

**STANDING COMMITTEE ON LABOUR  
(2015-2016)**

**SIXTEENTH LOK SABHA**

**MINISTRY OF COMMUNICATIONS AND INFORMATION  
TECHNOLOGY (DEPARTMENT OF TELECOMMUNICATIONS)**

**[DEPLOYMENT OF CONTRACT/CASUAL/SANITATION  
WORKERS FOR PERENNIAL NATURE OF JOBS IN MTNL]**

**NINETEENTH REPORT**



**LOK SABHA SECRETARIAT**

***August, 2016/Shravana, 1938 (Saka)***

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WORKERS FOR PERENNIAL NATURE OF JOBS IN MTNL]**

**Presented to Lok Sabha on 11.08.2016**

**Laid in Rajya Sabha on 11.08.2016**



**LOK SABHA SECRETARIAT**

**NEW DELHI**

***August, 2016/Shravana, 1938 (Saka)***

## **CONTENTS**

	<b>PAGE(S)</b>
<b>COMPOSITION OF THE COMMITTEE</b>	<b>(iv)</b>
<b>INTRODUCTION</b>	<b>(vi)</b>
<b>PART-I</b>	
<b>(I)</b> Introductory	<b>1-2</b>
<b>(II)</b> Services Outsourced	<b>3-4</b>
<b>(III)</b> Payment of Wages	<b>5-8</b>
<b>(IV)</b> Extension of social security benefits/ statutory benefits	<b>8-9</b>
<b>(V)</b> Settlement of Disputes	<b>10</b>
<b>(VI)</b> Maintenance of Registers	<b>11-12</b>
<b>(VII)</b> Retention of Contract Workers	<b>12</b>
<b>PART-II</b>	
<b>OBSERVATIONS/RECOMMENDATIONS</b>	<b>13-22</b>
 <b><u>ANNEXURE</u></b>	
Annexure: Report of inspection conducted by the CLC Office	<b>23-29</b>
 <b><u>APPENDIX</u></b>	
Appendix: Minutes of the Sitzings of the Committee held on 20.11.2015 and 09.08.2016.	<b>30-34</b>

**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR  
(2015-16)**

**DR. VIRENDRA KUMAR-CHAIRPERSON**

**MEMBERS**

**Lok Sabha**

2. Shri Udayanraje Pratapsingh Bhonsle
3. Shri Rajesh Diwakar
4. Shri Ashok Kumar Dohrey
5. Shri Satish Chandra Dubey
6. Shri Devajibhai Fatepara
7. Shri Satish Kumar Gautam
8. Dr. Boora Narsaiah Goud
9. Shri Rama Chandra Hansdah
10. Shri C. N. Jayadevan
11. Shri Bahadur Singh Koli
12. Dr. Arun Kumar
13. Shri Kaushalendra Kumar
14. Shri Hari Manjhi
15. Shri R. Parthipan
16. Shri Hariom Singh Rathore
17. Shri Y.S. Avinash Reddy
18. Shri Naba Kumar Sarania (Hira)
19. Shri Kodikunnil Suresh
20. Shri Mulayam Singh Yadav
21. Shri Dayakar Pasunoori

**Rajya Sabha**

22. Shri Nazir Ahmed Laway
23. Shri P.L. Punia
24. Shri Rajaram
25. Haji Abdul Salam
26. Ms. Dola Sen
27. Shri Tapan Kumar Sen
28. Shri R.K. Sinha
29. Shri Ravi Prakash Verma
30. Shri N. Gokulkrishnan
31. Shri Gopal Narayan Singh

## **SECRETARIAT**

- |                           |                        |
|---------------------------|------------------------|
| 1. Shri K. Vijayakrishnan | - Additional Secretary |
| 2. Shri N.C. Gupta        | - Joint Secretary      |
| 3. Shri Ashok Sajwan      | - Director             |
| 4. Shri D.R. Mohanty      | - Additional Director  |
| 5. Smt. Archana Srivastva | - Under Secretary      |

## **INTRODUCTION**

I, the Chairperson, Standing Committee on Labour (2015-16), having been authorized by the Committee do present on their behalf this Nineteenth Report on 'Deployment of Contract/Casual/Sanitation Workers for Perennial Nature of Jobs in MTNL' relating to the Ministry of Communications and Information Technology (Department of Telecommunications).

2. The Committee obtained background material and written information from the Ministry of Communications and Information Technology (Department of Telecommunications) and MTNL in connection with the examination of the subject. The Committee took evidence of the representatives of the Ministry of Communications and Information Technology (Department of Telecommunications) and MTNL on the subject on 20<sup>th</sup> November, 2015. The Committee wish to express their thanks to the representatives of the Ministry of Communications and Information Technology (Department of Telecommunications) and MTNL for appearing before the Committee and placing before them their views and also for providing detailed written information on the subject, as desired by the Committee.

3. The Committee considered and adopted the Draft Report at their sitting held on 9<sup>th</sup> August, 2016.

4. For ease of reference, the Observations/Recommendations of the Committee have been printed in bold type in the body of the Report.

**New Delhi;**  
**9<sup>th</sup> August, 2016**  
**18<sup>th</sup> Shravana, 1938 (Saka)**

**DR. VIRENDRA KUMAR**  
**CHAIRPERSON**  
**STANDING COMMITTEE ON LABOUR**

# **REPORT**

## **PART-I**

### **I. INTRODUCTORY**

The Mahanagar Telephone Nigam Limited (MTNL) was incorporated on February 28, 1986 under the Companies Act as a wholly owned Govt. Company, and on April 01, 1986, assumed responsibility for the control, management and operation of the telecommunication networks in Delhi and Mumbai. MTNL is the principal provider of fixed-line telecommunication service in these two metropolitan cities and for GSM Mobile services (four peripheral towns: NOIDA, Gurgaon, Faridabad and Ghaziabad, along with Delhi city). The areas falling under the Mumbai Municipal Corporation, New Mumbai Corporation and Thane Municipal Corporation along with Mumbai city also come under the jurisdiction of the company. MTNL launched Broadband service based on the state-of-the-art ADSL2+ technology in the year 2005 and 3G services in 2008 against the spectrum allotted in August 2008.

2. At the time of absorption in 1998, MTNL had got huge legacy of staff which was around 61,456 employees out of whom 46271 were in Group C & D categories. The staff strength was much more than what was required by MTNL. Since then, due to natural attrition, the staff strength, as on 30.06.2015, has come down to 32905.

3. MTNL's core business is control, management and operation of the telecommunication networks in Delhi and Mumbai and being a commercial organisation, the company is allowed to adopt suitable mechanism to provide services within the framework of the law of the land. As the Company felt that many of its non-core activities could be better delivered through outsourced specialised agencies, MTNL took registration certificates from the Ministry of Labour and Employment. Accordingly, for discharging non-core activities, MTNL has been permitted to employ contract labour under the provisions of 'The Contract Labour (Regulation and Abolition) Act, 1970', in the areas of Security, Customer Care Services and House Keeping services.

4. With a view to gauging the working conditions, health, safety, welfare and social security of the contract workers deployed in MTNL, the Committee took up the subject for examination and report. In the process, the Committee obtained background notes, written replies and other requisite documents from the MTNL. The Committee took oral evidence of the representatives of the Ministry of Communications and Information Technology (Department of Telecommunications) and MTNL on 20<sup>th</sup> November, 2015. Based on the written and oral depositions of the Ministry and MTNL and inputs gathered from the Regional Labour Commissioner, Employees' Provident Fund Organisation (EPFO) and the Employees State Insurance Corporation (ESIC), the Committee deliberated upon the subject as enumerated in the succeeding paragraphs.



## **II. SERVICES OUTSOURCED**

5. The Committee desired to know the nature of jobs/works/services outsourced by MTNL and the procedures followed for such outsourcing. In reply, the MTNL stated that the specified areas and the nature of job/work/services outsourced by MTNL were Security Services deployed at Buildings for the security of vital Installations. This work was outsourced only to Directorate General Resettlement (DGR) sponsored Security Agencies, Customer Care Services through Call Centres, provisioning of Broad band and maintenance. The Committee were also informed that, as a policy, MTNL did not engage workers directly on contract basis. When the Committee desired to know whether any contractual appointments were made against permanent posts, the MTNL informed that there are no contractual appointments against the permanent posts. It was also stated that the existing manpower was being trained in new skills to the extent possible to deploy them gainfully. However, there was surplus manpower mainly in Group 'C' and 'D' categories which needed to be reduced as with one-third of the present staff strength, MTNL could manage its core business.

6. Asked to state the measures taken to train the surplus staff to deploy them for those duties which were being outsourced by MTNL, the Ministry submitted that all efforts were being made to train them and upgrade their skills, but many of these employees were not professionally qualified and were on the higher side of age (50+) to cater to the requirements of the fast changing

technology. However, despite that, some of the surplus employees have been retrained and placed in call centres and security services, sales and marketing etc. Further, attempts were being made to incentivize acquiring new skills and deploying excess staff to alternate jobs by imparting training. In view of these limitations, the Company was resorting to outsourcing some of its non-core activities to ensure delivery of quality service

7. In evidence, the representative of the MTNL deposed that, redeployment of staff was being done in Delhi and Mumbai, and the Company was endeavouring to gainfully utilise most of the surplus staff according to the demand.

8. The list of contractors as provided by the MTNL was forwarded to EPFO, ESIC and the Chief Labour Commissioner for cross-verification and carrying out inspections regarding the coverage of workers in ESI/EPF under each contractor, wherever applicable and issuance of Labour license, etc.

9. According to the inspection report submitted by the Labour authorities, most of the contractors engaged by the MTNL are not required to obtain license, and ESIC and EPFO coverage, as they are having less number of workers than the stipulated one. However, there were 108 Guards engaged through the Security Guard Board for whom EPF compliance was not there.

### **III. PAYMENT OF WAGES**

10. The Committee desired to know about the procedure adopted for ensuring proper/timely disbursement of wages to the contract workers. In reply, the Ministry stated that necessary clauses were included in the agreement in line to the Tender conditions. The Ministry further submitted that as per the Payment of Wages Act, 1936 the payment was regulated and the contractors were given the target date for making payment to the contract labourers on the 7th of every month. It had also been mandated that the payment to workers was made by cheque/ECS and as a proof a copy of same was obtained from the contractor.

11. When asked whether any cases of under-payment of wages had been reported or brought to the notice of the Company, the Ministry stated that so far no such case had come to the notice of MTNL. However, cases of non-payment of wages/delayed payment of wages has been detected against one contractor in the last three years. When asked about the punitive action taken against the contractors found contravening the provisions of wage payments, the Ministry submitted that in case of default by the contractor, punitive actions like with holding of contractor payment and invoking penalties as per tender clauses were taken against the contractors whenever any violation was noticed. Asked to state the action taken against the contractor concerned, the Ministry responded that MTNL had made payment of unpaid wages to the

contract workers directly and the payment of the contractor for the same duration had been deducted.

12. The Committee then asked whether there was any difference in wages paid to the contractual workers in Delhi and Mumbai. The Ministry in their reply stated that the minimum wage for different category of workers was being notified by both the Central and State Governments. In case the rate decided by the State Government was higher than that of the Central Government, the former prevailed. Therefore, there might be sometimes a difference in the wages paid to the contract workers in Delhi and Mumbai.

13. Not satisfied, the Committee asked in evidence the reasoning for payment of higher wages in Delhi in comparison to Mumbai. In response, the representative of MTNL submitted as under:-

"The first point which Chairman rightly stated that the wages should be given at par with the wages given by Central Government. As per your instructions, the case will be investigated in detail according to prevailing law within the prescribed time period because I have to take both the parties into consideration i.e. DoT and MTNL as it could be possible that there is some controversy in BSNL. We will have to give equal justice to both the parties that's why I could not tell you the exact time limit but your suggestion is completely valid because BSNL is also Central Government entity. In my opinion the system is same in BSNL, but I will have to check because I am not sure about it.

The representative further stated as under:-

"You stated rightly that this point is mandatory, the Director presented MTNL's view-point. I would like to assure on behalf of DoT that we will sort out this matter within two months".

14. The Committee sought inputs from the CLC Office regarding disbursement of wages to the contract workers deployed in the MTNL. As per the Report of the CLC Office, there were three cases of contravention of the provisions: two cases in r/o M/s COSMOS; one is for overtime wages from 1<sup>st</sup> August to 31<sup>st</sup> December, 2012 (still pending); another case of not giving salary as per the Minimum Wages Act (24 workers) for which Regional Labour Commissioner (RLC) imposed a penalty of Rs. 17.9 lakh. The third case pertained to non-disbursement of salary to 71 contract workers for the month of September-October, 2014.

15. The Committee then enquired about the inspection and oversight mechanism evolved by the MTNL as the principal employer, to avoid exploitation of the contract workers from underpayment and extended working hours. In reply, the Ministry submitted as follows:

"it is being ensured in the Agreement that the contractor is duty bound to the Act. The nodal officers have been assigned the job to ensure that there is no exploitation of contract labour on account of underpayment and taking work beyond prescribed working hours. It has been mandated that the payment to the contract labour are made by cheque in front of Nodal officer. The Admn. representative of GM Unit also keeps a check on this."

16. Asked to state categorically the penalty provisions prescribed and adopted in case of contravention of the labour laws, the Ministry deposed as under:

"In case any provision of the Act is contravened by the contractors actions are being taken against the erring contractors as per the penalty clause of the contract agreement, and in case if any MTNL employee is found guilty he is exposed to relevant penalty as stipulated in Contract Labour Act, as well as in MTNL's CDA rule no. 5 (5) 1. Such act will be

treated as misconduct and will be punishable under Rule 3 under minor or major penalties depending on gravity of offence."

17. When the Committee desired to know whether any surprise inspections were carried out to detect any malpractices on the part of the Contractors as well as the nodal officers of the MTNL, the Ministry responded as under:

"In order to safeguard the interest of the contract labours the nodal officers have been nominated. Further, to avoid any malpractices by the nodal officers and contractors, the Area GM/Administration Units concerned Areas/Head Quarter representatives carry out inspections."

#### **IV. EXTENSION OF SOCIAL SECURITY BENEFITS/ STATUTORY BENEFITS**

18. When asked about the social security schemes available for the contract workers and mechanism put in place by the MTNL to ensure the coverage of the contract workers under the Scheme, the Ministry stated that the provision of social security schemes, including payment of EPF and ESI available to the contract workers, was ensured by obtaining challan copies of the payment before releasing the payments of contractor. The Committee were also informed that the nodal officer of the MTNL, at the time of payments, also checked and ensured that due amount was received by the contract labour.

19. As regards mechanism put in place to ensure provision of amenities like medical facilities, housing and sanitation and education to the wards of the contract labourers by the contractors, the Ministry submitted that the wage components of contract labour did include HRA component to be paid to the

workmen. As regards medical facilities, it is ensured that each contract worker was covered under ESI. Further, at the time of monthly payment, all ESI challans countersigned by ESI authorities were required to be furnished by the respective contractors. Contractors were also under contractual obligations to provide Canteen, Restrooms, sufficient wholesome drinking water, etc. to the workers.

20. In evidence, the representatives of MTNL elaborated that the MTNL was ensuring EPF, ESI and Bonus facilities to the contract workers and the payment was made to the contractors only when they deposited the document sheet of EPF and ESI and he has the registration number for both.

21. The representative of the MTNL further apprised as under:-

"The problem in regard to our worker is that according to law the provision of gratuity is only applicable if he is working with us for five years continuously. As in the case of contractor we renew the contract on yearly basis so the workers are not with us on regular basis, they may not be continuously working with us for five years. Even if an MTNL employee works with us for 4 years and 364 days he is not liable to gratuity payment. Gratuity payment is not a mandatory payment so far as less than five years are concerned. Even after this provision is quite rare that any contractual labour work with us for less than five years. We are ensuring that this clause be included in our contractual provision as on date. Certainly we have never thought regarding gratuity with this angle".

## **V. SETTLEMENT OF DISPUTES**

22. The Committee then desired to know the mechanism evolved to deal with the disputes between a contractor and the contract worker and whether any such dispute had come to the notice of the Principal Employer. The Ministry, in their reply, submitted that the disputes were settled as per the terms of contracts and wherever required punitive actions were being taken against the contractors. The Ministry further stated that disputes between the contractor and the contract labours were attended to and resolved by the nodal officer and subsequently by senior Managers/DGM level officers as per contract terms & conditions. In case the issues were not resolved at the level of the MTNL, the matter was dealt with at ALC/DLC level that set out the procedure for grievance redressal. The Committee were informed that so far no such case has come to the notice of MTNL, the Principal Employer, for intervention. However, in case any dispute was reported, the case was to be examined by the nodal officer and depending on the findings, if any violation was found, then action would be taken against the contractor as per the Agreement conditions.

23. However, a scrutiny of the Annexure provided with the replies by the Ministry revealed that there were five Court cases pending against MTNL: (i) Industrial dispute/Complaint between management of MTNL and Delhi Mazdoor Sangh; (ii) Labour enforcement officer (LEO) Vs DP Singh, CGM; (iii) Charan Singh V/s MTNL V/s COSMOS; (iv) Neeraj Giri & others V/s MTNL; and (v) overtime wages.



## **VI. MAINTENANCE OF REGISTERS**

24. As regards maintenance of registers by the contractors and upkeep and supervision of the records of contractors, the Committee were informed that records of the contractors were maintained in separate files by the respective Area GMs offices and the records of the contract workers maintained by the contractors were checked by MTNL Nodal officers.

25. Asked to state the mechanism put in place to check/verify the registers/muster rolls, the Ministry submitted as under:

"the nodal officers nominated by MTNL checks the muster roll, wages and deduction details maintained by the contractors before monthly bills are cleared. Appropriate provisions are made in the agreements, so that overtime is not required to be performed by the contract workers. The records are also time to time checked by the Area Head/Admn. representative."

26. In evidence, the Committee desired to see a sample copy of the register maintained by the contractor and the same was provided by the MTNL. When pointed out by the Committee that the signature of the nodal officer of MTNL was without date and stamp, the representatives of the MTNL assured that henceforth registers maintained by the contractors would be properly monitored and the date would invariably be mentioned by the MTNL nodal officer responsible for the purpose.

27. As per the report of inspections conducted by the CLC Office, "*Register of contractors (Form XII Register) has not been maintained at all*" (***Annexure-I***).

## **VII. RETENTION OF CONTRACT WORKERS**

28. The Committee desired to know about the fate of the workers of the Contractors whose contract got over after a certain period of time or for the duration for which the contract was entered into. Asked about giving preference to the workers of the earlier contractor as per The Industrial Disputes Act, 1947, the representative of the MTNL submitted in evidence that since the contracts were mainly for temporary work, and not in continuation, the Company had not issued any directions to the new contractors to engage the contract workers of the earlier contractors. However, the representative of the MTNL assured that if there was any lacunae in the process, they would surely re-visit it.

## **PART - II**

### **OBSERVATIONS/RECOMMENDATIONS**

1. The Committee observe that in view of the requirements felt by the Mahanagar Telephone Nigam Limited (MTNL) to better deliver some of its non-core activities through outsourced specialised agencies, the Company had obtained registration certificates from the Ministry of Labour and Employment and were permitted to deploy contract labour under the provisions of the Contract Labour (Regulation and Abolition) Act, 1970 for discharging its non-core activities like Security, Customer Care and House-keeping services. In the process of examination of such deployment of contract labour by MTNL to perform some non-core activities, the Committee have come across some issues of concern and have accordingly given their considered opinion/suggestions in the succeeding paragraphs.

2. The Committee note that, as a policy, MTNL does not engage workers directly on contract basis, and the Committee further appreciate the fact that MTNL is not making

**contractual appointments against permanent posts. The Committee believe that MTNL would continue to uphold the sanctity of the Labour Act and adhere to the enshrined provisions therein regarding deployment of contract labour in the Company.**

**3. The Committee note that in the year 1998, when staff was transferred from DoT and absorbed in MTNL, there were 61456 employees; their number has come down to 32905 as on 30.06.2015 on account of natural attrition. The Committee also note that the surplus staff is mainly in Group C & D categories and is much more in excess vis-a-vis requirement. The Committee are concerned to observe that on one hand there is surplus staff, especially in Group 'C' & 'D' categories, whereas on the other, MTNL is resorting to deployment of contract labour through outsourced agencies for its non-core activities. The Committee are of the considered opinion that the available surplus staff can be gainfully utilised on those services which are now being outsourced, by way of imparting training and upgrading the new skills of such surplus staff. This**

will not only help in addressing the issue of reducing excess staff strength and consequential financial burden on the Company but will also facilitate adequate utilization of more experienced and proficient working strength as compared to the outsourced personnel. The Committee therefore, recommend that concerted efforts should be made to productively utilise the surplus staff in non-core activities so as to reduce dependence on outsourcing.

4. According to DoT/MTNL, records of contractors are maintained by the Company's respective Area GM's Offices and the register of contract workers is maintained by the respective contractors. Such registers are reportedly checked by MTNL nodal officers. Much to the dismay of the Committee, a scrutiny of a copy of the register, as provided by MTNL, revealed that signatures of the nodal officer on the register have been without any date and stamp. What is more worrisome is the revelation of the inspection conducted by the CLC Office that "*Register of contractors has not been maintained at all*". The Committee, while taking a serious

**view of the matter, would like to caution MTNL to exercise utmost care and ensure submission of authentic facts to them in future. The Committee further stress that henceforth all the records/registers as stipulated in Labour Laws be maintained by MTNL as well as the contractors concerned and whatever shortcomings/deficiencies that are observed be rectified forthwith in accordance with the provisions of the Contract Labour Act, 1970.**

**5. As per DoT/MTNL's submission, the Company ensures payment of wages by the 7<sup>th</sup> of each month and there is only one case of non-payment/delayed payment of wages reported against one contractor in the last three years. However, according to the inspection report of the CLC office, there were three cases of contravention of labour laws: one is for overtime wages from 1<sup>st</sup> August to 31<sup>st</sup> December, 2012 (still pending); another case is of not giving salary as per the Minimum Wages Act (24 workers) for which RLC imposed penalty of Rs. 17.9 lakh; and the third case is of non-disbursement of salary for the month of September-October, 2014 to 71 workers. It implies**

that MTNL, as a Principal Employer, is not keeping track of the infirmities reported by the CLC office, thus defaulting on the roles and responsibilities expected from the Principal Employer. The Committee express their displeasure at these lapses that have occurred on the part of MTNL and recommend that DoT should impress upon MTNL to shoulder the responsibility required under the law from a Principal Employer so as to timely mitigate the workers' grievances reported against the delinquent contractors in a time-bound manner.

6. The Committee note that the minimum wages paid to the contract workers in Delhi are higher than that being paid in Mumbai as the Company is following minimum wages as prescribed by the respective State Governments. In this context, the Committee find that the minimum wages of Delhi Government are higher by more than Rs. 200/- as compared to the minimum wages prescribed by the Maharashtra Government. The Ministry have reasoned that the minimum wage, notified by both the Central and State Governments, is paid to the contract workers after taking into account the

higher wage prescribed. While appreciating the contentions of DoT/MTNL, the Committee are, however, of the view that since MTNL operates in two cities only, there should not be any impediment in making wage payment uniform in both the Cities after considering the highest wage prescribed by the Central Government, the Delhi Government and the Maharashtra Government. As assured in evidence by the representatives of DoT/MTNL, the Committee recommend that the matter of making the minimum wages uniform at both the places be sorted out at an early date so that contract labour deployed by MTNL get the benefit of higher and equal wages.

7. DoT/MTNL have claimed that payment to a contractor is released only after obtaining copies of challan furnished and verifying that the contractor has actually deposited the EPF and ESI contribution of the contract workers. However, the Committee are concerned to note from the report submitted by the EPFO that EPF is not being deposited by one of the security agencies which is providing security guards to MTNL. The Company has reportedly been under the impression that



security agencies are exempted from coverage of EPF. However, according to the EPFO, such exemption was withdrawn long back and all the security agencies are now covered under the EPFO. While expressing their reservation over such misconception of MTNL, the Committee recommend that MTNL should now ensure that all the security personnel hired by it from security agencies be covered under the EPFO with effect from the date of withdrawal of the exemption and the contribution of employee-employer be deposited with the offices of EPF, in consultation with EPFO. The Committee also recommend that before finalising any contractual engagements, including that of security personnel, the EPF and ESI codes of the contractors should invariably be checked and verified from EPF and ESI. Simultaneously, the list of personnel engaged through respective contractors may also be sent to EPF and ESI invariably for cross-checking and authenticating the number and identity of the beneficiaries.

8. The Committee further desire that immediate steps be taken to instruct the nodal officer responsible/deputed for

**checking and ensuring the compliance of Labour Laws with a view to providing Smart Cards and Unique Identification Number linked to Aadhaar to all the contract workers deployed by MTNL so that random verifications of the provision of social security and other facilities intended for the contract workers are facilitated.**

**9. The Committee note that in order to become eligible for gratuity, a minimum of five years of service is to be rendered by a worker/employee; but it is not necessary that he/she should have worked under a single contractor/employer as clarified by the Regional Labour Commissioner in evidence. The Committee also noted that when tenders are floated for shorter durations, viz. two years after the completion of work, if the contractor changes, the next contractor either deploys his own people or refuses to acknowledge the services rendered by the workers deployed by the previous contractor. In such a scenario, the sufferers are the hapless contract workers. The Committee, therefore, are of the considered opinion that it is imperative on the part of MTNL to evolve an effective**

**mechanism to deduct the gratuity amount from the previous contractor's final bill in case he does not protect the interest of the workers and put it in a dedicated fund or hand it over to the next contractor to be used as gratuity cover for the contract workers.**

**10. The Committee are deeply concerned to observe that MTNL has not issued any directions to contractors to retain workers of the earlier contractors for works which are in continuation, in violation of the provisions contained in the Industrial Disputes Act, 1947. However, as the representatives of DoT/MTNL have assured the Committee to look into the matter, the Committee desire that urgent requisite measures be taken to issue instructions to the contractors to deploy those contract workers who offer themselves to be re-engaged even when the contract changes so that the problem of providing gratuity cover to contract workers is eliminated once and for all.**

**11. The Committee were informed that disputes between contractor and contract labourers are attended and resolved by**

the nodal officer and subsequently by senior Managers/DGM level officers of MTNL as per contract terms and conditions. The DoT/MTNL have submitted that so far no disputed case has come to the notice of MTNL for intervention. However, the Committee note from the replies provided to them that there are five pending court cases pertaining to the contract workers of MTNL. The Committee take a serious view of misrepresentation of facts and call upon DoT/MTNL to resort to proactive measures and set up a robust grievance redressal machinery so as to avoid litigations and provide succour to the aggrieved employees/workers.

New Delhi;  
9<sup>th</sup> August, 2016  
18<sup>th</sup> Shravana, 1938 (Saka)

DR. VIRENDRA KUMAR  
CHAIRPERSON  
STANDING COMMITTEE ON LABOUR

# ANNEXURE

Reply of WS/Delhi unit required vide letter No, MTNL/CO/IRW/27(122)/2015-16-336 dated 4.12.2015

Question No.	Question	Answer	
		WS unit	Delhi unit
12	Regarding amenities/facilities prescribed under the Labour Act by the contractors to the labourers engaged by them' the MTNL informed that a clause is included in the tender document which inter-alia has provisions for ensuring the compliance of various statutory provisions of the Contract labour (R&A) Act, 1970. In this connection' please state:- (i) It is a common knowledge that the facilities to be provided on papers are different from the ground realities. How does the MTNL ensure that the provisions made under the contract document are not contravened by the Contractors? (ii) What punitive action is taken against the contractors found contravening these provisions? (iii) How many such cases have been detected during the last three years and the action taken against the contractor in each case?	(i) At present BSS WS unit has not hired any man power. However in the past whenever such man power was hired strict watch was kept on the contractor to ensure the provisions made under the contract document are not contravened by the contractor. (ii) Since Oct-2014 BSS WS unit has not hired any contractor for providing man power. However in past actions like withholding of contractor payment, invoking penalties as per tender clauses were taken whenever any violation was noticed. (iii) Cases of non-payment of wages / delayed payment of wages has been detected against one contractor in last three years. MTNL has made payment of unpaid wages of the man power directly and contractor payment for same duration has been deducted. GM(CC)WS-(iv) Whenever it has been observed that the empanelled vendor deviated.	(i). MTNL Delhi unit deployed security guards on contract basis through DGR as per the applicable terms of DGR and managed BB & FTTH call centers and field services at different locations in Delhi. Strict watch is kept on the contractor to ensure the provisions made under the contract document are not contravened by the contractor. (ii) Nil (iii) No such case has been detected
13	In how many cases Regional Labour Commissioner had to intervene in the matter?	Five such cases have been noticed, the list is attached at annex-I	Nil
14	Whether the RLC visits the work locations of MTNL at regular intervals or he only intervenes as and when required?	RLC intervene as and when required.	No visit by RLC during last 3 years.
15	How many inspections were conducted by the labour authorities during the last 3 years? What were their findings?	One inspection has been conducted by Labour Enforcement Officer (Central), Sh. Niranjan Kumar, his findings and its reply are attached herewith as annex-II.	No inspection done by Labour authorities in last 3 years.
18	How many inspections/checks have been carried out by the Area GM/Administration Units of the concerned areas in this regard during the last three years?	Regular monitoring / checks are done by administrative unit each month.	(i) Inspection of sites where security guards are deployed on contract basis is done on surprise basis (surprise cheque). (ii) Inspection/checks have been carried out by the Senior Officers in BB call centers are done periodically once at least every month

1.1.7  
GM (Admin)  
MTNL DELHI

Question No.	Question	Answers
12	<p>Regarding amenities/facilities prescribed under the Labour Act by the contractors to the labourers engaged by them' the MTNL informed that a clause is included in the tender document which inter-alia has provisions for ensuring the compliance of various statutory provisions of the Contract labour (R&amp;A) Act, 1970. In this connection' please state:-</p> <p>(i) It is a common knowledge that the facilities to be provided on papers are different from the ground realities. How does the MTNL ensure that the provisions made under the contract document are not contravened by the Contractors?</p> <p>(ii) What punitive action is taken against the contractors found contravening these provisions?</p> <p>(iii) How many such cases have been detected during the last three years and the action taken against the contractor in each case?</p>	<p>(i) At present BSS WS unit has not hired any man power. However in the past whenever such man power was hired strict watch was kept on the contractor to ensure the provisions made under the contract document are not contravened by the contractor.</p> <p>(ii) Since Oct-2014 BSS WS unit has not hired any contractor for providing man power. However in past actions like with-holding of contractor payment, invoking penalties as per tender clauses were taken whenever any violation was noticed.</p> <p>(iii) Cases of non-payment of wages / delayed payment of wages has been detected against one contractor in last three years. MTNL has made payment of unpaid wages of the man power directly and contractor payment for same duration has been deducted.</p> <p>GM (CC) WS- (iv) Whenever it has been observed that the empanelled vendor deviated</p>
13	In how many cases Regional Labour Commissioner ' had to intervene in the matter?	Five such cases have been noticed, the list is attached at annex-I
14	Whether the RLC visits the work locations of MTNL at regular intervals or he only intervenes as and when required?	RLC intervene as and when required.
15	How many inspections were conducted by the labour authorities during the last 3 years? What were their findings?	One inspection has been conducted by Labour Enforcement Officer ( Central ), Sh. Niranjana Kumar, his findings and its reply are attached herewith as annex-II.
18	How many inspections/checks have been carried out by the Area GM/Administration Units of the concerned areas in this regard during the last three years?	Regular monitoring / checks are done by administrative unit each month.



## List of all court cases

Legal team Sh.S.K Sharma ( 9868135220 ) ,					Planning team Sh. D.K. Hassija ( 9868131395 ) , Sh. Rakesh Kumar (			
Sr No	Case No	date of notice / first date of hearing	Court	Title	Advocate and Telephone No.	file no.	Next date of hearing	Case Summary
1	MWA 117/2013		RLC New Delhi	overtime wages	Sh. Shankar zha Ph-9810400515	1,2	RLC Sh. S.K.Daas has been transferred , next date of hearing ( NDOH) will be informed through notice.	M/s COSMOS labour filed court case for overtime wages from 01-Aug-2012 to 31-Dec-2012.
2	ALC- II/8(94)/2013	07.04.14 / 12.05.14	ALC New Delhi	Industrial dispute/Complaint between management of MTNL and Delhi Mazdoor Sangh , Generl Demands	Vandana Bhatia ; 9810092257	4	last date of hearing was 27.06.2014 , it was told that NDOH will be informed by Notice. But no notice received yet.	case regarding general demands like permanent status of all petitioner employees, identity card and pay slip , EPF , ESI , retrenchment threat , over time allowance , conveyance allowance , mobile phone , washing allowance , promotion , incentive , safety measures , paid holidays , bonus , HRA & HBA , accumulation of sick leave , accumulation of E.L.
3	CC No.89/24/13	23.08.13/01.11.13	Pallala House	Labour enforcement officer (LEO) Vs DP Singh CGM	Sh. Aanchal	9	Next date of hearing is in 06-01-16 as per Sh. SK Sharma, AGM(legal) WS	Case is regarding to get overtime wages from 01-Aug-2012 to 31-Dec-2012.
4	MWA-55/2014		RLC New Delhi	Charan singh vs mtnl vs cosmos	Vandana Bhatia ; 9810092257	10	RLC imposed penalty of around 17.9 lac	Sh. Charan singh and 23 others filed court case in RLC(C) due to not getting their salary as per Min. Wages Act. Against M/s COSMOS and MTNL .RLC has ordered a penalty of 17.9 lac on MTNL.
5		16.04.15/10.06.15	Karkardooma Court	Neeraj giri & Otrs Vs MTNL	Vandana Bhatia ; 9810092257	13	case closed after dishbursement of salary of labour . Out of 71 labour , salary of 65 labour dishbursed , remaining 6 labour salary handed over to A/R of clament as per court order.	Neeraj giri & Otrs has filed court case to get their salary for the month of sep-14 and 15 days of oct-14.



MAHANAGAR TELEPHONE NIGAM LIMITED  
O/o DE (PLG) BSS, MAZZININE FLOOR  
MAHANAGAR DOOR SANCHAR SADAN, 9, CGO COMPLEX  
LODHI ROAD, NEW DELHI -110003

Amr 07-11 3/c



37/c

33/c

No: SDE (Plg.) BSS/Cosmos/O&M/2012-13  
Dated 27.02.2013.

To

The Labour Enforcement Officer (Central)  
Delhi-III.  
4<sup>th</sup> Floor Jeevandeep Building,  
Parliament Street, New Delhi

Sub: - Rectification of regularities mention in the inspection report.  
(letter No: LEO III/35(o5)/2013.)

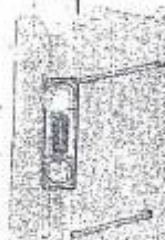
Sir,

With reference to your letter no LEO III/35(o5)/2013, regarding inspection of MTNL under contract Labour (Regulation & Abolition) Act, 1970 & Contract Labour (R & A) Central Rule -1971, following needful had been done.

Question	Answer																																			
<b>A. PERTAINING TO REGISTRATION:</b> I. Contract labour numbering 114 approx are employed without obtaining valid certificate of Registration, Breach of section 7 read with sec.9.	Certificate of registration no is issued to MTNL as No ALC-II/46(6)/2005@ DT. 16.12.2005. License No ALC-II/46(117)/2012, dated 1-9-01-2012 issued to M/s Cosmos.																																			
<b>B. PERTAINING TO NOTICES:</b> I. The following notices were not displayed/ amended as required under rule 81(1) (i). (a) The rates of wages in English/Hindi. (b) The Hours of work in English/Hindi. (c) The date of payment in English/Hindi. (d) The wage period in English/Hindi. (e) Names and addresses of the inspectors having jurisdiction in English/Hindi. (f) Date of payment of un-paid wages in English/Hindi.	<table><tr><th colspan="7">Notices are displayed</th></tr><tr><th></th><th>Rate of wages (a)</th><th>Hours of works (b)</th><th>Date of payment (c)</th><th>The wages period (d)</th><th>Names and addresses of the inspectors (e)</th><th>Date of payment of unpaid wages (f)</th></tr><tr><td>Skilled</td><td>9000</td><td>As per labour law</td><td>7th of the every month</td><td>Monthly</td><td>Sh. Niranjan Kumar , RLC(Central) , 4th floor, Jeevandeep Building, Parliament Street,ND</td><td>No outstanding payment</td></tr><tr><td>Semi Skilled</td><td>8100</td><td>As per labour law</td><td>7th of the every month</td><td>Monthly</td><td>Sh. Niranjan Kumar , RLC(Central) , 4th floor, Jeevandeep Building, Parliament Street,ND</td><td>No outstanding payment</td></tr><tr><td>UnSkilled</td><td>7000</td><td>As per labour law</td><td>7th of the every month</td><td>Monthly</td><td>Sh. Niranjan Kumar , RLC(Central) , 4th floor, Jeevandeep Building, Parliament Street,ND</td><td>No outstanding payment</td></tr></table>	Notices are displayed								Rate of wages (a)	Hours of works (b)	Date of payment (c)	The wages period (d)	Names and addresses of the inspectors (e)	Date of payment of unpaid wages (f)	Skilled	9000	As per labour law	7th of the every month	Monthly	Sh. Niranjan Kumar , RLC(Central) , 4th floor, Jeevandeep Building, Parliament Street,ND	No outstanding payment	Semi Skilled	8100	As per labour law	7th of the every month	Monthly	Sh. Niranjan Kumar , RLC(Central) , 4th floor, Jeevandeep Building, Parliament Street,ND	No outstanding payment	UnSkilled	7000	As per labour law	7th of the every month	Monthly	Sh. Niranjan Kumar , RLC(Central) , 4th floor, Jeevandeep Building, Parliament Street,ND	No outstanding payment
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UnSkilled	7000	As per labour law	7th of the every month	Monthly	Sh. Niranjan Kumar , RLC(Central) , 4th floor, Jeevandeep Building, Parliament Street,ND	No outstanding payment																														

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**PAID TO WAGES:**

It is observed that contractor M/S Cosmos Telecommunication Pvt. Ltd. Failed to make payment of wages for the month of Dec., 2012 as per Annexure even on 18.01.2013 though the wage period for the month of December, 2012 has already lapsed and payment of wages to all the contractor labour was to be made by the contractor latest by 7<sup>th</sup> January, 2013 PE also failed to make payment of wages to the workmen as per Sec.21 (4).

It is also observed that weekly rest day was not allowed to the contract labours since August, 2012 and as such they were entitled for overtime wages which have not been paid by the contractor. The PE also failed to make payment of the same as per Sec. 21(4) Annexure enclosed.

2. The Principal employer failed to ensure the presence of his Authorized representative at the place and time of disbursement of wages to workmen paid by the contractor, Rule 73.

*Dec and Jan 2013, month payment has already*

*As per records submitted by M/s Cosmos, weekly rest day is allowed to*

*All the wages are paid directly in to the bank A/C of workers through ECS( electro clearance. Hence presence of MTNL representative is not required/possible.*

**E. PERTAINING TO REGISTERS & RECORDS:**

Register of contractors (Form XII Register) has not been maintained at all. Breach of Rule 74.

*Needful done.*

**F. PERTAINING TO RETURN:**

Failed to intimate the date of commencement/completion in respect of the contractors engaged within 15 days of the commencement/completion of the work in Form VI B to the Inspector, Breach of Rule 81(3).

*Date of Start of contract is 1<sup>st</sup> August 2012, The contract is valid for one year.*

This letter is issued with the approval of CGM (BSS) WS

*[Signature]*  
28/21  
DE (P) BSS  
Mahaagar Telecommunication Ltd  
G. GSC Complex, Lodi Road  
New Delhi-110003

S

= 3 =

**IRREGULARITIES**

(Delete which ever is not applicable)

**A. PERTAINING TO REGISTRATION**

1. Contract Labour numbering **114** approx are employed without obtaining valid certificate of Registration, Breach of Section 7 read with Sec. 9.

2. The following changes in respect of particulars specified in the Certificate of Registration have not been intimated at all/within the prescribed time limit to the Registering Officer, Breach of Rule 18(4).

(a) Name & address of the PE has not been amended.

(b) List of contractors has not been amended.

(c)

**B. PERTAINING TO NOTICES:**

1. The following notices were not displayed/amended as required under Rule 81(1)(I).

(a) The Rates of Wages in English/Hindi.

(b) The Hours of Work in English/Hindi.

(c) The date of Payment in English/Hindi.

(d) The Wage period in English/Hindi.

(e) Names and addresses of the Inspectors having jurisdiction in English/Hindi.

(f) Date of payment of un-paid wages in English/Hindi.

2. A copy of the notices required to be displayed has not been sent to the Inspector as required/the changes in the notices displayed has not been sent to the Inspector as required, Breach of Rule 81(2).

**PERTAINING TO WAGES:**

1. It is observed that Contractor M/s Cosmos Telecommunication Pvt. Ltd failed to make payment of wages for the month of Dec., 2012 as per Annexure even on 18.01.2013 though the wage period for the month of December, 2012 has already lapsed and payment of wages to all contract labour was to be made by the contractor latest by 7<sup>th</sup> January 2013. PE also failed to make payment of wages to the workmen as per Sec. 21(4).

It is also observed that weekly rest day was not allowed to the contractor labour since August, 2012 and as such they were entitled for overtime wages which have not been paid by the contractor. The PE also failed to make payment of the same as per Sec. 21(4) Annexure enclosed.

2. The Principal Employer failed to ensure the presence of his authorised representative at the place and time of disbursement of wages to workmen paid by the Contractor, Rule 72.

Contd...4/-



**PERTAINING TO WELFARE HEALTH:**

1. The Principal Employer failed to provide at all/failed to provide within time limit following prescribed welfare /health amenities which the Contractor Shri/M/S \_\_\_\_\_ engaged in the work of \_\_\_\_\_ failed to provide originally as per section 20(1) of the Act.

**E** **PERTAINING TO REGISTERS & RECORDS:**

1. Register of contractors (Form XII Register) has not been maintained at all. Breach of Rule 74.

2. The following registers and records required to be maintained under the Act or the Rules were not produced on demand, Breach of Rule 80(4)

(a)

(b)

**F** **PERTAINING TO RETURN:**

1. Annual Return ( in duplicate) for the year ending 2011 was not submitted at all/ was not submitted in Form XXV/ was not submitted within time limit-Breach of Rule 82(2).

2. Failed to intimate the date of commencement/completion in respect of the contractors engaged **within 15 days** of the commencement/completion of the work in Form VI B to the Inspector, Breach of Rule 81(3).

**H.** **PERTAINING TO FURNISHING INFORMATION/STATISTICS.**

1. The Principal Employer failed to furnish the following statistics in relation to contract

Labour through the same was called for as per Rule 83(1) read with Section 24 of the Act.

i) Exact no. of contractors ii) Exact no. of contract workers iii) Exact no. of staff/officers strength (male/female) in the roll of the company iv) copy of the registration certificate

(Niranjan Kumar)  
Labour Enforcement Officer (Central)  
Delhi - III  
Inspector under C.L.(R & A), Act 1970

**STANDING COMMITTEE ON LABOUR**  
**(2015-16)**

**Minutes of the Fifth Sitting of the Committee**

The Committee sat on 20<sup>th</sup> November, 2015 from 1130 hrs. to 1300 hrs.  
in Committee Room 'B', Parliament House Annexe, New Delhi.

**PRESENT**

**Dr. Virendra Kumar – CHAIRPERSON**

**MEMBERS**  
**LOK SABHA**

2. Shri Rajesh Kumar Diwakar
3. Shri Ashok Dohrey
4. Shri Boora Narsaiah Goud
5. Shri C.N. Jayadevan
6. Shri Bahadur Singh Koli
7. Shri Hari Manjhi
8. Shri Hariom Singh Rathore
9. Shri Naba Kumar Sarania
10. Shri Kodikunnil Suresh
11. Dr. Arun Kumar
12. Shri Satish Kumar Gautam

**RAJYA SABHA**

13. Shri Aayanur Manjunatha
14. Shri Rajaram
15. Ms. Dola Sen

**SECRETARIAT**

- |    |                        |   |                 |
|----|------------------------|---|-----------------|
| 1. | Shri K. Vijayakrishnan | - | Addl. Secretary |
| 2. | Shri Ashok Sajwan      | - | Director        |
| 3. | Smt. Archana Srivastva | - | Under Secretary |

## **Witnesses**

### **Representatives of Department of Telecommunications (DoT)**

1. Shri S.K. Jain, DDG (Estt.)
2. Shri Hoshlar Singh, Director (Staff)

### **Representatives of the MTNL**

1. Shri N.K. Yadav, Member (Services) & Ex-Officio Secretary to Government of India
2. Shri P.K. Purwar, Director (Finance)

2. At the outset, the Chairperson welcomed the Members and the representatives of the Ministry of Telecommunications and Information Technology (Department of Telecommunications) along with officials of MTNL to the sitting of the Committee, convened to take evidence of the representatives of the Ministry on the subject 'Deployment of Contract/ Casual workers/Sanitation workers for perennial nature of jobs in MTNL'. Impressing upon the witnesses to keep the proceedings of the Committee 'Confidential', the Chairperson asked the representatives of the Department of Telecommunications to give an overview of the subject matter.

3. The CMD, MTNL, accordingly, briefed the Committee on the subject highlighting *inter-alia* the functioning of MTNL and the facilities provided to contract workers. The CMD also gave a power-point presentation elaborating on the setting up of MTNL, its mandate, etc. The CMD and other representatives of the Ministry responded to various queries raised by the Members regarding the manpower pattern, the services outsourced and the number of contractors, their license number, ESI, EPF code, etc.

4. Thereafter, the Chairperson thanked the representatives of the Ministry for appearing before the Committee and apprising them on several aspects of the subject. The Chairperson also asked the CMD to furnish written replies within 15 days to the list of points handed over to them and to those queries, which remained un-answered during the meeting.

The witnesses then withdrew.

[A copy of the verbatim proceedings was kept on record]

**The Committee then adjourned.**

## **STANDING COMMITTEE ON LABOUR**

**(2015-16)**

### **Minutes of the Twenty Second Sitting of the Committee**

The Committee sat on 9<sup>th</sup> August, 2016 from 1000 hrs. to 1030 hrs. in Room No. '131', Chairperson's Chamber, Parliament House Annexe, New Delhi.

#### **PRESENT**

**Dr. Virendra Kumar - Chairperson**

#### **MEMBERS**

##### **LOK SABHA**

2. Dr. Boora Narsaiah Goud
3. Shri C.N. Jayadevan
4. Shri Bahadur Singh Koli
5. Dr. Arun Kumar
6. Shri Kaushalendra Kumar
7. Shri R. Parthipan
8. Shri Naba Kumar Sarania

##### **RAJYA SABHA**

9. Shri Nazir Ahmed Laway
10. Shri P.L. Punia
11. Smt. Dola Sen
12. Shri Tapan Kumar Sen
13. Shri N. Gokulakrishnan

#### **SECRETARIAT**

- |    |                        |   |                     |
|----|------------------------|---|---------------------|
| 1. | Shri N.C. Gupta        | - | Joint Secretary     |
| 2. | Shri Ashok Sajwan      | - | Director            |
| 3. | Shri D.R. Mohanty      | - | Additional Director |
| 4. | Smt. Archana Srivastva | - | Under Secretary     |

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee convened for consideration and adoption of the draft Report on the subject 'Deployment of Contract/Casual/Sanitation Workers for Perennial Nature of Jobs in MTNL'. Giving an overview of the main/important Recommendations contained in the draft Report, the Chairperson requested the Members to give their suggestions on them, if any.

3. The Committee, then, took up the draft Report for consideration and adopted the same after some discussions.

4. The Committee authorized the Chairperson to finalise the Report in the light of consequential changes that might arise out of the factual verification of the draft Report and present/lay the same to both the Houses.

**The Committee then adjourned.**