

FIFTH REPORT
STANDING COMMITTEE ON
COAL AND STEEL
(2014-2015)

(SIXTEENTH LOK SABHA)

MINISTRY OF STEEL

*[Action Taken by the Government on the Observations/Recommendations
contained in the Fifty-first Report of the Standing Committee on
Coal and Steel (Fifteenth Lok Sabha) on the subject,
“Service Conditions of Workers in
Public Sector Steel Companies”]*

Presented to Lok Sabha on 22.12.2014

Laid in Rajya Sabha on 22.12.2014



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COMPOSITION OF THE STANDING COMMITTEE
ON COAL AND STEEL (2014-15)

Shri Rakesh Singh* – *Chairperson*

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Lok Sabha

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3. Shri Kalyan Banerjee
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20. Shri Rama Kishore Singh
21. Shri Krupal Balaji Tumane

Rajya Sabha

22. Shri Ali Anwar Ansari
23. Dr. Pradeep Kumar Balmuchu

*Shri Rakesh Singh appointed w.e.f. 27.11.2014 vice Shri Hansraj G. Ahir appointed Minister.

24. Shri Srinjoy Bose
25. Shri B.K Hariprasad
26. Shri Jugul Kishore
27. Shri Avinash Pande
28. Dr. Satyanarayan Jatiya[#]
29. Shri Sanjay Raut
30. Shri Nand Kumar Sai
31. Shri Dilip Kumar Tirkey

SECRETARIAT

1. Shri Shiv Singh – *Joint Secretary*
2. Shri Arvind Sharma – *Additional Director*
3. Smt. Vandana P. Guleria – *Sr. Exe. Assistant*

[#]Dr. Satyanarayan Jatiya nominated w.e.f. 25.09.2014 vice Shri Basawaraj Patil.

INTRODUCTION

1, the Chairperson, Standing Committee on Coal and Steel having been authorised by the Committee to present the Report on their behalf, present this Fifth Report (Sixteenth Lok Sabha) on Action Taken by the Government on the observations/recommendations contained in the Fifty-first Report of the Standing Committee on Coal and Steel (Fifteenth Lok Sabha) on "Service Conditions of Workers in Public Sector Steel Companies" relating to the Ministry of Steel.

2. The Fifty-first Report (Fifteenth Lok Sabha) of the Standing Committee on Coal and Steel was presented to Lok Sabha on 6th February, 2014. Replies of the Government to all the observations/recommendations contained in the Report were received on 6th June, 2014.

3. The Standing Committee on Coal and Steel considered and adopted this Report at their sitting held on 19.12.2014.

4. An analysis on the Action Taken by the Government on the observations/recommendations contained in the Fifty-first Report (Fifteenth Lok Sabha) of the Committee is given at **Annexure-V**.

5. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in bold letters in Chapter-I of the Report.

NEW DELHI;
19 December, 2014

28 Agrahayana, 1936 (Saka)

RAKESH SINGH,
Chairperson,
Standing Committee on
Coal and Steel.

CHAPTER I

REPORT

This Report of the Standing Committee on Coal and Steel deals with Action Taken by the Government on the Observations/Recommendations contained in the Fifty-first Report (Fifteenth Lok Sabha) of the Standing Committee on Coal and Steel on "Service Conditions of Workers in Public Sector Steel Companies" relating to the Ministry of Steel which was presented to Lok Sabha and laid in Rajya Sabha on 06.02.2014.

2. The Action Taken replies have been received from the Ministry of Steel in respect of all the 14 Observations/Recommendations contained in the Report on 6th June, 2014. These have been categorised as follows:

- (i) Observations/Recommendations that have been accepted by the Government:

Sl. Nos. 2, 4, 9, 10, 13 and 14

Total - 06
(Chapter II)

- (ii) Observations/Recommendations which the Committee do not desire to pursue in view of the replies of the Government:

Sl. No. 1 and 8

Total - 02
(Chapter III)

- (iii) Observations/Recommendations in respect of which replies of the Government have not been accepted by the Committee:

Sl. Nos. 3, 5, 6, 7, 11 and 12

Total - 06
(Chapter IV)

- (iv) Observations/Recommendations in respect of which final replies of the Government are still awaited:

Sl. No. Nil

Total - 00
(Chapter V)

3. The Committee trust that utmost importance would be given to implementation of the Observations/Recommendations accepted by the Government. In case, where it is not possible for the Ministry to implement the recommendations in letter and spirit for any reason, the matter should be reported to the Committee with reasons for non-implementation. The Committee desire that further Action Taken notes on the Observations/Recommendations contained in Chapter-I of this Report be furnished to them at an early date.

4. The Committee will now deal with the Action Taken by the Ministry on some of their observations/recommendations made in the Fifty-first Report.

MINIMUM WAGES TO CONTRACT WORKERS

Recommendation (Serial No. 3)

5. The Committee have noted 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 should 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 had been fixed by agreement, settlement or award, not less than the rates so fixed. The Committee, however, observed that the minimum wages paid per day to contract labour were not only uneven amongst the SAIL Plants in different States but there was 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 were Rs. 257/- only. The Committee did not agree with the present different wage structure for contract workers by different units of SAIL and RINL and desired that a separate wage policy should be made for the contract labourers in the entire steel sector. The Committee felt that the Government/ Steel Companies should take appropriate steps so that this disparity in minimum wages was removed and reduced to the minimum.

6. The Ministry of Steel in their action taken reply have stated as under:-

"I. STEEL AUTHORITY OF INDIA LIMITED (SAIL)

The wages paid by the contractors to the contract workers engaged at SAIL Plants are governed in terms of the Minimum Wages Act, 1948 wherein Appropriate Government for each plant is the respective State Government. As Principal Employer, SAIL Plants/Units ensure that the wages paid by

the Contractors to their Contract labours are over and above the minimum wages notified by the respective State/ Appropriate Governments.

- II. RASHTRIYA ISPAT NIGAM LIMITED (RINL) RINL-VSP has adopted wages notified by Government of India *w.e.f.* 01.10.2010. Accordingly, the Minimum Wages as notified for contract labour by the authority under minimum wages *i.e.*, the Regional Labour Commissioner (Central), Hyderabad are implemented by the various contracting agencies and RINL-VSP, as Principal Employer, monitors payment of the same. The variable DA (cost of living allowance) is revised by the Central Government twice in a year *i.e.*, in April and October. RINL-VSP being the Principal Employer is ensuring the compliance of the same.”

7. Taking note of the huge disparity between minimum wages paid to contract labour in different States and even by different Steel PSUs, the Committee had desired that this disparity be removed by formulating a separate wage policy for the entire steel sector. Although, the Government have informed the Committee that wages paid to contract workers are governed in terms of Minimum Wages Act, 1948 wherein the ‘appropriate Government’ which decides wages to be paid for various plants is the respective State Government, where the plant is located, the Committee observe that the varying wages paid to contract labour in different States and by different Steel PSUs is not only disadvantageous to lesser paid contract labours but also discriminating. Therefore, framing of a separate wage policy for contract workers in Steel Sector is the need of the hour. The Committee urge the Steel PSUs to revisit the issue and come out with a common wage structure for all contract workers all over the country who are engaged in similar kind of works by making the highest wage offered by any State as the criteria.

METHODOLOGY FOR PAYMENT OF WAGES

Recommendation (Serial No. 5)

8. The Committee have noted that SAIL had made mandatory requirement of PF code and ESI code for contractors, photo I cards/ gate pass for contract labourers and online attendance system had also been initiated by the company. The company was reportedly facilitating bank payment to workers. As regards RINL, the Committee observed that 50% of the workers were being paid wages through Bank Accounts. The Committee were not happy as even today about 50% of the workers in RINL were being paid wages in cash which may cause malpractices and exploitation of contract workers regarding payment

of minimum wages. The Committee, therefore, recommended 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 were settled only after ascertaining the compliance of payment of wages, PF and ESI remittances.

9. The Ministry of Steel in their action taken reply have stated as follows:—

- I. STEEL AUTHORITY OF INDIA LIMITED (SAIL) Efforts are being made for ensuring that the contractors make payment to their contract labour through banks. The Contract Labour at Bokaro Steel Plant, IISCO Steel Plant, Visvesvaraya Iron & Steel Plant and SAIL Refractory Unit are mostly being paid wages through bank while at Bhilai Steel Plant, contract labour working in the Works area & township are being paid through banks. At other major plants, steps have been taken to convince the Unions, Contractors and their labour for bank payment. Payment through banks has been partially implemented at RSP, SSP, CMO, RMD, Collieries etc. There is a well laid down procedure for ensuring that the wage sheet, deposit challan of payment of PF and ESI dues etc., are checked before release of the bills of the contractor. The Contract Labour Cells at Plants/Units verify such documents and issue mandatory No Dues Certificate/Statutory Dues Clearance for release of the running/final bills of the contractors.
- II. RASHTRIYA ISPAT NIGAM LIMITED (RINL) RINL-VSP is striving to ensure implementation of payment of wages to contract labour by the contracting agencies through Banks. Due to the unstinted efforts, around 60% of the contract labour are being paid wages through Banks. Continuous efforts are being made for achieving 100% implementation of payment of wages through Banks in RINL-VSP.”

10. Although, the Committee had recommended that the system of payment of wages to workers be done through cheques or through their bank accounts, they find that SAIL is reported to be making efforts to ensure this and the process to convince Unions, Contractors and labours for payment through banks is going on. In RINL too, around 60% of contract labours are reported to be paid through banks. The Committee feel that unless the payment to workers is completely made through their bank accounts, they will continue to be exploited by the contractor. The Committee are not satisfied with the system of payment of wages through bank accounts partially

being implemented in both the Steel PSUs so far. The Committee, therefore, desire that there is an imperative need that the system of payment of wages to contract labours through cheques or through their bank accounts should be made mandatory. The Committee would like to make serious efforts by Steel PSUs to achieve 100% wage payment to contract labours through cheques/bank accounts in the next six months and the Committee be apprised of the same.

COMPASSIONATE APPOINTMENTS

Recommendation (Serial No. 6)

11. The Committee have observed that SAIL was 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 happened 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 were 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 did 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.

12. The Ministry of Steel in their action taken reply have stated as under:—

- I. STEEL AUTHORITY OF INDIA LIMITED (SAIL) Plants/Units of SAIL provide employment on compassionate grounds to one of the direct eligible dependent 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). A well laid procedure exists at plants/units to process such cases expeditiously. Assistance is also rendered to contractor & their labour for expediting early settlement of benefits under PF and ESI Scheme/ compensation under Employees Compensation Act.
- II. RASHTRIYA ISPAT NIGAM LIMITED (RINL) In case of fatal accident arising out of and in the course of Rs. 5.00 Lakhs is being paid to the dependants of the deceased contract labour by the Contractor through Group Personal Accident Insurance Scheme. In addition, all efforts are made to ensure

that the dependants of the deceased labour receive all statutory benefits in time. Further, the concerned agency usually provides employment to a dependant on compassionate grounds.”

13. While appreciating the plants/units of SAIL who are providing employment to the eligible dependent of contract labour in case of his death due to accident within the work premises, the Committee note that RINL, on the other hand provides Rs. 5 lakh to dependents of contract labours in case of any fatal accident during work hours. Taking note of different guidelines being adopted by Steel PSUs for employment on compassionate grounds, the Committee feel that Ministry of Steel should ensure a uniform policy regarding compassionate appointment to eligible dependents of contract labours in case of their death while on duty for all steel PSUs.

LOCAL PEOPLE FOR CONTRACT WORKS IN STEEL PLANT

Recommendation (Serial No. 7)

14. The Committee have noted that the works outsourced by SAIL and RINL were 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 felt 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.

15. The Ministry of Steel in their action taken reply have stated as under:—

“I. STEEL AUTHORITY OF INDIA LIMITED (SAIL) Contractors engage labours to execute the job contracts awarded to them through tendering & such labours are employees of the respective contractors. SAIL, as a principal employer, has no say in the engagement of contract labours.

However, it is understood that the contractors are mostly employing contract labour from the local peripheral population.

II. RASHTRIYA ISPAT NIGAM LIMITED (RINL) While it is the prerogative of the Contractors to engage their workers, they normally engage labour only from the nearby villages/ colonies. In addition, RINL/VSP has made it mandatory for the Contractors to deploy 50% of their manpower requirement in unskilled category from the Displaced Persons of VSP.”

16. The Committee feel that anywhere in the country, wherever a PSU has started its operations, the local people displaced due to the ongoing project should have the first right over any employment opportunity arising on the land. The Committee had stressed the need for providing employment opportunity by Steel PSUs to local people to ensure smooth land acquisition process and assuring them of a livelihood even after loss of land. The Committee are, however, unhappy to note that SAIL being the principal employer cannot absolve itself of this responsibility by merely stating that labourers are employees of respective contractors and SAIL has no say in their engagement. For this, the Committee feel that sustained efforts have to be made by the PSUs concerned to ensure that the contractor hire the local people. At the same time, the Committee are happy to note that RINL/VSP has made it mandatory for contractors to deploy 50% of their manpower requirement in unskilled category from displaced persons of Visakhapatnam Steel Plant (VSP). Rather, the Committee would like that in case of unskilled category, the mandatory stipulation to give first preference to the local displaced population. The Committee also desire that the concerned PSU should open a training centre near the project for the displaced persons for skill development to ensure that the displaced population is given every opportunity for a livelihood after loss of their land.

SAFETY AND SECURITY OF CONTRACT WORKERS

Recommendation (Serial Nos. 11 & 12)

17. The Committee have noted that contract labourers in SAIL and RINL were covered under ESI, Act. Free medical treatment at ESI dispensaries and hospitals were provided to the contract workers and their dependents. First aid medical facilities were also provided to contract labourers at the occupational health centres within plant premises. The Committee felt 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 recommended 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 desired 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.

18. The Committee were 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 were given incentives or extra allowance such as height allowances, heat allowance, etc. The Committee felt that though the workers had been offered incentives, they were deprived of the proper treatment, rehabilitation and compensation. The Committee, therefore, strongly recommended 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.

19. The Ministry of Steel in their action taken replies have stated as under:—

“1. STEEL AUTHORITY OF INDIA LIMITED (SAIL)

Employees State Insurance Act, 1948 is applicable at SAIL's major plant locations. Compliance of various provisions under the ESI Scheme including contributions towards ESI Scheme by the contractors is ensured. Medical facilities under ESI Scheme are provided by ESIC.

ESI hospitals are available at most of the locations. Locations where full fledged hospitals are not available, various efforts have been made by the plants to facilitate the same. Some of the efforts include:

- Bhilai Steel Plant has entered into tie-up arrangements with ESIC wherein cashless facilities are provided to contract labour at BSP Hospital. At present, ESIC is running only a small dispensary at Bhilai and has approved the setting up of a 100 bedded specialty hospital.
- At Bokaro Steel Plant, after sustained dialogue & follow up, ESIC has made tie-up arrangements with two hospitals in the vicinity of Bokaro Steel City.
- Rourkela Steel Plant has provided building to ESIC for office which has and has been found to be very helpful in providing services related to contract labours and contractors.
- After continuous follow-up with ESI Authorities, one of the major hospitals near Bhadravathi has been made ESI referral hospital which has benefited the contract labours engaged at Visvesvaraya Iron & Steel Plant of SAIL.

Immediate medical relief in the form of first aid is provided to contract labours in case of accident in Works area at occupational health centres/hospitals of SAIL Plants.

Safety is accorded top priority at Steel Plants/Mines of SAIL. Robust mechanisms have been put in place for ensuring adherence to safety norms through regular inspections & periodic safety audits.

SAIL plants and units are ensuring compliance of statutory provisions both under the Factories Act, 1948 as well as the Contract Labour (Regulation & Abolition) Act, 1970. Adequate budget is made available for meeting the statutory requirements.

II. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

ESI authorities had requested for Land for construction/ establishment of ESI Hospital near RINL-VSP for which it was indicated to them that 5 Acres of Land could be spared. ESI authorities are yet to respond to this offer. Contractors in RINL-VSP are paying heat, dust and height allowances to the contract labour engaged by them as per need.”

20. The Committee observe that medical facilities to contract workers are provided under ESI Act, 1948 and are made available at most of the plant locations of SAIL and where full fledged hospitals are not available, various efforts have been made by SAIL plants to facilitate the same. The Committee have also been informed that on request of ESI authorities, RINL/VSP had indicated about 5 acres of land for establishment of ESI hospital, but ESI authorities are yet to respond to this offer. The Committee desire that the matter be pursued vigorously to ensure timely and swift action for construction of ESI hospital and would like to be apprised of the latest position in this regard.

21. While taking note of the medical facilities provided to the contract workers, the Committee had also suggested that periodical medical examination of workers employed in hazardous sectors should be done by Steel PSUs and they be covered under personnel accident and medical insurance schemes. The Committee note that the reply of the Ministry is silent in this regard. The Committee feel that a time schedule of 6 months/one year should mandatorily be fixed so that all employees including contract workers who are engaged to work in hazardous sectors undergo compulsory medical examination for timely detection and treatment of ailment due to hazardous condition at work place. The Committee would also like to be apprised of any compulsory personnel accident and medical insurance schemes initiated by the Steel PSUs for contract workers.

CHAPTER II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

WAGE REVISION IN STEEL PSUs

Recommendation Serial No. 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.

Action Taken

I. STEEL AUTHORITY OF INDIA LIMITED (SAIL)

In SAIL, Wage Revision for the non-executive employees is finalized through negotiation at the national level bi-partite forum, namely, National Joint Committee for Steel Industry (NJCS). SAIL plants and RINL are the Member plants of the said Committee. The issue of Wage Revision was deliberated upon in NJCS at length taking into account the financial condition of the Company, rising employment cost and expectation of workers. After protracted negotiations in NJCS, MoU was arrived at between the entire Workers' and Management Representatives

on 25.1.2014 at New Delhi. The detailed Memorandum of Agreement based on the MOU shall be entered into after the approval of the competent authority.

II. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

Vide its Office Memorandum No. 2(110)/11-DPE(WC)-GL-XVI/13 dated.13.06.2013, Department of Public Enterprises, Government of India has given guidelines on "Policy of the 7th round (2nd part) of Wage Negotiations for unionized workers in Central Public Sector Enterprises w.e.f. 01.01.2012. (Copy enclosed as **Annexure-I**)

Wage revision in RINL is being carried out in pursuance of the Memorandum of Agreement of National Joint Committee for the Steel Industry (NJCS). The Memorandum of Agreement signed on 29.04.2010 was valid upto 31.12.2011 and wage revision is due from 01.01.2012 in case of workers. Several negotiations were held between representatives of Workers and Management and MOU has been arrived on 25.01.2014. Both the parties have agreed upon the coverage of MOU, validity period of the agreement, guaranteed benefit, dearness allowance, perks and allowances, pension etc. The detailed Memorandum of Agreement for settlement of Wage Agreement, 2012 would be worked out after finalization of Scales of Pay. (Copy enclosed as **Annexure-II**)

[Ministry of Steel O.M. No.11013(12)/2013-Parl.(Vol.I)
dated 6.6.2014]

NUMBER OF CONTRACT WORKERS IN SAIL AND RINL

Recommendation (Serial No. 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.

Action Taken

I. STEEL AUTHORITY OF INDIA LIMITED (SAIL)

Register of Workers having details of contract labour is maintained by the contractor. This is normally checked at the time of issue of gate pass/release of contractors' bills. Periodic checking of contractors' establishment is done by the Contract Executing Authorities to enforce proper maintenance of Registers. All contractors are required to maintain Muster roll, wage register, deduction register & overtime register under the Contract Labour (R & A) Act, 1970.

A well laid mechanism exists in SAIL to ensure implementation of statutory provisions under the various applicable Labour laws. Compliance to statutory provisions is ensured by way of recurrent site visits and through the executing authorities as well as contract labour cell at respective plant/unit. There is a designated welfare officer to ensure compliance as per the Acts.

Before issue of Entry Gate Passes to the contract workers it is ensured that they are covered under Employees' Provident Fund & Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948. Random checking of all details is carried on thereafter with help of Contract Executing 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. In addition to benefits as extended under ESI Act, indoor medical treatment facilities in plant hospitals/medical centres are also provided in case of exigencies/emergencies.

Regular & correct payment by contractor to the contract labour under Minimum Wages Act 1948 is ensured by following the below mentioned mechanism:

- 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.
- 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.

- 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.

II. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

The contract labour strength reported as 5834 represents the strength in Plant. The number of contract labour in other areas such as Projects varies depending upon volume of the Project work undertaken where the work is of one time in nature and the contract labour are retrenched/terminated by the contracting agencies soon after the completion of Expansion/Project activities. VSP being the Principal Employer, is strictly ensuring the implementation of various provisions of different statutes viz., Contract Labour (Regulation & Abolition) Act, 1970; Factories Act, 1948; Minimum Wages Act, 1948; ESI Act, 1948; the Employees' Provident Funds & Miscellaneous Provisions Act, 1952, etc. RINL-VSP has established a exclusive contract labour cell to conduct periodical inspections for monitoring the implementation of the above statutes.

[Ministry of Steel O.M. No.11013(12)/2013-Parl.(Vol.I)
dated 6.6.2014]

FACILITIES FOR WOMEN WORKERS

Recommendation (Serial No. 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 cognigence 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.

Action Taken

I. STEEL AUTHORITY OF INDIA LIMITED (SAIL)

Separate toilets and rest rooms have invariably been provided at all locations where women employees are posted/engaged both in technical as well as non-technical areas. Constant efforts are made for

improving the hygiene conditions at workplace for all employees especially the women employees.

II. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

Exclusive rest rooms/toilets have been provided in the offices and work sites in the Plant where female employees are deployed. The sites include Area Shop Offices, Administrative Building and a few control rooms etc.

[Ministry of Steel O.M. No.11013(12)/2013-Parl.(Vol.I)
dated 6.6.2014]

SAFETY, SECURITY OF CONTRACT WORKERS

Recommendation (Serial No. 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.

Action Taken

I. STEEL AUTHORITY OF INDIA LIMITED (SAIL)

Safety & Security of Contract Labour is one of the prime focus areas in SAIL aiming for Accident Free Workplaces. SAIL's Plants and Units are ensuring that contract labour is provided with General Safety Induction Training & Specific on-the-job training before start of the

job. Specialized trainings viz. training on working at heights, electrical safety, gas safety, material handling etc., are also provided as per requirement before their actual deployment.

It is ensured that Personal Protective Equipments of proper quality and in adequate quantity are provided to contract labours for their safety at work place, a clause for compliance is also inserted in the Notice Inviting Tenders (NITs). Periodic Safety Audits and regular inspections are carried out to ensure usage of PPEs and strict adherence to safety norms.

II. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

An exclusive Safety Engineering Department is looking after all the safety aspects of both regular employees and contract labour. With regard to contract labour, all contract labour are being provided with safety induction training at the time of commencement of work. In addition, the Zonal Safety Officers (ZSO) are ensuring implementation of all safety related aspects. Contractors are providing safety appliances (personal protective equipment) like safety shoes, safety helmet, safety belts, fire retardant coats, gum boots, gloves, dust-masks, goggles to all the contract labour and the usage of the same is being monitored by VSP. Further, VSP is certified under the OHSAS-18001 and all requirements under OHSMS are adhered to.

Contract labour are subjected to various training programmes in addition to mandatory general safety training such as: 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.

[Ministry of Steel O.M. No.11013(12)/2013-Parl.(Vol.I)
dated 6.6.2014]

TRAINING AND SKILL DEVELOPMENT

Recommendation (Serial No. 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.

Action Taken

I. STEEL AUTHORITY OF INDIA LIMITED (SAIL)

Plants and Units of SAIL ensure that the regular employees are provided requisite safety training as well as training pertaining to their area on regular basis. Refresher programmes are also held regularly. For Contract labour, General Safety Induction Training & Specific on-the-job training is provided before start of the job. Specialized trainings viz. training on working at heights, electrical safety, gas safety, material handling etc., are also provided as per requirement before their actual deployment.

II. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

An exclusive Safety Engineering Department is looking after all the safety aspects of both regular employees and contract labour. With regard to contract labour, all contract labour are being provided with safety induction training at the time of commencement of work. In addition, the Zonal Safety Officers (ZSO) are ensuring implementation of all safety related aspects. Contractors are providing safety appliances (personal protective equipment) like safety shoes, safety helmet, safety belts, fire retardant coats, gum boots, gloves, dust-masks, goggles to all the contract labour and the usage of the same is being monitored by VSP. Further, VSP is certified under the OHSAS-18001 and all requirements under OHSMS are adhered to.

Contract labour are subjected to various training programmes in addition to mandatory general safety training such as: 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.

[Ministry of Steel O.M. No.11013(12)/2013-Parl.(Vol.I)
dated 6.6.2014]

SERVICE CONDITIONS OF EMPLOYEES OF MSTC LTD.

Recommendation (Serial No. 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.

Action Taken

Service Conditions of Employees of MSTC Ltd. The contents of the report have been noted and shall ensure compliance with the recommendation in future.

[Ministry of Steel O.M. No.11013(12)/2013-Parl.(Vol. I)
dated 6.6.2014]

CHAPTER III

OBSERVATIONS/RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT'S REPLIES

EQUAL PAY FOR EQUAL WORK

Recommendation (Serial No. 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.

Action Taken

I. STEEL AUTHORITY OF INDIA LIMITED (SAIL)

Plants and Units of SAIL award job contracts for jobs of specialised and intermittent nature as well as for various ongoing project activities under the Modernisation & Expansion Programme through tendering process. Sporadic jobs, periodic Capital Repairs & intermittent maintenance jobs for Plant & equipment, jobs pertaining to new projects as well as Addition, Modification and Rectification (AMR) of existing facilities, housekeeping, painting of buildings & structural etc. are contracted out.

Contractors engage labours to execute the job awarded to them & Contract Labours are their employees. The Service conditions of these contract workers are governed under the Contract Labour (R&A) Act, 1970 and other applicable Labour Laws which does not envisage regularisation.

The contract workers who are employees of the contractor are not working against a definite post of the establishment. They cannot be treated at par with regular employees as the contract labours do not undergo rigorous selection process in the manner regular employees are selected. They also do not fulfil the criteria of qualifications and age etc. They cannot, therefore, be equated with regular workmen for the purposes for their wages.

The position has also been endorsed by the Hon'ble Supreme Court in numerous decisions. Recently, Hon'ble High Court of Delhi in the matter of Air India Ltd. versus Presiding Officer, CGIT & anr [W. P. (C) 1987/1991] on 28.7.2011 relying on the various decisions of the Apex Court held that, "Merely because the casually employed workmen are performing the same tasks as their regularly employed counterparts cannot by itself constitute a legal justification for application of the principle of 'Equal Pay for Equal Work'. The above decisions of the Supreme Court cast a burden on the workmen to show that there is total parity in the nature of the functions performed by regularly employed workmen and the daily wagers/casual workers." Copy of the judgment is placed at **Annexure-III**.

II. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

In RINL-VSP, contracts are awarded for activities which are temporary in nature like Capital Repairs, Emergency Breakdown jobs, Supply-cum-Application jobs, Piece-rated works, One time jobs, Jobs under AMR (Addition, Modification & Repairs), Project/Expansion works, Technological assistance and upkeep services etc.

Contract labour is deployed/engaged only those kinds of activities where regular/permanent employees of RINL are not employed. The work performed by the regular employees are primarily not comparable with the work on which the contract labour are engaged. The contract labour are paid as per the category of work in which they are deployed viz. un-skilled, semi-skilled or skilled.

The period of engagement of contract labour is co-terminus with the completion of the contract period and hence the question of permanency does not arise.

[Ministry of Steel O.M. No.11013(12)/2013-Parl. (Vol. I)
dated 6.6.2014]

CANTEEN FACILITIES AT WORKPLACE

Recommendation (Serial No. 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.

Action Taken

I. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

The contract labour also avail the subsidized canteen facilities in all the 17 canteens which are available to the employees of the Company. All these canteens are operated in conformity with the provisions of the Factories Act, 1948.

II. STEEL AUTHORITY OF INDIA LIMITED (SAIL)

The statutory canteens facilities are provided at all plants of SAIL in terms of the Factories Act, 1948 and are being supervised by the representatives of management for ensuring strict control on quality, service and prices.

Pertinent to mention that in the case of Ferro Alloy Corporation Ltd. Vs. Government of Andhra Pradesh Labour Employment & Technical Education (Labour-II) Deptt., 2003 (96) FLR 160, the Hon'ble Court has held that there is nothing in section 46 of the Factories Act, which provides for the mode in which the specified establishment must set up a canteen where it is left to the discretion of the concerned establishment to discharge its obligation of setting up a canteen either by way of direct equipment or by employment of contractor, it cannot be postulated in the latter event, the persons working in the canteen would be the employees of the establishment.

[Ministry of Steel O.M. No.11013(12)/2013-Parl.(Vol.I)
dated 6.6.2014]

CHAPTER IV

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

MINIMUM WAGES TO CONTRACT WORKERS

Recommendation (Serial No. 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.

Action Taken

I. STEEL AUTHORITY OF INDIA LIMITED (SAIL)

The wages paid by the contractors to the contract workers engaged at SAIL Plants are governed in terms of the Minimum Wages Act, 1948 wherein Appropriate Government for each plant is the respective State Government. As Principal Employer, SAIL Plants/Units ensure that the wages paid by the Contractors to their Contract labours are over and above the Minimum wages notified by the respective State/Appropriate Governments.

II. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

RINL-VSP has adopted wages notified by Government of India *w.e.f.* 01.10.2010. Accordingly, the Minimum Wages as notified for contract

labour by the authority under minimum wages *i.e.*, the Regional Labour Commissioner (Central), Hyderabad are implemented by the various contracting agencies and RINL-VSP, as Principal Employer, monitors payment of the same. The variable DA (cost of living allowance) is revised by the Central Govt. twice in a year *i.e.*, in April and October. RINL-VSP being the Principal Employer is ensuring the compliance of the same.

[Ministry of Steel O.M. No.11013(12)/2013-Parl.(Vol.I)
dated 6.6.2014]

Comments of the Committee

(Please see para 7 of Chapter I of the Report)

METHODOLOGY FOR PAYMENT OF WAGES

Recommendation (Serial No. 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.

Action Taken

I. STEEL AUTHORITY OF INDIA LIMITED (SAIL)

Efforts are being made for ensuring that the contractors make payment to their contract labour through banks. The Contract Labour at Bokaro Steel Plant, IISCO Steel Plant, Visvesvaraya Iron & Steel Plant & SAIL Refractory Unit are mostly being paid wages through bank while at Bhilai Steel Plant, contract labour working in the Works area & township are being paid through banks. At other major plants, steps have been taken to convince the Unions, Contractors and their labour for bank payment. Payment through banks has been partially implemented at RSP, SSP, CMO, RMD, Collieries etc.

There is a well laid down procedure for ensuring that the wage sheet, deposit challan of payment of PF and ESI dues etc., are checked before release of the bills of the contractor. The Contract Labour Cells at Plants/Units verify such documents and issue mandatory No Dues Certificate/Statutory Dues Clearance for release of the running/final bills of the contractors.

II. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

RINL-VSP is striving to ensure implementation of payment of wages to contract labour by the contracting agencies through Banks. Due to the unstinted efforts, around 60% of the contract labour are being paid wages through Banks. Continuous efforts are being made for achieving 100% implementation of payment of wages through Banks in RINL-VSP.

[Ministry of Steel O.M. No.11013(12)/2013-Parl.(Vol.I)
dated 6.6.2014]

Comments of the Committee

(Please see para 10 of Chapter I of the Report)

COMPASSIONATE APPOINTMENTS

Recommendation (Serial No. 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.

Action Taken

I. STEEL AUTHORITY OF INDIA LIMITED (SAIL)

Plants/Units of SAIL provide employment on compassionate grounds to one of the direct eligible dependent 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). A well laid procedure exists at plants/units to process such cases expeditiously.

Assistance is also rendered to contractor & their labour for expediting early settlement of benefits under PF and ESI Scheme/ compensation under Employees Compensation Act.

II. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

In case of fatal accident arising out of and in the course of employment. Rs. 5.00 Lakhs is being paid to the dependants of the deceased contract labour by the Contractor through Group Personal Accident Insurance Scheme. In addition, all efforts are made to ensure that the dependants of the deceased labour receive all statutory benefits in time. Further, the concerned agency usually provides employment to a dependant on compassionate grounds.

[Ministry of Steel O.M. No.11013(12)/2013-Parl.(Vol.I)
dated 6.6.2014]

Comments of the Committee

(Please see para 13 of Chapter I of the Report)

LOCAL PEOPLE FOR CONTRACT WORKS IN STEEL PLANT

Recommendation (Serial No. 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.

Action Taken

I. STEEL AUTHORITY OF INDIA LIMITED (SAIL)

Contractors engage labours to execute the job contracts awarded to them through tendering & such labours are employees of the respective contractors. SAIL, as a principal employer, has no say in the engagement of contract labours.

However, it is understood that the contractors are mostly employing contract labour from the local peripheral population.

II. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

While it is the prerogative of the Contractors to engage their workers, they normally engage labour only from the nearby villages/ colonies. In addition, RINL/VSP has made it mandatory for the Contractors to deploy 50% of their manpower requirement in unskilled category from the Displaced Persons of VSP.

[Ministry of Steel O.M. No.11013(12)/2013-Parl.(Vol.I)
dated 6.6.2014]

Comments of the Committee

(Please see para 16 of Chapter I of the Report)

Recommendation (Serial No. 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.

Action Taken

I. STEEL AUTHORITY OF INDIA LIMITED (SAIL)

Employees State Insurance Act, 1948 is applicable at SAIL's major plant locations. Compliance of various provisions under the ESI Scheme including contributions towards ESI Scheme by the contractors is ensured. Medical facilities under ESI Scheme are provided by ESIC.

ESI hospitals are available at most of the locations. Locations where full fledged hospitals are not available, various efforts have been made by the plants to facilitate the same. Some of the efforts include:

- Bhilai Steel Plant has entered into tie-up arrangements with ESIC wherein cashless facilities are provided to contract labour at BSP Hospital. At present, ESIC is running only a small dispensary at Bhilai and has approved the setting up of a 100 bedded specialty hospital.
- At Bokaro Steel Plant, after sustained dialogue & follow up, ESIC has made tie-up arrangements with two hospitals in the vicinity of Bokaro Steel City.

Rourkela Steel Plant has provided building to ESIC for office which has and has been found to be very helpful in providing services related to contract labours and contractors.

After continuous follow-up with ESI Authorities, one of the major hospitals near Bhadravathi has been made ESI referral hospital which has benefited the contract labours engaged at Visvesvaraya Iron & Steel Plant of SAIL.

Immediate medical relief in the form of first aid is provided to contract labours in case of accident in Works area at occupational health centres/hospitals of SAIL Plants.

II. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

ESI authorities had requested for Land for construction/ establishment of ESI Hospital near RINL-VSP for which it was indicated to them that 5 Acres of Land could be spared. ESI authorities are yet to respond to this offer.

[Ministry of Steel O.M. No.11013(12)/2013-Parl.(Vol.I)
dated 6.6.2014]

Comments of the Committee

(Please see para 20 of Chapter I of the Report)

Recommendation (Serial No. 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.

Action Taken

I. STEEL AUTHORITY OF INDIA LIMITED (SAIL)

Safety is accorded top priority at Steel Plants/Mines of SAIL. Robust mechanisms have been put in place for ensuring adherence to safety norms through regular inspections & periodic safety audits.

SAIL plants and units are ensuring compliance of statutory provisions both under the Factories Act, 1948 as well as the Contract Labour (Regulation & Abolition) Act, 1970. Adequate budget is made available for meeting the statutory requirements.

II. RASHTRIYA ISPAT NIGAM LIMITED (RINL)

Contractors in RINL-VSP are paying heat, dust and height allowances to the contract labour engaged by them as per need.

[Ministry of Steel O.M. No.11013(12)/2013-Parl.(Vol.I)
dated 6.6.2014]

Comments of the Committee

(Please see para 21 of Chapter I of the Report)

CHAPTER V

OBSERVATIONS/RECOMMENDATIONS IN RESPECT OF WHICH FINAL
REPLIES OF THE GOVERNMENT ARE STILL AWAITED

-NIL-

NEW DELHI;
19 December, 2014
28 Agrahayana, 1936 (*Saka*)

RAKESH SINGH,
Chairperson,
Standing Committee on
Coal and Steel.

ANNEXURE I

DEPARTMENT OF PUBLIC ENTERPRISES, GOI GUIDELINES ON "POLICY
OF THE 7TH ROUND OF WAGE NEGOTIATIONS

No. 2 (110)/11-DPE (WC) - GL-XVI /13
Government of India
Ministry of Heavy Industries and Public Enterprises
Department of Public Enterprises

Block No. 14, CGO Complex,
Lodhi Road, New Delhi
Dated 13th June, 2013

OFFICE MEMORANDUM

**Subject: Policy for the 7th Round (2nd part) of Wage Negotiations
for unionized workers in Central Public Sector Enterprises
w.e.f. 01.01.2012.**

The undersigned is directed to convey the decision of the Government that the next round of wage negotiations (which falls due on a general basis from 01.01.2012) with the workers of Central Public Sector Enterprises (CPSE) may be undertaken by the Management of the Enterprises with the Trade Unions/Associations.

2. The wage negotiation and finalization will be subject to the following conditions:—

- (i) Management of the CPSEs would be free to negotiate the wage revision of workmen where the periodicity of wage settlement of five years has expired generally on 31.12.2011 keeping in view the affordability and financial sustainability of any such wage revision of the CPSEs concerned.
- (ii) No budgetary support for any wage increase shall be provided by the Government. The entire burden would be borne by the respective CPSEs from their internal resources.
- (iii) To avoid conflict of pay scales of executives/non-unionized supervisors with that of their workmen, CPSEs may consider adoption of graded DA neutralization and/or graded fitment during the wage negotiations.
- (iv) The management of the CPSEs concerned have to ensure that negotiated scales of pay would not come in conflict with the existing scales of pay of executives/officers and non-unionized supervisors of respective CPSEs.

- (v) CPSEs must ensure that any increase in wages after negotiations does not result in increase in administered prices of their goods and services.
- (vi) The wage revision shall be subject to the condition that there shall be no increase in labour cost per physical unit of output. In exceptional cases where CPSEs are already working at optimum capacity considering industry norms, the administrative Ministry/Department concerned may consult DPE.
- (vii) As regards sick CPSEs registered with BIFR/BRPSE, no revision of wage would be allowed to the workmen of such CPSEs until the provision for additional expenditure on account of such wage revision is approved by BIFR/BRPSE in the revival plan of such CPSEs.
- (viii) The validity period of wage settlement would be for a minimum period of five years *w.e.f.* 01.01.2012. The workmen of only those CPSEs who have opted for five year periodicity of wage negotiations *w.e.f.* 01.01.2007 may go for another wage negotiation of a minimum five year periodicity (generally from 01.01.2012).
- (ix) The CPSEs would implement the negotiated wages after confirming to their administrative Ministry/Department that the wage settlement is in conformity with the approved parameters.

3. In the light of the above decision of the Government, all the administrative Ministries/Departments are requested to issue suitable instructions to the CPSEs under their administrative control under intimation to this Department.

sd/-

(M. Subbarayan)
Director

To

All the administrative Ministries/Departments of the Government of India.

Copy to:—

1. Chief Executives of Central Public Sector Enterprises.
2. Financial Advisers in the Administrative Ministries.
3. The Comptroller & Auditor General of India, 9, Deen Dayal Upadhyay Marg, New Delhi.
4. Department of Expenditure, E-II Branch, North Block, New Delhi.
5. NIC, DPE with the request to upload this OM on to the DPE website.

ANNEXURE II

MEMORANDUM OF AGREEMENT OF NATIONAL JOINT
COMMITTEE FOR STEEL INDUSTRY (NJCS)

MEMORANDUM OF UNDERSTANDING

The Memorandum of Agreement signed on 29th April, 2010 was valid upto 31.12.2011 and Wage Revision as due *w.e.f.* 1.1.2012 in case of workers. After protected negotiations, understanding has been arrived at between representatives of Workers and Management on 25th January, 2014 at New Delhi.

While the detailed Memorandum of Agreement would be worked out and signed subsequently, following have been agreed upon (on which the detailed Memorandum of Agreement shall be based) by both parties, subject to approval of the Government of India.

1.0 Coverage

1.1 This MOU shall cover all the regular workers on the rolls of SAIL & RINL as on 31.12.2011 and continued to be on the rolls on 1.1.2012.

2.0 Validity of the Agreement

2.1 The Agreement shall be valid for 5 years *w.e.f.* 1.1.2012.

3.0 Guaranteed Benefit

3.1 The workers covered by this MOU would be entitled to a guaranteed benefit @ 17% of Pay (Basic+DA).

4.0 Dearness Allowance

4.1 100% DA neutralization would be linked to AICPI 198.00 as on 1.1.2012 (Base 2001=100) and shall be revised quarterly (*i.e.* on 1st April, 1st July, 1st October and 1st January every year) based on the increase/decrease in the quarterly average of AICPI for the quarters December-February, March-May, June-August and September-November respectively, over AICPI 198.00 (Base 2001=100). Other provisions for payment of DA shall remain unchanged.

5.0 Perks & Allowances

5.1 A new allowance @ 6% of revised Basic Pay shall be paid *w.e.f.* 1.1.2014.

- 5.2 HRA: A committee consisting of four representatives each from Union and Management side shall be constituted to unanimously finalise HRA (House Rent Allowance) and HRR (House Rent Recovery) on a prospective basis. The committee may endeavour to finalise the same prior to signing of Memorandum of Agreement. Till such period, HRA would continue to be paid on the present basic based on 2007 scales and HRR will also remain unchanged.
- 5.3 Existing allowances shall continue to be paid at the existing rates.
- 6.0 Pension
- 6.1 Pension Scheme shall be introduced w.e.f. 1.1.2012 and Management contribution towards the same shall be @ 6% of Pay (Basic+DA) per month.
- 7.0 Scale of Pay
- 7.1 It is also agreed that the Scales of Pay will be finalised before the settlement of Wage Agreement, 2012.
- 8.0 Miscellaneous
- 8.1 It is also agreed that if SAIL achieves average Profit After Tax (PAT) of Rs. 5000 crore for the last three years during the validity of this Agreement, one additional increment shall be given to the employees.
- 9.0 Payment of Arrears:
Payment of wage arrears as above, shall be made in two equal installments. The first installment shall be paid within one month from the date of signing of the Memorandum of Agreement and the second installment within one year. However, in case of employees separating in between, the balance amount shall be paid at the time of final settlement.

Management Representatives

Workers Representatives

ANNEXURE III

COPY OF THE JUDGEMENT OF THE SUPREME COURT
DATED 28.7.2011

IN THE HIGH COURT OF DELHI AT NEW DELHI

W.P. (C) 1987/1991

Reserved on: July 14, 2011

Decision on: July 28, 2011

AIR INDIA LTD.

.....Petitioner

Through : Mr. Lalit Bhasin with Ms. Ratna Dhingra
and Ms. Shreya S. Dabas, Advocates.

versus

PRESIDING OFFICER,

CGIT & ANR.

.....Respondents

Through : Mr. S.P. Sharma, Advocate for R-2.

CORAM: JUSTICE S. MURALIDHAR

- | | |
|---|-----|
| 1. Whether Reporters of local papers may be allowed to see the judgement? | No |
| 2. To be referred to the Reporter or not? | Yes |
| 3. Whether the judgement should be reported in Digest? | Yes |

judgement

28.07.2011

1. Air India Limited ('AIL') challenges an Award dated 4th March 1991 passed by the Central Government Industrial Tribunal ('CGIT') holding that the workmen represented by the Air India Workers' Union ('AIWU'), Respondent No. 2, appointed on casual basis were entitled to the same wages as payable to their regularly appointed counterparts from the date of their initial appointment on the principle of 'equal pay for equal work'.

2. Notice in the present writ petition was issued on 19th June 1991. By an order dated 21st April, 1992 while directing rule to issue, this Court stayed para 20 of the impugned Award insofar as it granted relief to the workmen retrospectively subject further to the condition that in case the writ petition was dismissed, the Petitioner would pay the workmen such interest on the delayed amount as maybe ordered by the court. At one stage the writ petition was dismissed for non-prosecution on 22nd February, 2001. Thereafter the Petitioner filed CM No. 9757 of 2009 for restoration of the writ petition W.P. (C) No. 1987 of 1991.

By a detailed order dated 26th February 2010, this Court condoned the delay in filing the application for restoration and recalled the order dated 22nd February 2001, dismissing the writ petition for non-prosecution and restored the writ petition to its original number subject to the Petitioner paying Rs. 10,000/- as costs to Respondent No. 2. The interim order dated 21st April 1992 was also restored.

3. Mr. Lalit Bhasin, learned counsel appearing for the Petitioner pointed out that the very basis on which CGIT had proceeded to treat casual workmen and regularly appointed workmen on the same footing for the purposes of application of the principle for 'equal pay for equal work' is legally flawed. Referring to the decisions of the Supreme Court in *State of Odisha v. Balaram Sahu (2003) 1 SCC 250*, *State of Haryana v. Tilak Raj 2003 (3) LLJ 487*, *Uttar Pradesh Electricity Board v. Aziz Ahmad (2009) 2 SCC 606* and *Official Liquidator v. Dayanand (2008) 10 SCC 1*, it is submitted that simply performing the same tasks for duties as those regularly employed, would not entitle the casual workers to parity of pay with regular employees.

4. On behalf of Respondent No. 2, which incidentally is now substituted by the Aviation Industry Employees' Guild, Mr. S.P. Sharma learned counsel supported the impugned Award of the CGIT by pointing out that the evidence was led by both the parties before the CGIT to show that casual workers were performing similar tasks as their counterparts who were regularly employed. The evidence of Mr. B.S. Kohli, a management witness confirmed that the work done by casual workers was not in any way different from the work of the regular employees.

5. The above submissions have been considered by the Court. The recent decisions of the Supreme Court have restricted the application of the principle of equal pay for equal work to those cases where two sets of posts are indistinguishable in nature and function. In *State of Haryana*

v. *Tilak Raj*, daily wage helpers working in Haryana Roadways claimed regularization of their services and parity of pay with regular employees on the ground that the nature of work done by both sets of employees were similar. The High Court disposed of the writ petition by directing that the daily wage workers would not be paid the regular pay scale but would be entitled to “minimum pay scale with dearness allowance alone”. Reversing the judgment of the High Court, it was explained by the Supreme Court in paras 10 and 11 as under: (LLJ, p. 490)

“10. A scale of pay is attached to a definite post and in case of a daily wager, he holds no posts. The respondent workers cannot be held to hold any posts to claim even any comparison with the regular and permanent staff for any or all purposes including a claim for equal pay and allowances. To claim a relief on the basis of equality, it is for the claimants to substantiate a clear cut basis of equivalence and a resultant hostile discrimination before becoming eligible to claim rights on a par with the other group *vis-a-vis* an alleged discrimination. No material was placed before the High Court as to the nature of the duties of either categories and it is not possible to hold that the principle of “equal pay for equal work” is an abstract one.

11. “Equal pay for equal work” is a concept which requires for its applicability complete and wholesale identity between a group of employees claiming identical pay scales and the other group of employees who have already earned such pay scales. The problem about equal pay cannot always translated into a mathematical formula.”

6. In *State of Odisha v. Balaram Sahu*, The Supreme Court set aside the decision of the High Court of Odisha which granted non-muster roll workers, daily wage helpers and casual workers parity of pay with the regularly employed workmen. It was observed that “the respondent workers cannot be held to hold any posts to claim even any comparison with the regular and permanent staff, for any or all purposes including a claim for equal pay and allowances”.

7. After the judgment in *State of Karnataka v. Umadevi* (2006) 4 SCC 1 by the Constitution Bench, the Supreme Court reiterated the principles laid down therein in *Official Liquidator v. Dayanand*. One of the questions that arose for consideration was whether on account of the similarity in the nature of work employees in the offices of the Official Liquidators attached to different High Court engaged by the OLs pursuant to sanction accorded by the Court (known as ‘company

paid staff') and whose salaries and allowances were paid from the fund created by the sale of the assets of the company in liquidation could claim parity of pay with employees regularly appointed against posts sanctioned by the Government of India in the Department of Company Affairs. The decision of the High Court granting such parity of pay by invoking the principle of 'equal pay for equal work' was set aside by the Supreme Court. The Supreme Court referred to its earlier decision in *State of Haryana v. Jasmer Singh (1996) 11 SSC 77* where, in para 8, it was held as under (SCC, p. 81)

"The respondents, therefore, in the present appeals who are employed on daily wages cannot be treated as on par with persons in regular service of the State of Haryana holding similar posts. Daily-rated workers are not required to possess the qualifications prescribed for regular workers, nor do they have to fulfill the requirement relating to age at the time of recruitment. They are not selected in the manner in which regular employees are selected. In other words the requirements for selection are not as rigorous. There are also other provisions relating to regular service such as the liability of a member of the service to be transferred, and his being subject to the disciplinary jurisdiction of the authorities as prescribed, which the daily-rated workmen are not subjected to. They cannot, therefore, be equated with regular workmen for the purposes for their wages. Nor can they claim the minimum of the regular pay scale of the regularly employed."

8. In light of the above law, as explained by the Supreme Court, the impugned order of the CGIT cannot be sustained. Merely because the casually employed workmen of Respondent No. 2 Union are performing the same tasks as their regularly employed counterparts cannot by itself constitute a legal justification for application of the principle of 'equal pay for equal work'. The above decisions of the Supreme Court cast a burden on the workmen to show that there is total parity in the nature of the functions performed by regularly employed workmen and the daily wagers/casual workers. That burden the workmen have been unable to discharge in the present case.

9. For the aforementioned reasons, the writ petition is allowed and the impugned order of the CGIT to the extent in grants the relief of parity in pay scale to daily wage workmen with regularly employed workmen is hereby set aside. Any proceedings instituted under Section 33(C)(2) of the Industrial Disputes Act, 1947 consequent upon the impugned Award will abide the present order.

July 28, 2011

S. MURALIDHAR, J

ANNEXURE IV

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON COAL
AND STEEL HELD ON 19 DECEMBER, 2014 IN ROOM 'C', GROUND
FLOOR, PARLIAMENT HOUSE ANNEXE, NEW DELHI

The Committee sat from 1500 hrs. to 1600 hrs.

PRESENT

Shri Rakesh Singh – *Chairperson*

MEMBERS

Lok Sabha

2. Shri A. Arunmozhithevan
3. Shri Kalyan Banerjee
4. Smt. Jyoti Dhurve
5. Shri Faggan Singh Kulaste
6. Shri Godam Nagesh
7. Shri Devji M. Patel
8. Smt. Riti Pathak
9. Smt. Ranjit Ranjan
10. Shri Neiphiu Rio
11. Shri Tathagata Satpathy
12. Shri Janardan Singh "Sigriwal"
13. Shri Pashupati Nath Singh
14. Shri Rama Kishore Singh

Rajya Sabha

15. Shri Sanjay Raut
16. Shri Nand Kumar Sai

SECRETARIAT

1. Shri Shiv Singh – *Joint Secretary*
2. Shri Arvind Sharma – *Additional Director*
3. Ms. Miranda Ingudam – *Under Secretary*

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) ** ** ** ** **
- (iii) ** ** ** ** **
- (iv) ** ** ** ** **
- (v) Draft Action Report on 51st Report (15th Lok Sabha) on the subject “Service Conditions of Workers in Public Sector Steel Companies” of the Ministry of Steel; and
- (vi) ** ** ** ** **

4. The Committee adopted the Reports without any changes/modifications. The Committee then authorized the Chairman to finalise the Reports on the basis of factual verification from the concerned Ministry and present the same to both the Houses of Parliament.

The Committee then adjourned.

**Do not pertain to this Report.

ANNEXURE V

(Vide Para IV of Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON THE
OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE
FIFTY-FIRST REPORT (FIFTEENTH LOK SABHA) OF
THE STANDING COMMITTEE ON COAL AND STEEL

I. Total No. of Recommendations made	14
II. Recommendations that have been accepted by the Government	
(vide recommendation at Sl. Nos. 2, 4, 9, 10, 13 and 14)	06
Percentage of total	42.86%
III. Recommendations which the Committee do not desire to pursue in view of the Government's replies	
(vide Recommendation at Sl. Nos. 1 and 8)	02
Percentage of total	14.28%
IV. Recommendations in respect of which replies of the Government have not been accepted by the Committee	
(vide recommendation at Sl. Nos. 3, 5, 6, 7, 11 and 12)	06
Percentage of total	42.86%
V. Recommendations in respect of which final replies of the Government are still awaited	
(vide recommendation at Sl. No. NIL)	00
Percentage of total	0%