependants. Visakhapatnam Steel Plant has established a 160-bedded ultra modern hospital -Visakha Steel General Hospital (VSGH) spread over 60 acres of land and is equipped with sophisticated equipment with 100 doctors and about 300 para-medical staff. In addition to this, there are 4 Health Centres, i.e., one each at JLM and MDM Mines, one at Ukkunagaram and one at Pedagantyada RH Colony. 2 Emergency Medical Care Units in the Plant premises to cater to the health needs of the employees.

The Company also extends medical facilities and specialized treatment, if required at reputed corporate hospitals like Apollo, Seven Hills, Adayar Cancer Institute, NIMS, CMC, Vellore, etc. Some of the special features of VSGH are:-

- (a) Full-fledged Burns Unit, acclaimed to be best in the area.
- (b) Radiology Department equipped with ATL Ultrasound Scanner, 800 mA X-Ray machines with image intensifier and 500 mA X-Ray machines with fluoroscopic facility.
- (c) Well equipped Pathology Lab with Hematology, Micro-biology & Bio-Chemistry Laboratory, Blood Bank facilities and Histopathology Laboratory.
- (d) ICU equipped with bedside feather touch polychromatic modular monitoring with Central Monitoring system.
- (e) Cluster-type wards with central Nursing Station System.
- (f) Operation Theatres equipped with special sliding trolleys, imported operation tables with height adjustment facility and shadowless

cold lights to enable surgeons to have a clear vision of operating field.

- (g) Well equipped Physiotherapy wing.
- (h) A separate Central Sterile Supply Department with modern equipment
- (i) Automatic Laundry.
- (j) Diet Counseling Clinic for providing nutrition advice to malnourished children, diabetic patients, patients with hypertension, obesity, etc.
- (k) Occupational Health Services and Research Centre takes several measures in the area of preventive health care and attempts to ensure good health of the employees by conducting cyclical examination of the employees and constant monitoring of environmental conditions."

2.9 Asked about the salaries / pay scales, perks, allowances, bonus, etc. of the workers of RINL, the Committee were informed as under: -

a) "Pay scales of the workers:

WAGE STRUCTURE	
(With effect from 1st January 2007)	
Scale Codes	Pay Scales
S-1	8630 - 3% - 12080
S-2	8890 - 3% - 12650
S-3	9160 - 3% - 13150
S-4	9440 - 3% - 13930
S-5	9730 - 3% - 15020
S-6	10120- 3% - 16400
S-7	10530- 3% - 17030
S-8	10960- 3% - 17680
S-9	11400- 3% - 19350
S-10	11860- 3% - 22920
S-11	12460- 3% - 23970

- b) Dearness Allowance for the quarter Jul-Sep 2013 is 78.9%.
- c) Rate of Annual Increment in the scale w.e.f. 01.01.2007 shall be 3% of Basic Pay.
- d) Other allowances:
 - i) LTE (Local Travelling Expenses) Rs.1000/- per month for those who claim for using Scooter/Motor Cycle and Rs.630/- per month for those who claim for using Moped. In addition, workers are also

eligible for an amount equal to two months reimbursement of entitled LTE towards reimbursement of maintenance of vehicle (per annum). Employees in the grades of S-9, S-10 and S-11 and using his own Motor Car shall be entitled for reimbursement of LTE Rs.2000/- per month.

- ii) Transport Subsidy Rs.24/- per day of attendance subject to a minimum of Rs.90/- per month for those Non-Executive employees who are not claiming LTE.
- iii) Night shift allowance Rs.90/- per shift for those who attend night shift.
- iv) Washing Allowance for Non-Executive employees, who are already availing this facility i.e. Rs.150/- per month to Nursing Staff and Rs.100/- per month for others.
- v) All non-executive employees shall be paid Rs.300/- per month towards Energy Allowance.
- vi) HRA (for those who are not allotted Company's quarter) will be paid as per city classification and applicable rates under Government guidelines as furnished below:

Cities with Population	Rates of HRA (% of Basic Pay)
50 Lakhs and above (Classified as 'X')	30%
5 to 50 Lakhs (Classified as 'Y')	20%
Less than 5 lakhs (Classified as 'Z')	10%

- vii) Leave Travel Concession (LTC) to go to home town or distance upto 750 Kms in lieu of Home town within a four-year block.
- viii) Leave Travel Assistance (LTA) as under will be paid within a four-year block:

Grade	Amount
S-1 to S-5	Rs.30,000/-
S-6 to S-8	Rs.36,000/-
S-9 to S-11	Rs.43,000/-

- ix) Non-executive Employees working in Medical Department is being paid Split Duty Allowance, if they perform duties in split shifts, i.e. from 8.00 AM to 12.30 PM and from 3.30 PM to 7.00 PM at the following rates:

- a) To employees who have not been ... Rs.30/- per full day allotted Company's accommodation of split duty.
- b) To employees allotted Company's ... Rs.10/- per full day accommodation of split duty.

The Spilt Duty Allowance is effective from 01.09.2001 and will be paid only if both the spells of the shift are performed.

- x) Mining Allowance @ Rs.600/- p.m. in respect of all regular non-executive employees of RINL/VSP working in Mines locations [i.e. Madharam (MDM), Jaggayyapeta (JLM), Garbham (GMM) and Sarepalli (SSM)].
- xi) The City Compensatory Allowance will be paid to eligible employees as per Government rates as indicated below:

Basic Pay/Month	Classification of Cities (Amount in Rs.)			
	'A-1 Metro'	'A'	'B-1'	'B-2'
Below Rs.4000	90	65	45	25
Rs.4001-5250	125	95	65	35
Rs.5251-6499	200	150	100	65
Rs.6500 & above	300	240	180	120

- xii) School fees reimbursement shall be paid as under:

Nursery	...	Rs.200/- per month per child
Kindergarten	...	Rs.200/- per month per child
Class I to V	...	Rs. 300/- per month per child
Class VI to X	...	Rs.400/- per month per child
Class XI to XII	...	Rs.500/- per month per child

Further, Annual/Sessional Charges is reimbursed to the employees upto a maximum of Rs.550/- per annum for their children studying in any Recognised/Registered Schools/Institutions.

- xiii) All the Non-Executive employees are being paid Rs.31/- per day of actual attendance, subject to a minimum of ` 260/- per month towards canteen subsidy.

Bonus

All the regular non-executive employees on the rolls of RINL-VSP are paid amount under Annual Performance Reward Scheme (APRS) in lieu of Bonus. In respect of such eligible employees of RINL who are not entitled for APRS, statutory bonus is paid based on attendance for that year.

Facilities / benefits provided by RINL for the workers of RINL, who have been working in tougher / hazardous zones of the Plant:

- a) In departments there is an internal system of periodical rotation from hot zone to cold zone and vice-versa.
- b) Different types of safety appliances like, Safety Shoes, Helmet, Hand Gloves, Goggles, Fire Resistant Coat are provided by the Company for ensuring safe working.
- c) Monthly Performance Based Incentives are envisaged for workers to motivate and encourage them to achieve higher levels of production and productivity. Employees working in hot, hard and hazardous areas like Coke Ovens, Sinter Plant, Blast Furnace and Steel Melting Shop are given more incentive."

Contract workers in RINL

2.10 The Ministry of Steel have furnished the following information as regards the salaries / wages, allowances and other facilities provided to contract labour working in plants of RINL:

- a) "In RINL, Wages to the contract labour are governed by the minimum wages as notified by the Regional Labour Commissioner (Central) Hyderabad who is the authority under the Minimum Wages Act.

The existing minimum wages w.e.f.1st April 2013 for different categories are given below:

S. No.	Category of worker	Basic Wages Rs.	Living allowance / Variable DA* Rs.	Total wages per month Rs.	Daily rate of wages payable Rs.
1	Un-skilled	3900/-	2496/-	6396/-	246/-
2	Semi-skilled	4420/-	2834/-	7254/-	279/-
3	Skilled	5200/-	3328/-	8528/-	328/-

* The living allowance (Variable DA) is revised once in six months i.e., w.e.f.1st April and 1st October of a year.

- b) Besides the above, an amount of Rs.11.54p per day of actual attendance subject to a maximum of Rs.300/- per month as ad-hoc amount and Rs.38.46 per day of actual attendance subject to a maximum of Rs.1000/- per month as Spl. Misc. Allowance is being paid to the contract labour by the Contractor.

- c) In addition, in different zones depending upon the nature of work, extra allowances such as height allowance, heat allowances etc. are also provided to the contract labour by the Contractor.
- d) Group Personal Accident Insurance (GPAI): An amount of Rs.5 lakhs is being paid by the Contractor to the dependents of the deceased contract workers in case of fatal accidents arising out of and in the course of employment.
- e) Welfare amenities such as subsidized canteens, rest rooms, drinking water, creche, latrines & urinals, washing facilities, first-aid facilities etc. as has been provided to regular employees are also being extended to the contract labour in RINL.
- f) Further, the representative of RINL witnesses the payment of wages made by the contractors as per statute and in case of default, RINL effects the payment of wages including remittances towards PF & ESI. Around 50% of the workers are being paid wages through bank accounts Further, contractors' bills are cleared only after ascertaining the compliance of payment of wages, remittances of ESI & PF contributions."

2.11 Asked about the Labour laws/ rules, which are being implemented by RINL for better living conditions of the workers, the Ministry of Steel informed the Committee as under:-

- a) Various welfare provisions under different statutes like Factories Act, 1948, Employees Compensation Act, 1923, Employees Provident Funds & Miscellaneous Provisions Act-1952, Payment of Gratuity Act-1972, Employees State Insurance Act 1948, Maternity Benefit Act, 1961 etc. are being implemented to ensure proper living conditions of the workers of RINL.
- b) The service conditions of the Workers in RINL are governed by the Certified Standing Orders.
- c) All workers are provided annually two pairs of Work Dress and paid charges for getting their dress stitched.
- d) Allowances like Washing Allowance, Energy Allowance, Mining Allowance, etc., as mentioned at Point-1 above, are being paid to Non-Executive employees.

2.12 In a memorandum submitted by All India Steel Workers Federation affiliated to AITUC, Bokaro, Jharkhand the Committee inter-alia were requested to consider the following:

(a) Steel Worker:

Wage revision & Pension Scheme in Steel PSUs discussions were taken place many times and were not yet finalized even after a lapse of 22 months which is due on 01.01.2012. During the discussions, Steel management offered 16% MGB and 6% for pension. This is pertinent to mention here that wage revision of other PSUs like Coal India (25% MGB), HPCL, BHEL, NTPC& MOIL at 30% MGB and pension scheme with a minimum pension of Rs. 6000 pm were finalized. it is demanded to finalise the wage revision and pension scheme similar to Coal India ltd.

Requested to extend medical facilities to retired employees upto Rs. 6,00,000 with the existing premium and to increase difficulty allowance to limestone and dolomite mines employees as being paid to iron ore mines employees.

(b) Steel Contract Labour:

The Contract labour are being engaged in various flexible jobs like operation and maintenance, housekeeping tec., exposed to heat and dust.

During expansion of SAIL & RINL plants, jobs were outsourced in place of recruiting permanent employees to make high productivity. Requested to provide the safety, social security, better working conditions and equal work equal pay.

The present minimum wages being paid to the contract labour is very low. The minimum wages being paid to contrat labour are uneven among the states as well as within the Steel PSUs and vary between operation and expansion project construction. The details are shown in the enclosed statements.

A separate wage policy was made to the contract labour of NLC, Coal and BHEL. Requested to constitute Wage Board in the Steel Sector for steel contract worker.

2.13 The federation further requested to resolve the following issues:

- a) Fix the minimum wages equivaslly to all the contract labour working in steel sector with a minimum wage of Rs. 15,000/- for unskilled.
- b) To make a policy continue the same contract workmen even ater change of the contractor which shows social security to the worker upto 60 years.

- c) Extend medical facilities as per norms of ESI Act and increase eligibility upto Rs. 4,00,000/-.
- d) Establish ESI hospitals at all the steel plant & mines areas.
- e) Increase pension with a minimum amount of Rs. 6,000 pm.
- f) Requested to extend all the allowance to mines contract workers as being paid to steel contract labour.
- g) Contract workers engaged in steel sector and mines be paid wages directly through bank.

2.14 In a memorandum submitted to the Committee by Steel Progressive Employees Union, Visakhapatnam has also suggest the following:-

- (a) Casual Leaves shall be provided to the Non-executives on par with executives (15 days).
- (b) Wage settlement shall be done through NJCS immediately for non-executive employees without any further delay. Separate dressing room and toilets should be provided for contract working men/women.
- (c) A contract worker shall be paid minimum wages per month is Rs. 12,500/- to meet basic needs for bare survival.
- (d) Equal wages for equal work policy should be implemented irrespective of gender factor.

2.15 As regards the training programme to workers, RINL has informed the Committee that contract labour are subjected to various training programmes in addition to mandatory general safety training: site-specific, job-specific, fire, height, gas, electrical confined space, chemical, behavioral based, hazards training, mock drills, etc. Further, awareness through safety films on material handling, electrical safety, road safety, use of PPEs etc. are also being given.

2.16 The Committee were further informed that contract workers in RINL are supplied free Personal Protective Equipment by the respective contractors. Safety Committee has been constituted for contract labour they also visit industries like SAIL, other PSEs etc. Training facilities have been set up at Govt. ITI, Gajuwaka for working at heights and in confined spaces under CSR initiatives at a cost of Rs. 7.55 lakh.

2.17 Regarding engagement of contract labour in RINL, the Committee were informed during the evidence that they are employed in activities not perennial but

of intermittent/temporary/ad-hoc in nature viz., capital repairs, emergency breakdown jobs, supply-cum-application jobs - piece-rated works, one time jobs, jobs related to addition, modification, repair, canteens etc. are being carried out by contractors. The contract labour strength in Vishakhapatnam Steel Plant is 5834.

2.18 Asked about the local persons engaged by contractors, the Committee were informed by RINL that contractors engaged by VSP are advised to fill 50% of their requirement in the unskilled category by displaced persons of RINL/VSP. Further, an amount of Rs. 5 lakh is paid to dependents of the deceased by the contractor through Group Personal Accident Insurance Scheme in case of fatal accident arising out of and in the course of employment. As exclusive Contract Labour Cell to act as monitoring mechanism to address issues relating to contract labour has also been setup by the company.

2.19 As regards ESI coverage of contract workers in RINL, the Committee were informed that contract labour is covered under ESI Act w.e.f. Feb., 2006. Free medical treatment at ESI dispensaries and hospitals provided and referral to corporate hospitals/higher centres for treatment wherever needed is also done.

2.20 Regarding the category/nature of employees of canteen, Chairman, RINL while deposing before the Committee on 11.11.2013 informed the Committee that canteen facilities at RINL, VSP is outsourced. On being pointed out that under the Factories Act, 1948, canteen should be provided and maintained in a plant by the occupier for use of the workers and not by outsourcing and engaging contract workers. Chairman and Managing Director, RINL assure the Committee that the work force in canteen will be regularised.

CHAPTER –III

SERVICE CONDITION OF WORKERS IN MSTC LTD.

Presently MSTC is engaged in two segments of business – e-Commerce and Trading. E-Commerce includes disposal of Scrap, sale of Coal, Ferro Manganese Ore, Iron Ore, Baryte, Chrome ore, Human Hair, Tea etc. through forward e-auction and purchase of goods, service contracts by buyers through e-procurement.

3.2 Trading – Import and domestic trade of mainly bulk industrial raw material for actual users. Trade Division looks after sourcing, purchase, both from international and domestic markets, and sale of industrial raw materials like Heavy Melting Scrap, Low Ash Metallurgical Coke, HR Coil etc..

The manpower status of MSTC as on 31st October, 2013 is given below :

	HO	ERO	NRO	WRO	SRO	BLR	VIZ	BHP L	VDORA	HYD	LKN O	TOTA L
EX	82	12	18	13	12	11	9	2	8	4	2	173
NON- EX	57	15	20	15	10	12	11	3	7	0	1	151

Service Conditions for Employees of MSTC Limited

3.3 Initially, MSTC was a subsidiary of SAIL till 1982, when it was delinked from SAIL and became an independent Company under the Ministry of Steel. Therefore, for historical reasons, the rules of the company, the perks, allowances, other welfare benefits of MSTC employees are almost at par with those of the city based employees of SAIL.

3.4 The Ministry of Steel in a background note furnished to the Committee has informed following service conditions and benefits extended to the employees of MSTC Ltd. :-

1. WORKING HOURS:

The company functions 6 days a week except on 2nd and 4th Saturdays of the month. The working hours for non-executive employees are from 10.00 am to 5.00 pm with lunch time of half an hour.

2. AGE OF RETIREMENT:

All employees would retire from the services of the Company on completion of the age of superannuation i.e. 60 years or the age as may be applicable at the relevant point of time.

3. WAGES:

- a. **Pay structure:** The wages and fringe benefits of the non-executive category of employees are implemented through Agreement between the employees represented by the Union and the Management. The pay scales and allowances given to the employees are mostly at par with the best in the Steel Sector. A chart indicating the pay scales is indicated hereunder :

Scale Code	<u>REVISED</u>
S-1	Rs.8630-3%-12080/-
S-2	Rs.8890-3%-12650/-
S-3	Rs.9160-3%-13150/-
S-4	Rs.9440-3%-13930/-
S-5	Rs.9730-3%-15020/-
S-6	Rs.10120-3%-16400/-
S-7	Rs.10530-3%-17030/-
S-8	Rs.10960-3%-17680/-
S-9	Rs.11400-3%-19350/-
S-10	Rs.11860-3%-22920/-
S-11	Rs.12460-3%-23970/-

- b. **ALLOWANCES & BENEFITS:** Besides basic pay, the employees are paid the following allowances :

- **Dearness Allowance:** Variable (quarterly) Dearness Allowance (IDA) is linked to AICPI for the industrial workers and paid at rates declared by the Govt. on quarterly basis (present IDA being 85.5% of Basic pay).
- **City Compensatory Allowance(CCA)** : As per Govt. guidelines.
- **House Rent Allowance(HRA)**: Employees covered by the Agreement shall be paid house rent allowance equal to the HRA

rates as per city classification and applicable rates under Govt. guidelines on the revised Basic pay w.e.f. from 1.1.2007.

- **Energy Allowance:** Energy Allowance is paid at the rate of Rs. 300/- per month to all employees.
- **Canteen Allowance/Facility:** Management gives canteen subsidy of Rs. 300/- per employee per month. In addition, Rs.12/- per day (on actual attendance) is also paid by the Company towards canteen allowance.
- **Conveyance Allowance:** Conveyance Allowance @ Rs.24/- per day of actual attendance is paid to the employees, subject to a minimum of Rs.90/- per month.
- **Local Travelling Expenses:** Employees who own their own vehicles are reimbursed local travelling expenses as follows:

Scooter/Motor Cycle	-	Rs.1000/- per month
Moped	-	Rs.630/- per month
*Motor Car	-	Rs.2000/- per month

(*For employees in S-9 to S-11)

- **Leave Travel Concession:** LTC is paid for visit to Hometown or any place up to a distance of 750 kms. in lieu of hometown to employee and dependent family members including dependent parents. AC 2-Tier Railway fare is paid for this purpose once in two years. Road mileage for travel to places not connected by road is also paid. For availing Leave Travel Concession, minimum number of days of leave to be taken by employees is only 3 days.
- **Leave Travel Assistance:** LTA is paid once in two years at the following rates for travel to any place in India:

Grades	Rates
S-1 to S-5	Rs.30,000/-
S-6 to S-8	Rs.36,000/-
S-9 to S-11	Rs.43,000/-

- **Cash Handling Allowance:** A quantum of Rs. 200/- per month or Rs. 40/- per day is given to employees for handling cash, packeting and disbursement.
- **Travelling Allowances:** All employees are reimbursed expenses incurred on official travel in India
- **Liveries:** All employees coming within the categories of Peon, Head Peon & Driver (Staff cars) will be entitled for both summer as well

as winter uniforms. Monsoon Liveries will be provided to such employees who are exclusively and regularly put on outdoor duty.

• **Gratuity:** Gratuity is paid as per Statute.

• **Provident Fund:** MSTC has an exempted PF Trust which is managed by representatives of Management and Union. Employee & Employer contribute 12% of(basic + DA) towards PF.

MEDICAL FACILITIES : All non-executives of the company are reimbursed **IN FULL**, expenditure incurred towards domiciliary and hospitalization treatment for self, spouse and dependent family members, which include children, parents, minor brothers, un-married/widowed sisters."

PART-II

Observations/Recommendations of the Committee

Equal Pay for Equal Work

1. The Committee observe that both the regular employees and contract labourers are being engaged in coke oven battery, sinter plant blast furnace, steel melting shop, etc in steel plants of SAIL and RINL. Although, Rule 25(2) (5A) of the Contract Labour (Regulation and Abolition) Central Rules, 1971, states that in cases where the workman employed by the contractor perform the same or similar kind of work as the workmen directly employed by the principal employer of the establishment, the wage rates, holidays, hours of work and other conditions of service of the workmen of the contractor shall be the same as applicable to the workmen directly employed by the principal employer of the establishment on the same or similar kind of work, the Committee note that the wages to unskilled workers in SAIL vary from Rs.229.82/- to Rs.441.43/- per day against the minimum wages of Rs.8630/- per month fixed for employees of SAIL alongwith other admissible allowances. The Committee have been given to understand that job contracts are awarded with respect to fabrication, mechanical and transportation units where SAIL also have permanent workers. The Committee are surprised to note that though the contract workers are engaged in such works which are perennial in character and they are regularly engaged by the contractor for the last 20-30 years but they are still not provided a permanent job to feel

themselves to be part of the organisation. While deploring the attitude of Public Sectors Companies like SAIL and RINL to engage contract workers in such activities which are not only the core activities of the company but help the company to improve their production and profits, the Committee strongly recommend that Ministry of Steel should issue necessary directions to the PSUs under their administrative control to implement Rule 25(2)(5A) of the Contract Labour (Regulation and Abolition) Central Rules, 1971, in letter and spirit and wages and allowances paid to regular workers be also paid to contract workers engaged in similar work. The Committee recommend that wherever Contract Workers are engaged for more than 5 years at a stretch, in that places Contract Workers be made permanent by framing a policy.

WAGE REVISION IN STEEL PSUS

2. The Committee note that new pay scales for steel workers were to be implemented w.e.f. 01.01.2012. The Committee observe that though discussions have reportedly taken place many times but even after lapse of 2 years, wage revision is yet to be finalized. The Ministry of Steel have informed the Committee that more than 15 rounds of discussions have been held with the Unions and the Committee were assured that presently the negotiations are going on in a very advanced stage and wage settlement can be expected anytime soon. The Committee have come to know that some of the workers unions of Steel PSUs desire wage

settlement and pension scheme on the lines of Coal India Ltd. During discussions, the Management have reportedly offered 16% of Minimum Guarantee Benefit (MGB) for employees and 6% for pension. The Committee were further apprised that wage revision for other PSUs like Coal India was finalized with 25% MGB and of HPCL, BHEL, NTPC & MOIL with 30% MGB. The Committee have been given to understand that the SAIL management is in the process of finalizing the wage agreement and desire that while setting the wage revision, it should be ensured by steel PSUs that settlement should be done keeping in view the wages of other Maharatna PSUs and the rising cost and inflation should also be kept in mind.

Minimum Wages to Contract Workers

3. The Committee note that as per Contract Labour (Regulation and Abolition) Central Rules, 1971, Rule 25(2)(4), the rates of wages payable to the workmen by the contractor shall not be less than the rates prescribed under the Minimum Wages Act, 1948(11 of 1948), for such employment where applicable and where the rates have been fixed by agreement, settlement or award, not less than the rates so fixed. The Committee, however, observe that the minimum wages paid per day to contract labour are not only uneven amongst the SAIL Plants in different states but there is disparity in wages between different steel PSUs. The minimum wages per day for unskilled workers in Integrated Steel Plant

(ISP), Burnpur is Rs.269.46/- against Rs.441.43/- in Durgapur Steel Plant of SAIL. As regards RINL, the minimum wages paid to contract workers per day are Rs.257/- only. The Committee do not agree with the present different wage structure for contract workers by different units of SAIL and RINL and desire that a separate wage policy should be made for the contract labourers in the entire steel sector. The Committee feel that the Government / Steel Companies should take appropriate steps so that this disparity in minimum wages is removed and reduced to the minimum.

Number of Contract Workers in SAIL and RINL

4. The Committee note that there are 93654 (works – 19462, non-works – 7908, projects – 60771, Mines -5513) contract labourers engaged by SAIL in different areas other than projects. Similarly, the number of contract labourers engaged by RINL is reported to be 5834 whereas Trade Unions have claimed that there are 13000 contract labourers in RINL. As a principal employer SAIL and RINL are required to ensure implementation of Employees' Provident Fund & Miscellaneous Provisions Act, 1952, Employees' State Insurance Act, 1948, Factories Act, 1948, Minimum Wages Act 1948, Employees, Compensation Act, 1923 etc. The Committee observe that the exact number of contract workers in an organization are always challenged by the Trade Unions. The Committee feel that such situation arises due to non-maintenance of records of contract workers. The Committee, therefore, recommend that it should be made mandatory for contractors to maintain plant-wise records of contract workers to

ensure proper implementation of all the above referred labour laws so that the interests and rights of the contract workers are protected. The Committee also expect Steel PSUs to develop foolproof mechanism to monitor the same.

Methodology for Payment of Wages

5. The Committee note that SAIL has made mandatory requirement of PF code and ESI code for contractors, photo I cards / gate pass for contract labourers and online attendance system has also been initiated by the company. The company is reportedly facilitating bank payment to workers. As regards RINL, the committee observe that 50% of the workers are being paid wages through Bank Accounts. The Committee are not happy as even today about 50% of the workers in RINL are being paid wages in cash which may cause malpractices and exploitation of contract workers regarding payment of minimum wages. The Committee, therefore, recommend that all the contract workers in SAIL and RINL should be paid their wages through cheques or their bank accounts and the companies should ensure that contractor bills are settled only after ascertaining the compliance of payment of wages, PF and ESI remittances.

Compassionate Appointments

6. The Committee observe that SAIL is uniformly implementing employment to dependent of contract workers across the company's plants and units w.e.f 01.04.2009 in case the worker's death happens to be in the

steel plant. According to the Ministry of Steel, SAIL has provided employment on compassionate ground to 49 dependents of contract labourers. According to the Ministry of Steel, 9 cases are under process and in 8 cases, there was no eligible dependent of the deceased contract labourer. The Committee while appreciating the SAIL decision, desire that the same be implemented in other PSUs like RINL also and a proper system with clear cut guidelines for the management to follow should be put in place so that the bereaved family of the worker do not have to run from pillar to post to obtain benefits dully entitled and the benefits to be accrued in such cases including compassionate appointment to his kin, educational facilities for his children, amount of compensation to be awarded etc. should be decided and paid in a fixed time period.

Local People for Contract Works in Steel Plant

7. The Committee note that the works outsourced by SAIL and RINL are not given to local peoples and the contractors employ and bring workers from outside and paying them lower wages. The Committee have time and again recommended that local / displaced persons should be given preference for recruitment and even for contract jobs. While appreciating that RINL has employed 7223 displaced persons against the commitment of 5000, the Committee feel that SAIL and RINL should ensure that local people be given preference by contractors for engaging workers in mining, works and non-works areas of steel plants.

Canteen Facilities at Workplace

8. The Committee observe that canteen facility at Visakhapatnam Steel Plant of RINL has been outsourced. The Committee are concerned that though the Factories Act 1948, provide that a canteen should be provided and maintained in plant by the occupier for use of workers and not by outsourcing and engaging contract workers, instead of maintaining the canteen for a large workforce , in RINL, the same has been outsourced to a contractor. During evidence, the CMD, RINL had assured the Committee that he will look into the matter and ensure that the canteen is managed by the Company and the employees working in the canteen are regularized. The Committee expect that necessary action in the matter has already been taken. The Committee also desire similar practice to be in vogue in all steel plants of SAIL and would like to be apprised of the same.

Facilities for Women Workers

9. The Committee have been given to understand that the permanent women employees of RINL are working in the administrative buildings where the toilet facility is there. But there are women workers who work at plant and toilet facilities are not made available to them. Further, no change rooms/rest rooms are provided to women workers. The Committee are concerned to the poor working conditions, particularly for women workers and strongly recommend that SAIL and RINL should immediately take cognignence of this complaint of trade unions and establish rest rooms,

change rooms and women toilets at all the steel plants/work place with 3 months and apprise the Committee action taken in this regard.

SAFETY, SECURITY OF CONTRACT WORKERS

10. The Committee feel that another important aspect for workers welfare which should not be overlooked at any cost is the health sector. The Committee note that the contract labourers in steel sector are engaged in various flexible jobs like operation and maintenance, housekeeping etc. These workers are exposed to high amounts of heat and dust generated during the operation. The various trade unions representing contract workers have, therefore, demanded safety, security, better working conditions for these workers. The Committee feel that due care should be given to their demands as health and general well being of the employees should be the priority of any organisation. Taking note of the demands of trade unions that workers engaged in hazardous zones, Personal Protective Equipment (PPE) like safety shoes, helmet, hand gloves, goggles, fire resistance coats should be in adequate supply and of proper quality and provided by the company and not through the contractor, the Committee recommend that the companies should take note of this serious demand of trade unions . The Committee also desire that time to time inspections should be carried out by the companies to ensure that these equipments are being worn by the workers and are of desired standards.

11. The Committee note that contract labourers in SAIL and RINL are covered under ESI, Act. Free medical treatment at ESI dispensaries and hospitals are provided to the contract workers and their dependents. First aid medical facilities are also provided to contract labourers at the occupational health centres within plant premises. The Committee feel that the Ministry of Steel should also take up the matter of setting up of ESI dispensaries and hospitals near the steel plants and whenever needed referral to corporate hospitals/higher medical centres for treatment shall also be made for contract workers. The Committee also recommend that periodical medical examination of workers employed in hazardous sectors and immediate medical relief in case of any exigency should be the topmost agenda to ensure faith of workers in the organisation. Further, the Committee desire that it should be ensured that each employee working in hazardous sectors should be covered under personal accident insurance scheme and Mediclaim Insurance Scheme, etc.

12. The Committee are concerned to note that though employees/contract workers deployed in hot, hard and hazardous areas like coke ovens, sinter plant, blast furnace and steel melting shop are given incentives or extra allowance such as height allowances, heat allowance, etc. The Committee feel that though the workers have been offered incentives, they are deprived of the proper treatment, rehabilitation and compensation. The Committee, therefore, strongly recommend that management of Steel PSUs should accord top priority to

the safety and security of the workers in iron ore mines and Steel plants and in this direction adequate, budgetary provisions should be made, vigilance and statutory compliances should be strictly implemented.

Training and Skill Development

13. As regards the training to workers, RINL has informed the Committee that contract labour is subjected to various training programmes in addition to mandatory general safety training, site-specific, job-specific, fire, height, gas, electrical, confined space, chemical, behavioral Based, hazards training, mock drills etc. Further as training and skill development lays foundation of long term sustainability of an organization, the Committee while appreciating the regular training programmes arranged by RINL, feel that all regular employees and contract workers be given greater exposure to safety measures and advance technology in mining sector and operation of steel plants. The Committee would, therefore, stress the need for more innovative and compulsory training programmes for all the staff at various levels after every 3 to 5 years and contract workers by Steel PSUs.

Service Conditions of Employees of MSTC Ltd.

14. The Committee observe that MSTC Service Rule for Non-Executive employees has been construed as per the service condition of SAIL/CMO

for city based non executive employees. The pay structure and other related service condition have also been followed in line with SAIL/CMO. This is as per the Government approval in principle while delinking from SAIL. The Committee also note that All India Association of MSTC Ltd. – Employees Unions, the only registered union by MSTC Ltd. has not voiced any objection regarding industrial relation problem in MSTC Ltd. and the organization is also maintaining the service condition in the desired path. As a result there is a reasonably disciplined working atmosphere in the Company. The Committee are happy to observe that the union is maintaining the tradition of co-operation, in upbringing the welfare and professional competencies of its members and has been co-operating consistently with the management towards development of a healthy working environment in the company along with active participation in the developmental needs of the organization. The Committee expect that the same tradition of co-cooperativeness and mutual beneficial relationship inter-se will continue and bring more efficiency and healthy working environment in the company.

**NEW DELHI;
18 December, 2013
27 Agrahayana, 1935 (Saka)**

**KALYAN BANERJEE
Chairman
Standing Committee on Coal and Steel**

Annexure-I**Details of Contract Labour engaged in SAIL as on 1.10.2013, Plant-wise, area-wise**

Plant/Unit	Works	Non Works	Projects	Mines	Total
Bhilai Steel Plant	2951	1668	30500	412	35531
Durgapur Steel Plant	2719	627	3106	0	6452
Rourkela Steel Plant	2948	490	13564	0	17002
Bokaro Steel Plant	4060	673	4175	0	8908
IISCO Steel Plant	2887	430	9400	0	12717
Alloy Steels Plant	442	0	0	0	442
Salem Steel Plant	122	81	0	0	203
Visvesvaraya Iron & Steel Plant	767	238	2	8	1015
Central Marketing Organization	0	2353	0	0	2353
Raw Materials Division	0	266	24	3798	4088
SAIL Refractory Unit	1588	154	0	0	1742
Chandrapur Ferro Alloy Plant	392	50	0	0	442
Research & Development Center for Iron & Steel	0	201	0	0	201
Centre for Engineering & Technology	0	32	0	0	32
Management Training Institute	0	20	0	0	20
Central Coal Supply Organisation	0	23	0	0	23
Environment Management Division	0	8	0	0	8
Growth Division/SAIL Growth Works	316	170	0	0	486
Collieries Division	270	424	0	1295	1989
TOTAL	19462	7908	60771	5513	93654

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON 8th OCTOBER, 2013 IN COMMITTEE ROOM 'D', PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat from 1400 hrs. to 1630 hrs.

PRESENT

Shri Kalyan Banerjee - Chairman

LOK SABHA

2. Shri Hansraj G. Ahir
3. Smt. Jyoti Dhurve
4. Shri Ganeshrao Nagorao Dudhgaonkar
5. Shri Vishwa Mohan Kumar
6. Shri Babu Lal Marandi
7. Shri Govind Prasad Mishra
8. Shri Rajaram Pal
9. Shri Gajendra Singh Rajukhedi
10. Shri K. R. G. Reddy
11. Shri Pashupati Nath Singh
12. Shri Om Prakash Yadav
13. Shri Bansa Gopal Chowdhury

RAJYA SABHA

14. Shri Ali Anwar Ansari
15. Shri Srinjoy Bose
16. Shri Dhiraj Prasad Sahu
17. Shri Nand Kumar Sai
18. Shri T. Rathinavel
19. Shri Sanjay Raut

SECRETARIAT

1. Shri Shiv Singh - Director
2. Shri Arvind Sharma - Deputy Secretary

WITNESSES

MINISTRY OF STEEL AND ITS PSU's

- | | | |
|----|---------------------|------------------------------------|
| 1. | Shri G. Mohan Kumar | Secretary, Ministry of Steel |
| 2. | Shri Lokesh Chandra | Joint Secretary, Ministry of Steel |
| 3. | Shri Syedain Abbasi | Joint Secretary, Ministry of Steel |
| 4. | Shri J.P. Shukla, | Joint Secretary, Ministry of Steel |
| 5. | Shri C. S. Verma | Chairman, SAIL & NMDC |
| 6. | Shri P. Madhusudan | Director(Operations), RINL |
| 7. | Shri Y.R. Reddy | Director(Personnel), RINL |

2. At the outset, the Chairman welcomed the Secretary, Ministry of Steel and other representatives of the Ministry and Steel PSUs to the sitting of Committee convened to have briefing on the subject "Service Conditions of Workers in Public Sector Steel Companies".

3. Thereafter, a visual presentation on the subject was made by the representatives of SAIL. The Committee broadly discussed the issues relating to the services conditions of workers including contract workers in SAIL especially with reference to their social security measures, health and educational benefits, provident fund, pension system, safety of workers, housing, canteen facilities for contract labour, bank facility for direct payment of wages to labourers, employment of labourers in case of death during service, employment of contract workers in such activities which are perennial in nature and disparity in their wages and those of regular employees, reasons for different wages given in different States by SAIL etc.

4. The Committee also decided to have another meeting on the subject where alongwith the representatives of the Ministry of Steel/PSUs, representatives of Trade Union will also be called to depose before them.

A copy of verbatim proceedings has been kept on record.

The Committee then adjourned.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON 11 NOVEMBER, 2013 IN COMMITTEE ROOM 'B', PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat from 1430 hrs. to 1630 hrs.

PRESENT

Shri Kalyan Banerjee - Chairman

LOK SABHA

2. Shri Bansa Gopal Choudhary
3. Shri Ganeshrao Nagorao Dudhgaonkar
4. Shri Vishwa Mohan Kumar
5. Shri Yashbant N.S. Laguri
6. Shri Babu Lal Marandi
7. Shri Govind Prasad Mishra
8. Shri Gajendra Singh Rajukhedi
9. Shri Pashupati Nath Singh
10. Shri Om Prakash Yadav

Rajya Sabha

11. Shri Ali Anwar Ansari
12. Shri Srinjoy Bose
13. Shri Jugul Kishore
14. Shri Sanjay Raut
15. Shri Dhiraj Prasad Sahu

SECRETARIAT

1. Shri Arvind Sharma - Deputy Secretary

WITNESSES

OFFICIAL

Sl. No.	Name	Designation
1.	Shri Vinod Kumar Thakral	Additional Secretary & FA,
2.	Shri J.P. Shukla,	Joint Secretary, Ministry of Steel

- | | | |
|----|----------------------|----------------------------|
| 3. | Shri A. P. Choudhary | CMD, RINL |
| 4. | Shri Y. R. Reddy | Director (Personnel), RINL |
| 5. | Shri S. K. Tripathi | CMD, MSTC |

Representatives of Trade Unions

RINL

- | | | |
|----|---------------------|--|
| 1. | Shri D. Adinarayana | General Secretary, Steel Plant Employee Union |
| 2. | Shri M. Rajasekhar | General Secretary, Visakha Steel Employee Congress (INTUC) |
| 3. | Shri J. Ayodya Ramu | President , Steel Progressive Employee Union(CITU) |
| 4. | Shri G. Ganpati | President , Hind Mazdoor Steel Employees Union (HMS) |

MSTC Ltd.

- | | | |
|----|--------------------|---|
| 1. | Shri P. K. Kaushik | President, All India Association of MSTC Ltd Employees' Union |
|----|--------------------|---|

2. At the outset, the Chairman welcomed the Secretary and other representatives of the Ministry of Steel, RINL and MSTC to the sitting of the Committee convened in connection with examination of the subject "Service conditions of workers including contract workers in Steel PSUs."

3. Thereafter, the Committee first sought the views of the Ministry of Steel/RINL and MSTC Ltd. on the working conditions of the workers, especially the contract labourers employed in mining activities and non-mining with regard to payment of minimum wages, leave entitlements, health facilities, social security and safety measures for workers etc. While apprising the Committee of the working conditions of employees of MSTC Ltd, the Committee were informed that MSTC Ltd. do not have contract labour.

(Representatives of RINL and MSTC Ltd. then withdrew and representatives of Trade Unions were called.)

4. The representatives of Trade Union of RINL raised their problems on issues regarding safety of workers, procurement procedure for safety appliances for workers, periodic wage agreements, separate toilets and change rooms for women workers, lack of adequate manpower in spite of expansion plan of RINL, pension scheme for workers, specialized hospital

facilities for workers, etc. The Hon'ble Chairman directed the Trade Union Leaders to submit a written Memorandum on the subject for consideration of the Committee. The representative of Trade Union of MSTC Ltd., however, raised no grievances and was satisfied with present wage structure and condition of services.

(Representatives of Trade Union then withdrew and representatives of RINL were again called)

5. The Chairman then apprised the representatives of RINL regarding the demands and problems being faced by the workers as put forth by the representatives of Trade Unions and directed the Ministry of Steel and CMD, RINL to address the above referred issues raised by the Trade Unions and to resolve them amicably.

A verbatim record of the proceedings has been kept.

The Committee then adjourned

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL AND STEEL HELD ON 17 DECEMBER, 2013 IN ROOM NO. '112', FIRST FLOOR, PARLIAMENT HOUSE ANNEXE, NEW DELHI.

The Committee sat from 1530 hrs. to 1600 hrs.

PRESENT

Shri Kalyan Banerjee - Chairman

LOK SABHA

2. Shri Hansraj G. Ahir
3. Shri Ganeshrao Nagorao Dudhgaonkar
4. Shri Vishwa Mohan Kumar
5. Shri Pakauri Lal
6. Shri Babu Lal Marandi
7. Shri Govind Prasad Mishra
8. Shri Rajaram Pal
9. Shri Pashupati Nath Singh

RAJYA SABHA

10. Shri Ali Anwar Ansari
11. Dr. Pradeep Kumar Balmuchu
12. Shri Jugul Kishore
13. Shri Sanjay Raut
14. Shri Dhiraj Prasad Sahu
15. Shri Dilip Kumar Tirkey

SECRETARIAT

1. Shri Shiv Singh - Director
2. Shri Arvind Sharma - Additional Director

2. At the outset, Chairman welcomed the Members to the sitting of the Committee.

3. The Committee thereafter took up for consideration the following Draft Reports:-

- (i) ** ** ** **
- (ii) ** ** ** **

