

**COMMITTEE ON PETITIONS 37**  
**(FOURTEENTH LOK SABHA)**

**THIRTY-SEVENTH REPORT**

**MINISTRY OF CHEMICALS AND FERTILIZERS**  
**(DEPARTMENT OF CHEMICALS AND**  
**PETROCHEMICALS)**



**LOK SABHA SECRETARIAT**  
**NEW DELHI**

*March, 2008/Phalguna, 1929 (Saka)*

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(FOURTEENTH LOK SABHA)

MINISTRY OF CHEMICALS AND FERTILIZERS  
(DEPARTMENT OF CHEMICALS AND  
PETROCHEMICALS)

*(Presented to Lok Sabha on 19.03.2008)*



LOK SABHA SECRETARIAT  
NEW DELHI

*March, 2008/Phalguna, 1929 (Saka)*

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## CONTENTS

	PAGES
COMPOSITION OF THE COMMITTEE ON PETITIONS .....	(iii)
I. INTRODUCTION .....	(v)
II. REPORT	
Petition requesting for grant of payment of additional <i>Ex-gratia</i> to employees of IDPL in Central Dearness Allowance (CDA) scale at par with other employees. ....	1
III. ANNEXURES	
I. Petition requesting for grant of payment of additional <i>Ex-gratia</i> to employees of IDPL in Central Dearness Allowance (CDA) scale at par with other employees. ....	20
II. Minutes of the 67th Sitting of the Committee held on 31.10.2007...	22
III. Minutes of the 79th Sitting of the Committee held on 18.03.2008...	24

## COMPOSITION OF THE COMMITTEE ON PETITIONS

Shri Prabhunath Singh—*Chairman*

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3. Shri Nandkumar Singh Chauhan
4. Shri N.S.V. Chitthan
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### SECRETARIAT

- |                             |   |                         |
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| 5. Shri V.P. Gupta          | — | <i>Under Secretary</i>  |

THIRTY-SEVENTH REPORT OF THE COMMITTEE ON PETITIONS  
(FOURTEENTH LOK SABHA)

**INTRODUCTION**

I, the Chairman, Committee on Petitions, having been authorized by the Committee to present the Report on their behalf, present this Thirty-Seventh Report (Fourteenth Lok Sabha) of the Committee to the House on the petition requesting for grant of payment of additional *Ex-gratia* to employees of IDPL in Central Dearness Allowance (CDA) scale at par with other employees.

2. The Committee considered and adopted the draft Thirty-Seventh Report at their sitting held on 18th March, 2008.

3. The observations/recommendations of the Committee on the above matters have been included in the Report.

NEW DELHI;  
18 March, 2008  

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28 Phalguna, 1929 (*Saka*)

PRABHUNATH SINGH,  
*Chairman,*  
*Committee on Petitions.*

## REPORT

### PETITION REQUESTING FOR PAYMENT OF ADDITIONAL EX-GRATIA TO EMPLOYEES OF IDPL IN CENTRAL DEARNESS ALLOWANCE (CDA) SCALE AT PAR WITH OTHER EMPLOYEES

On 23rd December, 2004, Shri Basudeb Acharia, M.P. presented to Lok Sabha, a petition signed by Shri D.S. Sikka, General Secretary, IDPL Officer Association, IDPL Complex, Dundahera, Gurgaon (Haryana) requesting for payment of additional *ex-gratia* to 196 employees of IDPL in Central Dearness Allowance (CDA) scale at par with other employees [*Annexure (i)*].

2. In their petition, the petitioners submitted as follows:—

- (i) Department of Public Enterprises (DPE), of the Government of India, circular dated 24th October, 1997 extended Vth Pay Commission benefits to all employees of Central Public Sector Units (PSUs) who were on IVth Pay Commission scales but this directive was not implemented in IDPL citing fund constraint.
- (ii) The DPE by its circular dated 6th November, 2001 extended 100% increase in *ex-gratia* amount to the employees in IDA pay scale. However, only 2% of IDPL employees in CDA pay scale numbering only 196 were ignored and denied this benefit when the financial implications were only about Rs. 8 crores whereas an amount of Rs. 50 crores which was allocated for payment to IDPL employees was returned to the Government.
- (iii) All IDPL employees were asked to apply for VRS *vide* IDPL circular dated 3rd September, 2002 failing which they were informed that retrenchment procedure would follow.

The petitioners, therefore, requested the Committee to intervene so that 100% increase in *ex-gratia* may also be paid to them as paid to other employees of the Company.

3. The Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) were requested to furnish their comments on the issues raised in the petition.

4. In their response, the Ministry of Chemicals and Fertilizers (MoCF) *vide* their communication dated 14th January, 2005 furnished their comments as under:—

"Indian Drugs and Pharmaceuticals Limited (IDPL) was incorporated on April 5, 1961 with primary objective of creating self-sufficiency in essential life saving drugs. Since it had been incurring losses, it was declared sick by BIFR under the provisions of SICA on August, 12, 1992. Various attempts made to revive the company could not succeed. Therefore, BIFR issued winding up orders for the company on 04.12.2003. The Government has also set up an expert committee to conduct techno-financial feasibility of rehabilitating IDPL.

The company introduced the VRS for its employees from 01.10.2002 to 31.12.2002. According to the terms and conditions of VRS, the employees under IDA scales shall be entitled to 100% increase in the *ex-gratia* and in the case of CDA employees the enhancement was not available. The employees were relieved under VRS accordingly.

Subsequently, DPE moved a proposal for the approval of Cabinet on applicability of the enhanced *ex-gratia* amount under VRS/VSS to the employees of Central Public Sector Enterprises following Central Dearness Allowance (CDA) pattern of pay scales.

On the basis of the decision taken by the Cabinet, the DPE has issued revised guidelines on the applicability of enhanced *ex-gratia* amount under VRS/VSS to the employees following CDA pattern of pay scales. According to the revised guidelines "payment of *ex-gratia* amount under Voluntary retirement Scheme in respect of employees in CPSEs following Central Dearness Allowance (CDA) pattern of pay scales at 01.01.1986 level computed on their existing pay scales in accordance with the extant scheme of VRS shall be increased by 50%." The employees who have already been released by CPSEs before 26.10.2004 are not covered under the revised guidelines."

5. Explaining about the details of the circular issued by Department of Public Enterprises (DPE) dated 24th October, 1997, the MoCF *vide* their communication dated 15th November, 2006 stated that Department of Public Enterprises *vide* O.M. No. 2(42)/97-DPE(WC) dated 24.10.1997 informed all administrative Ministries/Departments of the decision to revise pay scales *w.e.f.* 01.01.1996 of the public sector employees following CDA pattern in 69 public sector enterprises as per the judgement of the Hon'ble Supreme Court dated 03.05.1990 on the recommendations of the High Power Pay Committee. The pay revision was to be on the lines of notification dated 30.09.1997 issued by the Department of Expenditure, Ministry of Finance in respect of revision of pay scales of Central Government employees *w.e.f.* 01.01.1996.

6. As regards non-implementation of the circular of DPE, dated 24th October, 1997 by IDPL, the MoCF stated as under:—

"It was obligatory on the part of Central Public Sector Undertakings (CPSUs) to implement the instructions contained in Department of Public Enterprises (DPE) O.M. dated 24.10.1997 with regard to pay revision of Central Public Sector employees following Central Dearness Allowance (CDA) pattern in 69 Public Sector Enterprises. In IDPL, these instructions could not be implemented due to the following reasons:—

(i) There are two categories of employees in IDPL drawing pay in Industrial Dearness Allowance (IDA) pay scales and Central Dearness Allowance (CDA) pay scales. The number of employees, in each category, as on 01.01.1996 was as follow:—

(a) IDA employees	7,506
(b) CDA employees	395



- (ii) In case of IDA employees DPE *vide* O.M. No. 2(50)/86-DPE (WC) dated 19.07.1995 revised pay scale of executives holding posts below the Board level and non-unionized supervisor *w.e.f.* 01.01.1992. These instructions *inter alia* provide the following in respect of sick Public Sector Enterprises.
  - (a) The Government shall not provide any budgetary support to the PSEs for meeting the enhanced liability due to revision of pay scales of IDA employees *w.e.f.* 01.01.1992.
  - (b) For sick PSEs registered with BIFR, pay revision and grant of other benefits will be allowed only if it is decided to revive the unit. The Revival package should include the enhanced liability on this account.
- (iii) BIFR declared IDPL sick *vide* its order dated 12.08.1992.
- (iv) On 10.12.1994, BIFR approved revival package of IDPL. As envisaged in the revival package, an undertaking was signed by the Trade Unions of Workmen and Associations of Supervisors and Officers to make certain sacrifices, including keeping in abeyance the wage revision for a period of four years of revival scheme.
- (v) On 23.01.1996, BIFR declared sanctioned revival package as failed.
- (vi) During the period 1995-96 and till 2003-04 IDPL was entirely dependent on Government for payment of salary and wages.
- (vii) In case IDPL would have implemented the instructions of DPE contained in their O.M. dated 24.10.1997, it would have led to a similar demand from IDA employees for revision of their pay scales *w.e.f.* 01.01.1992. IDPL being a sick unit was not in position to revise the pay scales of its employee's *w.e.f.* 01.01.1992 of IDA employees and 01.01.1996 in case of CDA employees. As such the instructions of DPE contained in their O.M. dated 24.10.1997 could not be implemented in the case of CDA employees. Any partial implementation of pay scales for CDA employees *w.e.f.* 01.01.1996 would have led to industrial unrest.
- (viii) The question of revision of pay scales of CDA employees *w.e.f.* 01.01.1996 was also raised by officer and supervisor of IDPL by filing a Writ Petition (Civil) No. 222 of 1998 in the Supreme Court of India. The Supreme Court of India *vide* judgement dated 24.07.2003 dismissed the Writ Petition praying for implementation of the Fifth Pay Commission scales in respect of CDA employees of IDPL *w.e.f.* 01.01.1996. While dismissing the Writ Petition, the Supreme Court of India made the following observations.
  - (a) .....In our opinion, since employees of Government companies are not government servants, they have absolutely no legal right to claim that the Government should pay their salary or that the additional expenditure incurred on account of revision of their pay scales should be met by the Government. Being employees of the companies, it is the responsibility of the companies to pay them salary and if the company

is sustaining losses continuously over a period and does not have the financial capacity to revise or enhance the pay scale, the petitioners, in our view, cannot claim any legal right to ask for a direction to the Central Government to meet the additional expenditure which may be incurred on account of revision of pay scales. We are unable to countenance the submission made by Mr. Sanghi that economic viability of the industrial unit or the financial capacity of the employer cannot be taken into consideration in the matter of revision of pay scales of the employees.

- (b) In our view, the economic capability of the employer also plays a crucial part in it; as also its capacity to expand business or earn more profits. The contention of Mr. Sanghi, if accepted, that granting higher remuneration and emoluments and revision of pay to workers in other governmental undertaking, and, therefore, the petitioner are also entitled for the grant of pay revision may, in our opinion, only lead to undesirable results. Enough material was placed on record before us by the respondents which clearly show that the first respondent had been suffering heavy losses for the last many years. In such a situation, the petitioners, in our opinion, cannot legitimately claim that their pay scales should necessarily be revised any enhanced even though the organization in which they are working are making continuous losses and are deeply in the red. As could be seen from the counter affidavit, the first respondent company which is engaged in the manufacture of medicines became sick industrial company for various reasons and was declared as such by the BIFR and the revival package which was formulated and later approved by the BIFR for implementation could not also be given effect to and that the modifications recommended by the Government of India to the BIFR in the existing revival package was ordered to be examined by an operating agency and, in fact, IDBI was appointed as an operating agency under Section 17(3) of SICA. It is also not in dispute that the production activities had to be stopped in the major two units of the company at Rishikesh and Hyderabad *w.e.f.* October, 1996 and the losses and liabilities are increasing every month and that the payment of three instalments of interim relief could not also be made due to the threat of industrial unrest and the wage revision in respect of other employees is also due *w.e.f.* 1992 which has also not been sanctioned by the Government of India.
- (c) At the time of hearing, it was submitted that all the petitioner have already opted for the said VRS before 31.03.2002 and they are likely to be relieved any day after receiving of the funds from the Ministry of Chemicals and Fertilizers. It has also been decided that all the employees would be relieved and subsequent decision would be taken by the parent Ministry.
- (d) We have already referred to the judgement of this Court in A.K. Bindal and Another (*supra*) in which this Court has decided that the employees

under public sector enterprises cannot be treated as Central Government employees and if the company does not have enough funds no way the revision can be given.

- (e) Further, directions issued in Jute Corporation of India Officers' Association (supra) would have no bearing in the present case as the Scheme under the SICA has failed to revive the company. When the company cannot be revived because of large losses, there is no question of enhancing scales of pay and dearness allowance. Direction No. (ii) issued in that case indicates that the employees appointed on or after January 1, 1989 will be governed by such pay scales and allowances as may be decided by the Government in its discretion. If the company itself is dying, the Government has discretion not to grant enhanced pay scale or dearness allowances and for the same reason, Direction No. (i) cannot be implemented.

Since this Court has already decide the very issue in question and the petitioners have opted for the VRS nothing survives in this petition and the same is liable to be dismissed. The petitioners having applied for VRS it is not open to them to contend that they are entitled for pay revision....."

7. As regards the total amount to be incurred if all the employees were given the benefit as per DPEs circular dated 24th October, 1997, the MoCF commented as under:—

"If the Fifth Pay Commission would have been implemented as per 1997 DPE circular, an additional amount of Rs. 28.00 crores was required for 395 CDA pattern employees for six years *w.e.f.* 1st January, 1996 to 31st December, 2002. It is estimated that IDPL will have to pay Rs. 15 crores for the period from 01.01.2003 to 31.12.2006. Any revision of pay scales of CDA employees would have called for simultaneous revision of pay scales of IDA employees as well. However, it may not be possible at present to indicate the additional amount that would be required if pay scales of IDA employees were also to be revised *w.e.f.* 01.01.1992."

8. The Committee were informed by the MoCF in writing that as on 24.10.1997 there were 7,861 employees in the company. Out of this 395 employees were governed by CDA pay scales. As on 01.10.2006, there were 336 employees in the organization (IDA-300 employees, CDA-36 employees).

9. On being enquired about the number of employees who applied for voluntary retirement and out of them how many were given voluntary retirement, the MoCF submitted in writing as under:—

"As on 31.12.2002, 6572 employees opted for voluntary retirement. Of this, 6235 employees have been relieved under Voluntary Retirement Scheme till date. The Central Government released Rs. 470.63 crores for implementing the Voluntary Retirement Scheme in IDPL. Out of this Rs. 462.46 crores have been utilized by IDPL in releasing staff under VRS."

10. The MoCF in their written reply stated that IDPL has not retrenched any employee so far.

11. About the instructions issued by DPE *vide* circular dated 06.11.2001, the MoCF stated as under:—

"DPE *vide* O.M. No. 2(23) 97/DPE (WC)/GL-LVI dated 06.11.2001 modified the revised VRS for CPSEs introduced *vide* its O.M. dated 05.05.2000, as under:—

- (a) *Ex-gratia* payment in respect of employees on pay scales at 1.1.87 and 1.1.92 levels, computed on their existing pay scales in accordance with the extant scheme, shall be increased by 100% and 50% respectively.
- (b) The option of the Gujarat or the DHI pattern shall be available to the employees of marginally profit/loss making, as well as sick and unviable units.
- (c) Under the Gujarat pattern, the salary for VRS/VSS shall be calculated on the basis on 30 days in a month and not 26 days. Consequently, the method of calculation of *ex-gratia* for VRS and VSS shall be similar.
- (d) Once an employee avails himself of voluntary retirement from a PSU, he shall not be allowed to take up employment in another PSU. If he desires to do so, he shall have to return the VRS compensation received by him to the PSU concerned. Where the compensation was paid out of a government grant, the PSU concerned shall remit the refunded amount to the Government. In case the PSU is already closed/merged, the VRS compensation shall be returned directly to the Government.
- (e) All other provisions of the DPE guidelines dated 05.05.2000 are to continue.
- (f) The clarifications given in the DPE's O.M. of even number dated 8th December, 2000 stand modified in consequence of the foregoing.
- (g) The employees, who have already been released by the PSUs before the date of issue of this O.M., shall not be covered under the modified scheme.
- (h) The administrative Ministries/Departments are required to bring the modified VRS/VSS to the notice of the public enterprise under their administrative control and ensure strict compliance with the provisions of the scheme IDPL implemented the circular in its right perspective."

12. As regards not giving the benefit of 100% increase in *ex-gratia* compensation to the employees CDA category in IDPL, the MoCF commented as under:—

"The issues relating to wage revision, voluntary retirement benefits to be sanctioned at the time of voluntary retirement etc. are policy issues and governed by instructions issued by DPE from time to time. This Department follows the instructions issued in this by DPE in letter and spirit.

The instructions of DPE contained in their O.M. dated 06.11.2001 clearly provide that *ex-gratia* payment in respect of employees on pay scales at 01.01.1987 and 01.01.1992 level computed on their existing pay scales, shall be increased by

100% and 50% respectively. On these dates the pay scales of IDA staff were revised. Since these instructions were not applicable to CDA staff, the benefit was not extended to them."

13. Regarding the contention of the petitioners that only 2% of employees numbering 196 were denied the benefit of 100% increase in *ex-gratia* for employees in CDA scales of pay, whereas an amount of Rs. 50 crore which was allocated for payment to IDPL employees was surrendered to the Government, the MoCF in their written reply dated 15th November, 2006 stated as under:—

"The instructions of DPE contained in their O.M. 06.11.2001 were applicable to employees on pay scales at 01.01.1987 and 01.01.1992 levels. On these dates pay scales of employees drawing pay in IDA pay scales were revised. As such the instructions of DPE were not applicable to CDA pay scale employees.

DPE *vide* O.M. No. 3(21)/01-DPE(WC)/GL-XII dated 26.10.2004 allowed enhanced payment of *ex-gratia* amount by 50% under VRS in respect of employees in CPSEs following CDA pattern of pay scales at 01.01.1986 level.

This Department is solely guided by policy instruction issued by DPE from time to time over service matters, wage revision, voluntary retirement benefits etc.

The Department had approved Rs. 511.00 crores for grant of VRS/VSS to all employees of IDPL. Of this, a sum of Rs. 40.35 crores was surrendered at the instance of IDPL at Revised Estimates stage. This was due to the decision of the Board of Directors of IDPL, at its meeting held on 26.09.2003, to retain 432 employees for attending to various statutory and other essential functions by deferring their VRS upto 31.07.2004 or till the finalization of the fate of the company, whichever was earlier. As such, the requirement of funds for VRS/VSS purpose was scaled down and IDPL was finally released Rs. 470.63 crores."

14. As regards the justification for not giving benefit to the employees on CDA category of scales, the MoCF submitted as under:—

"The policy issues relating to wage revision, VRS, service rules etc. are governed by the instructions issued by DPE from time to time. The instructions of DPE contained in their O.M. dated 06.11.2001 were applicable to employees drawing pay in IDA pay scales on 01.01.1987 and 01.01.1992 level. The instructions were not applicable to employees drawing pay in CDA pay scale.

DPE *vide* its O.M. dated 26.10.2004 allowed enhanced payment of *ex-gratia* amount by 50% under VRS in respect of employees following CDA pattern of pay scales at 01.01.1986 level. This benefit was duly given to CDA employees *w.e.f.* 26.10.2004."

15. The MoCF informed the Committee in writing that if all the employees of CDA pay scales were allowed enhanced *ex-gratia w.e.f.* 01.01.2003 *i.e.*, the date on which VRS was commenced, the estimated expenditure would be Rs. 26.52 crores in respect of 221 employees.

16. As regards the steps taken to safeguard the interests of all employees under CDA category, the Ministry responded in their written reply as under:—

“The policy instructions of DPE are being followed in letter and spirit in IDPL in respect of employees drawing pay in IDA and CDA pay scales”

17. In their written communication dated 29th October, 2007, the MoCF explained the difference between employees drawing I.D.A. Pay Scales and CDA pay scales, as under:—

“The basic difference between CDA and IDA pay scales is (i) Structure of pay scale & (ii) entitlement of DA, HRA etc. This is explained with reference to the case of a Deputy Manager drawing pay in CDA pay scales, and IDA pay scales as follows:—

CDA—1986 pay scales

Rs. 3000-100-3500-125-5000

(in Rupees)

Basic Pay	DA	HRA	CCA	Total
3000	10830	1250	100	15180
5000	13500	1250	100	19850

IDA—1987 pay scales

Rs. 3700-140-4400-150-5900

(in Rupees)

Basic Pay	DA	HRA	CCA	Total
3700	4433.75	1000	100	9233.75
5900	4433.75	1000	100	10433.75

From the above example, it may be seen that employees drawing 1986 CDA pay scales are drawing higher pay by reason of higher DA and higher HRA *viz-a-viz* same level officials drawing pay in IDA pay scales. This pattern is applicable in other scales as well.”

18. The MoCF stated that in terms of instructions contained in Bureau of Public Enterprises (BPE) letter No. 2(2)/80-BPE(WC), dated 21.7.1981, option was given to all employees to opt for IDA pattern of pay scales. In this context, the MoCF also stated as under:—

“In terms of Department of Public Enterprises O.M. No. 2(43)/90-DPE(WC), dated 12th June, 1990, employees who voluntarily agreed to change over before or after 1.1.1986 but before the Supreme Court judgment of 3.5.1990 to the Industrial DA scheme and related scales of pay on retrospective basis *w.e.f.* 1.8.1983 or thereafter would not be entitled to benefits of the recommendations made by the High Power Pay Committee. Whereas, employees who did not opt for the IDA

and related scales of pay would get the benefit of revised pay under these Orders (4th Pay Commission).

From the foregoing, it would seem that employees of IDPL who in response to instructions of BPE and further circulated by IDPL in 1981, opted for IDA pay scales were not entitled to opt for IDA pay scales after issue of instructions by DPE *vide* their O.M. dated 12th June, 1990.

Hon'ble Supreme Court of India in its judgment dated 24.7.2003 in Writ Petition (Civil) No. 222 of 1998 filed by Officers and Supervisors of IDPL and Others, while referring to its judgment dated 3.5.1990, in Jute Corporation of India Officers Association Vs Jute Corporation of India Limited and Another, recorded as follows:—

“.....These employees will however continue to enjoy the option to switch-over to the IDA pattern of the scales of pay etc., on a voluntary basis.”

19. While stating that IDPL has not yet become financially viable Company to independently meet its liabilities, the MoCF stated the latest position in the matter as under:—

“The company continues to be under reference to Board for Industrial and Financial Reconstruction (BIFR). A revival package was prepared and placed before the Cabinet for its decision. The Cabinet has since referred the issue of revival of IDPL to Group of Ministers (GOM) for consideration at the first instance. The recommendations of GOM are awaited.”

20. The Committee, thereafter, took oral evidence of the representatives of the MoCF (Department of Chemicals and Petrochemicals) on 31st October, 2007. Shri Basudeb Acharia, M.P. who presented this petition to Lok Sabha, was also invited as a special invitee during the sitting of the Committee.

21. During the course of evidence, the Committee desired to know as to why the employees of IDPL who were on CDA pattern were discriminated and denied the benefit of *ex-gratia* increase as were granted to IDA employees. Replying to this, the Secretary, MoCF (Department of Chemicals and Petrochemicals) submitted as under:—

“..... If I may put things in perspective, there are two categories of employees in the IDPL, that is, those who are governed by the IDA and those who are governed by the CDA. Now, as on 01.01.1996, there were approximately 7, 506 employees governed by the IDA, and about 395 employees governed by the CDA. Even though in 1981, there was an opportunity given to all the employees on CDA to migrate to IDA, only a certain number did and the rest continued in CDA. The majority went over to IDA. Therefore, as on 01.01.1996, there were about 20 times the number of employees in the IDA compared to the CDA. In other words, we had about 395 persons on CDA and about 7, 500 persons on IDA as on 01.01.1996. In other words, we had a very large number of people governed by the IDA, and a very small number governed by the CDA. This is the fact of the organization.



Now, as far as pay scales were concerned, the IDA employees had their last pay revision on 01.01.1987, that is, the IDA employees who were 20 times the number of the CDA employees had their pay revision from 01.01.1987.

In the case of the CDA employees the pay revision was from 01.01.1986. So, the pay revision for neither the CDA employees nor the IDA employees from 01.01.1986 and 01.01.1987 respectively was granted subsequent to 01.01.1986 and 01.01.1987 respectively. So, no pay revision was granted to either category after 01.01.1986 and 01.01.1987 respectively, that is, the bulk of the organization consisting of 20 times the number of people under CDA did not have any pay revision after 01.01.1987. They did not have their pay revision from 01.01.1992 and no pay revision was granted to them from 01.01.1997. So, we have a set of employees who were not granted any pay revision. In the case of the CDA employees, the revision was from 01.01.1986 and then it was to be given from 01.01.1997.

So, we had a peculiar situation where the organization was losing very heavily and where we had not granted the privilege of pay revision to the bulk of the organization under IDA, there was no possibility of extending any pay revision to a small group under CDA at the point of time because the organization was not in a position to do so. Under those circumstances the Board took a decision that it would not be possible to extend any pay revision for the CDA employees. A group of employees did go to the Supreme Court and the Supreme Court decided categorically that it was not necessary for an organization suffering losses to extend the pay benefit to employees who were, at the point, had either voluntarily retired or who were voluntarily retiring.

At the same time, we have to also understand one thing. It is not a question of CDA employees and IDA employees being discriminated at the time of pay revision or *ex-gratia*. It was all along because of the fundamental difference between CDA employees and IDA employees. If you take the case of CDA employees, on whose behalf the petition has been given today, a Senior Executive who is a CDA employee, in IDPL today gets Rs. 18, 485 without pay revision either from 1986 or 1987. The petition is being made on behalf of the CDA employees. An IDA employee, on a similar basis, today gets Rs. 10, 573. So, today the CDA employees are getting 90 percent more pay than IDA employees of the same cadre. So, this distinction is there where the IDA employees get far lesser pay than the CDA employees. Therefore, if the organization had decided to give the benefit of the 1997 circular, which had already denied the benefits to IDA employees in 1992, to the CDA employees, the difference would have widened considerably. So, the organization took a deliberate decision that it was unaffordable to do so which was a genuine fact and did not extend the benefit to them. That is the explanation for the non-revision of pay scales.

In the case of *ex-gratia*, the DPE had given two circulars. One was in the year 2001 where VRS *ex-gratia* was offered to those employees under the IDA pattern. The IDA employees were already getting 90 percent less pay than the employees under the CDA pattern. Therefore, in order to give them an adequate incentive to leave, the DPE said that the increase should be by way of 100 percent and it was



specifically mentioned that it would be only for the employees under the IDA pattern. It was also mandated that strict compliance with provisions should be done by the administrative Ministry. The IDPL faithfully implemented the circular.

Then, when it came to CDA employees, the DPE passed another order in 2004 saying that it would be increased by 50 per cent. The IDPL faithfully followed that also. So, there was absolutely no discrimination on the part of the IDPL in implementing the order of the DPE.”

The witness also stated:—

“Subsequent to the guideline of the DPE was for Central Dearness Allowance for VRS and it said that it would be increased by 50 per cent. In the case of IDA employees, from 2001 it was to be increased by 100 per cent. There was already a difference in pay between both the categories.”

The witness further added:—

“This 50 percent increase was for CDA employees with effect from 2004. For the others it was with effect from 2001. The IDPL implemented both these circulars as ordered and subsequently all the DA instalments ordered by the DPE on the basis of the pay scales of the Fourth Pay Commission have been extended to both of them as per the orders of the DPE. So there was no discrimination on the part of the IDPL as far as these two categories are concerned.”

22. The Committee wanted to know whether there was discrimination because in the case of IDA pattern employees, the effect was implemented in 2002. At this, the witness stated that it was given from 2002 in order to encourage persons to take VRS from that date. The Committee also inquired as to why in the case of CDA employees, the effect was given in 2004, after 2 years. At this the witness replied as under:—

“That was an order of the DPE. It was not a discrimination there was already a basic pay and DA difference between the CDA employees and the IDA employees.”

23. The Committee pointed out that a letter dated 17th January 2003 issued by the Secretary, Ministry of Heavy Industries and Public Enterprises to the Secretary, Ministry of Chemicals and Petrochemicals which stipulated provision of increase in *ex-gratia* to the employees who were on 1987 pay scales or 1992 IDA pay scales respectively. Even after that no action was taken by the Department of Chemicals and Petrochemicals. The Committee wanted to know whether to take 50% increased *ex-gratia* payment with effect from 2002, necessary fund was released, if fund was released, then why was payment not made to those small portion of employees? The Committee also wanted to know whether in case of other Public Sector Enterprises any such discrimination was there or not where pay scales have not been revised since 1986? Replying to this, the Secretary, MoCF stated as under:—

“It was a letter issued subject to the Court judgement. The Court judgement came in July 2003 where the Court did not accede to the request of the petitioner. The other issue is that IDPL was running in continuous cash loss and was

depending entirely on the Ministry's assistance to pay normal salaries. The money granted by the Ministry was non-plan loan carrying an interest of the order of 21%. So the IDPL was paying salaries on the basis of a loan on which interest was being paid. The company was not in a position to make any relaxations beyond the Circular as far as *ex-gratia* was concerned for a category of employees who were receiving 90% more pay than the bulk of the employees in the organization."

24. When the Committee wanted to know as to whether the funds released by the Government to make payment under VRS Scheme, over and above the normal salary, also included the money which would have been required for *ex-gratia* increase-payment of their salary in respect of CDA employees. In this regard, the witness replied as under:—

"The money was released by the Ministry for the payment of VRS based on the norm of the DPE Circular. So, if the DPE Circular said 50 per cent it would be 50 per cent; if it said 100 per cent it would be 100 per cent. Then the money was released and the Board decided that it could not accept the VRS of certain number of employees because the organization had to be kept going pending a decision on its finality. It is because those employees were not permitted to voluntarily retire, that the amount was surrendered to the Government. But *ex-gratia* was paid as per the norms of DPE to the IDA and CDA employees."

25. On enquiry as to whether certain amount was surrendered to the Government, the witness stated as under:—

"It was surrendered. It was surrendered to the Government only because the IDPL Board decided that it could not let all the employees go even today the revival of IDPL is before the Group of Ministers. No decision has been taken."

26. When the Committee wanted to know as to what was the attraction to employees to remain in CDA, while they were also offered IDA scheme, the witness stated as under:—

"Earlier all the employees were under CDA. It was a CDA pattern. Then subsequently, sometime in the early 1980s, the IDA pattern was brought in. Then it was more attractive. So, people were given the option to go to IDA or remain in CDA. Many people went to IDA at that time because it was attractive. But some people stayed back in CDA because they saw the long-term prospects, and they were benefited by it."

27. When asked that the option given by the Government was compulsory or not, the witness stated as under:—

"It was not compulsory. What happened was that by not opting for the IDA and remaining in CDA, they benefited because ultimately the Pay Commission scales in 1986 put them ahead of the other people on the IDA scale. Even today, as I mentioned, they get about 90 per cent more salary than the other category."

The second question which you asked relates to *ex-gratia*. Now the *ex-gratia*, 50 per cent increase was allowed for the CDA with effect from 2004 by the DPE.

In the case of the IDA drawing 1987 Pay Scales, they said there would be 100 per cent increase. It is because they were getting far lower salary and unless that was given they would not go."

28. On a query about the scenario in other PSUs in the matter, the witness replied as under:—

"As far as *ex-gratia* is concerned, IDPL has followed the DPE order. That has been done. In the case of revision of pay-scales, for both categories, no revision was done."

The witness further added:—

"I am not really aware of the other PSUs because IDPL had its own set of problems. The Board of Directors of IDPL took a decision specific to IDPL depending on its financial position. Money was got from the Government as non-plan loan as the interest."

29. The Committee pointed out that when some other sick PSUs could provide some parity, then why not IDPL. At this, the witness responded as under:—

"Sir, the only other case which I happen to know is of Bharat Gold Mines where they had a similar position. Also, Hindustan Antibiotics Ltd. (HAL) had people only under IDA. So, depending on the number of people under IDA and CDA, the financial distress of the concerned corporation would be different from company to company. But this could be looked at. The decision taken in the past was based on the situation that prevailed at that point of time."

30. The Committee wanted to know, whether the MoCF had taken up the matter with the Ministry of Heavy Industries and Public Enterprises? At this, witness stated as under:—

"The Ministry did not take up the *ex-gratia* issue because the DPE circular was very clear on hundred per cent for the IDA and 50 per cent for CDA."

31. Replying to a question about the date from which the payment to CDA employees was due, the CMD, IDPL stated as under:—

"It is mentioned that it will take effect from the date of order. On 26th October, 2004, the Department of Public Enterprises issued an Order regarding further modification in revised Voluntary Retirement Scheme for CDA employees. It said that those employees who are in CDA pay-scale of 1986, their voluntary retirement benefits would be computed on their existing pay-scales in accordance with the extant scheme of VRS, but it shall be increased by 50 per cent.

It also said in paragraph three of that Order that the employees who have already been released by CPSUs before the date of the issue of this OM shall not be covered under this modified scheme. So, this was to take effect only prospectively. Whosoever took VRS after 26th October 2004 was given this benefit."

32. When the Committee wanted to know as to how many employees were given this benefit. The witness stated as under:—

“The rough indication is that as on 1.1.1996 there were about 395 CDA employees and as of now there are 36. As far as IDA employees are concerned, we had about 7,500 employees as on 1.1.1996.”

33. When asked about the financial burden of giving 100% *ex-gratia* from 2004 to the employees who have not been covered under the scheme, the witness stated as under:—

“We will have to calculate the figure if these employees had been given 100 per cent. It was not something which was done for payment. That will have to be done. We will have to do that calculation.”

34. Regarding the liability of IDPL if 100% *ex-gratia* is allowed to CDA employees, the MoCF *vide* their communication dated 19th December, 2007 submitted as under:—

“IDPL has reported that after receipt off instructions of DPE, contained in their OM No. 3(21)/01-DPE(WC)/GL-XII dated 26.10.2004, allowing enhanced payment of *ex-gratia* amount by 50% under VRS in respect of employees in CPSEs following CDA pattern of pay scale at 1.1.86 level, only 10 CDA employees were relieved on VRS. The actual expenditure incurred on their VRS dues as per DPE guidelines dated 26.10.2004 was Rs. 53,42,407/-. If their VRS dues are to be calculated on the basis of 100% increase in *ex-gratia*, the total expenditure would be Rs. 71,23,208/- for 10 employees. The power to increase the *ex-gratia* from 50% to 100% in respect of CDA employees w.e.f. 26.10.04 lies with the Union Cabinet and that the calculation has been done as per the directions of the Committee.”

35. About the position adopted by other sick PSUs in respect of pay scale revision for IDA and CDA employees, the MoCF stated as under:—

“The Department of Public Enterprises was requested to intimate the position prevailing in other sick PSUs in respect of pay revision of 1992 and 1997 for Industrial Dearness Allowance (IDA) and 1996 in case of Central Dearness Allowance (CDA) employees. Department of Public Enterprises has intimated that responsibility for implementation of pay/wage revision in CPSEs rests with the administrative Ministries/Departments. The details are not maintained on a centralized basis.”

#### Observations/Recommendations

**36. The Committee note from the submission of the petitioners that the benefits of 5th Central Pay Commission were extended to all the employees of Central Public Sector Units (CPSUs) by the Department of Public Enterprises (DPE) *vide* circular dated 24.10.1997 but the same were not implemented in Indian Drugs and Pharmaceuticals Limited (IDPL) citing funds constraint. Further, the DPE *vide* circular dated 06.11.2001 extended 100% increase in *ex-gratia* amount in respect of employees in 1987 pay scales based on Industrial Dearness Allowance (IDA) under Voluntary Retirement Scheme (VRS) but similar benefit was denied to about 2% of**

employees numbering only 196 who were in 1986 pay scales based on Central Dearness Allowance (CDA). The petitioners also stated that the financial implications as a result of grant of *ex-gratia* to CDA employees were only Rs. 8 crores whereas an amount of Rs. 50 crores which was allocated for payment to IDPL employees was returned to the Government. The petitioners further alleged that all IDPL employees were forced to apply for VRS failing which they were informed that retrenchment procedure would follow as per IDPL circular dated 03.09.2002. The petitioners, therefore, requested that the Committee may intervene in the matter and 100% increase in *ex-gratia* be paid to them as paid to other employees of IDPL.

37. The Committee were informed that the IDPL was incorporated on April 5, 1961 with the primary objective of creating self-sufficiency in essential life saving drugs. In IDPL, there are two categories of employees, one drawing pay in IDA pay scales and the other drawing CDA pay scales. As on 01.01.1996, there were 7,506 IDA employees and the number of CDA employees was 395. Since IDPL had been incurring losses, it was declared sick by the Board of Industrial and Financial Reconstruction (BIFR) on 12.08.1992. On 10.02.1994, BIFR approved revival package of IDPL. But on 23.01.1996, BIFR declared sanctioned revival package as failed. During the period from 1995-96 and till 2003-04, IDPL was entirely dependent on Government for payment of salary and wages of their employees. Since various attempts made to revive the Company could not succeed, BIFR issued winding up orders for the Company on 04.12.2003. The Government also set up an expert committee to conduct techno-financial feasibility of rehabilitating IDPL. The Company continues to be under reference to BIFR. A revival package was prepared and placed before the Cabinet for its decision. The Cabinet referred the issue of revival of IDPL to Group of Ministers (GoMs) for consideration at the first instance but their recommendations were awaited.

38. The Company introduced the VRS for its employees from 01.10.2002 to 31.12.2002. According to the terms and conditions of VRS, as contained in DPE's O.M. dated 06.11.2001, the employees under IDA scales at 01.01.1987 shall be entitled to 100% increase in the *ex-gratia*. This enhancement in *ex-gratia* was not available in the case of CDA employees. The employees were relieved under VRS accordingly. As on 31.12.2002, 6572 employees opted for voluntary retirement, out of which 6235 employees had since been relieved. Subsequently, DPE moved a proposal for the approval of Cabinet on applicability of the enhanced *ex-gratia* amount under VRS to the employees of Central Public Sector Enterprises (CPSEs) following CDA pattern of pay scales. On the basis of the decision taken by the Cabinet, the DPE vide O.M. dated 26.10.2004 issued revised guidelines on the applicability of enhanced *ex-gratia* amount under VRS to the employees following CDA pattern of pay scales. According to the revised guidelines, payment of *ex-gratia* amount under VRS in respect of employees in CPSEs following CDA pattern of pay scales at 01.01.1986 level shall be increased by 50%. The employees who have already been released by CPSEs before 26.10.2004 were not covered under the revised guidelines. After 26.10.2004, only 10 CDA employees took voluntary retirement. The actual expenditure incurred on their VRS dues as per DPE guidelines dated 26.10.2004 was Rs. 53,42,407/-. If their VRS dues were to be calculated on the basis of 100% increase in *ex-gratia*, the total expenditures would be Rs. 71,23,208/- for 10 employees. According to the Ministry, if all the CDA

employees were allowed enhanced *ex-gratia* compensation *w.e.f.* 01.01.2003 *i.e.* the date on which VRS commenced, the estimated expenditure would be Rs. 26.52 crores in respect of 221 employees. The Department had approved Rs. 511.00 crores for grant of VRS to all employees of IDPL. Of this, a sum of Rs. 40.35 crores was surrendered to the Government at the instance of IDPL at Revised Estimates stage. This was due to the decision of the Board of Directors of IDPL, at its meeting held on 26.09.2003, to retain 432 employees for attending to various statutory and other essential functions by deferring their VRS upto 31.07.2004 or till the finalization of the fate of the Company, whichever was earlier. As such, the requirement of funds for VRS purpose was scaled down and finally Rs. 470.63 crores were released to IDPL out of which, Rs. 462.46 crores were utilised by IDPL in releasing staff under VRS.

39. On the issue of revision of pay scales of IDPL employees based on 5th Central Pay Commission, the Committee were informed that DPE *vide* O.M. dated 24.10.1997 decided to revise pay scales of the public sector employees following CDA pattern in 69 public sector enterprises *w.e.f.* 01.01.1996 as per the judgement of the Hon'ble Supreme Court dated 03.05.1990 on the recommendations of the High Power Pay Committee. The pay revision was to be on the lines of notification dated 30.09.1997 issued by the Department of Expenditure, Ministry of Finance in respect of revision of pay scales of Central Government employees *w.e.f.* 01.01.1996. It was obligatory on the part of Central Public Sector Undertakings (CPSUs) to implement the instructions contained in DPE O.M. dated 24.10.1997. However the pay scales of CDA employees could not be revised for the reason that the Company did not have financial resources to revise the pay scales. As regards, IDA employees DPE *vide* O.M. dated 19.07.1995 revised the pay scales of Executives holding posts below the Board level and non-unionized Supervisors *w.e.f.* 01.01.1992 subject to the condition that the Government shall not provide any budgetary support to the PSEs for meeting the enhanced liability due to revision of pay scales of IDA employees *w.e.f.* 01.01.1992. For sick PSEs registered with BIFR, pay revision and grant of other benefits will be allowed only if it is decided to revive the unit. The Revival package should include the enhanced liability on this account. In the absence of budgetary support for revision of pay scales of IDA employees and uncertain future of IDPL, the pay scales of IDA employees could not be revised.

40. The Committee note that the question of revision of pay scales of CDA employees *w.e.f.* 01.01.1996 was also raised by officers and supervisors of IDPL by filing a Writ Petition (Civil) No. 222 of 1998 in the Supreme Court of India. The Supreme Court of India *vide* judgement dated 24.07.2003 dismissed the Writ Petition praying for implementation of the Fifth Pay Commission scales in respect of CDA employees of IDPL *w.e.f.* 01.01.1996 and observed that since employees of Government companies are not government servants, they have absolutely no legal right to claim that the Government should pay their salary or that the additional expenditure incurred on account of revision of their pay scales should be met by the Government. Being employees of the Company, it is the responsibility of the Company to pay them salary and if the Company is sustaining losses continuously over a period and does not have the financial capacity to revise or enhance the pay scale, the petitioners, cannot claim any legal right to ask for a direction to the Central Government to meet the additional



expenditure which may be incurred on account of revision of pay scales. The petitioners having applied for VRS, it was not open for them to contend that they were entitled for pay revision.

41. The Committee note that the basic difference between CDA and IDA pay scales is in structure of pay scales and entitlement of DA, HRA etc. It was explained that CDA employees drawing 1986 pay scales are drawing higher pay by reason of higher DA and higher HRA *vis-a-vis* officials of the same level drawing pay in IDA pay scales. As an illustration, a Deputy Manager in CDA pay scale (Rs. 3000—5000) draws a total sum of Rs. 15180/- as against a sum of Rs. 9234/- drawn by an officer in IDA pay scale (Rs. 3700—5900), at the minimum of the respective pay scales. In terms of instructions contained in Bureau of Public Enterprises (BPE) letter dated 21.7.1981, option was given to all employees of IDPL to opt for IDA pattern of pay scales. Employees who opted for IDA pay scales were not entitled to opt for CDA pay scales. Similarly, CDA employees were not entitled to opt for IDA pay scales after issue of instructions by DPE *vide* their O.M. dated 12.6.1990. During the course of evidence, the Committee were informed that all the employees in IDPL were under CDA pattern and then subsequently, the IDA was brought in which was more attractive and employees were given option to go to IDA or CDA pattern. Many employees opted for IDA pattern but some continued to work under CDA pattern, as they expected benefits in the long run. As on 01.01.2006, there were 336 employees in the organisation, out of which 36 were CDA employees.

42. The Committee were informed that if all the employees were given the benefit of 5th Pay Commission as per DPEs circular dated 24.10.1997, then an additional amount of Rs. 28.00 crores would be required for 395 CDA pattern employees *w.e.f.* 01.01.1996 to 31.12.2002. An additional amount of Rs. 15 crores would also be required for the period from 01.01.2003 to 31.12.2006. According to the Ministry/IDPL if pay scales of CDA employees are revised then simultaneous revision of pay scales of IDA employees would also be required.

43. The Committee observe that there are two categories of employees in IDPL drawing pay based either on IDA pattern or on CDA pattern. As on 01.01.1996, there were 7,506 IDA employees and the number of CDA employees was 395. IDPL was declared sick by BIFR as it was incurring losses. As the Company was not financially viable to meet its liabilities independently, the pay scales of the employees of IDPL following CDA *w.e.f.* 01.01.1996 and those following IDA *w.e.f.* 01.01.1992 could not be revised. The issue was also agitated by the employees of IDPL before the Hon'ble Supreme court of India but the Apex Court in its judgement dated 24.7.2003 dismissed the prayer for revision of the pay scales of CDA employees of IDPL *w.e.f.* 01.01.1996 as recommended by the 5th Pay Commission on the ground that the Company does not have the financial capacity to revise or enhance the pay scales. It appears that the issue of revision of scales of pay of IDPL employees have not been completely ruled out and the question of revision of pay scales of IDPL employees could be taken up for consideration if the financial position of the Company improves in due course. As informed by the Ministry, IDPL still continues to be under reference to BIFR. A revival package has also been prepared and placed before the Cabinet for

its decision. The Cabinet has referred the issue of revival of IDPL to Group of Ministers (GoMs) for consideration and their recommendations are awaited. The Committee are deeply anguished to note that the revival package for IDPL is still pending before the Government even after a considerable lapse of time causing resentment amongst serving/retired employees of the Company. It seems that no sincere and concerted efforts have been made by the Ministry/IDPL to resolve the issue. As a result thereof, thousands of employees or ex-employees of the Company were put under great hardship. The Committee deplore this undue delay and strongly recommend that the Ministry/IDPL should take all necessary steps for early clearance of the proposal from the GoMs/Cabinet so that revival package could be approved/released at the earliest. The Committee expect that the revival package for IDPL would include the enhanced liability on account of pay revision and other benefits in respect of CDA/IDA employees, as the case may be. Once the revival package for the Company is approved and released, the Committee recommend that the question of revision of pay scales of IDPL employees may be taken up as per circulars issued earlier by the DPE in the matter.

44. Another issue which was raised by the petitioners relates to grant of *ex-gratia* to CDA employees at par with IDA employees. VRS was introduced by the Company for its employees from 01.01.2002 to 31.12.2002 and employees were asked by the Company to apply for VRS *vide* circular dated 03.09.2002 failing which retrenchment procedure would follow. In case of IDA employees, 100% increase in *ex-gratia* payment was allowed *w.e.f.* 01.01.2003 to the employees availing voluntary retirement introduced by the DPE. On the other hand, payment of *ex-gratia* in the context of employees following CDA pattern was enhanced by 50% only and that too from a prospective date *i.e. w.e.f.* 26.10.2004. As a result thereof, even this 50% enhanced *ex-gratia* was not available to CDA employees who had undertaken voluntary retirement before 26.10.2004. The Committee regret to note that the Ministry did not at all take up the *ex-gratia* issue of CDA employees with DPE which allowed enhanced *ex-gratia* to IDA and CDA employees but at different rates of calculation and date of implementation. The Ministry could not give any satisfactory explanation as to why payment of *ex-gratia* was considered much earlier in the context of IDA employees but in respect of CDA employees, it was considered much later and in the process a small section of CDA employees were adversely affected. According to the Ministry, IDPL faithfully implemented the orders of administrative Ministry/DPE in the matter. This only goes to show their apathy and casual attitude towards the genuine grievance of the petitioners. The Committee, therefore, deplore the callous approach of the authorities concerned on the issue. The Committee are not convinced with the logic extended by the Ministry that a large number of IDA employees were already getting less pay than the employees under CDA pattern and therefore, in order to give adequate incentive to leave the organisation, payment of *ex-gratia* to them was increased by 100%. The Committee feel that CDA employees could not be discriminated simply on the ground that they were/are getting higher salary as compared to their counter parts under IDA pattern. In fact as informed by the Ministry, IDA pattern of scales were much more attractive when the same were introduced initially in IDPL, as compared to CDA pattern of scales and therefore a majority of



employees opted for IDA pattern of pay scales. It is, therefore, surprising to note that the Ministry/IDPL completely ignored the genuine demand of a small section of employees, which continued to remain in CDA pay scales. The Ministry/IDPL also could not furnish any justification to grant the benefit of enhanced *ex-gratia* to CDA employees from a prospective date *i.e. w.e.f.* 26.10.2004 whereas the benefit of increased *ex-gratia* for the IDA pattern of employees was made applicable from 01.01.2003. In the process, a small section of CDA employees who took voluntary retirement before 26.10.2004 were deprived of the benefits of enhanced *ex-gratia*. The Committee, therefore, recommend that the Ministry should reconsider and examine the issue in coordination with all the concerned authorities particularly DPE so as to allow payment of enhanced *ex-gratia* to CDA employees at par with IDA employees make it effective from the same date as in the case of IDA employees.

45. The Committee are of the view that the Ministry being the nodal agency, cannot absolve themselves from their responsibility on such issues as raised by the petitioners in particular and other issues which concern the over all welfare of the employees of the Company. The Committee, therefore, recommend that adequate, effective and sincere efforts should be made by Ministry for revival of the Company and facilitating settlement of the demands of the petitioners without further delay. The Committee would like to be apprised of the conclusive action taken in this regard.

NEW DELHI;  
18 March, 2008  
28 Phalguna, 1929 (Saka)

PRABHUNATH SINGH,  
Chairman,  
Committee on Petitions.

ANNEXURE I

(See Para 1 of Report)

LOK SABHA

**PETITION NO. 4**

(Presented to Lok Sabha on 23.12.2004)

To

Lok Sabha,  
New Delhi.

The humble petition of Shri D.S. Sikka, General Secretary, IDPL Officers Association, IDPL Complex, Dundahera, Gurgaon-122016 (Haryana).

**Sheweth**

We the employees of I.D.P.L. in Central Dearness Allowance (CDA) scale would like to humbly submit the following for your kind consideration:—

- (i) Department of Public Enterprises (DPE), of the Government of India, circular dated 24th October, 1997 extended Vth Pay Commission benefits to all employees of Central Public Sector Units (PSUs) who were on IVth Pay Commission scales. Unfortunately this directive was not implemented in I.D.P.L. citing funds constraint.
- (ii) The DPE by its circular dated 6th November, 2001 extended 100% increase in *ex-gratia* amount to the employees in unrevised 1987 pay scale (under IDA Scale). Approximately 2% of IDPL employees in unrevised 1986 pay scale were ignored. Nevertheless, this increased *ex-gratia* of 100% was calculated for CDA employees (*i.e.* the 2% mentioned above) as well, as per the Government circular dated 17th January, 2002 and 19th February, 2002.
- (iii) All IDPL employees were asked to apply for VRS *vide* IDPL circular dated 3rd September, 2002 failing which they were informed that retrenchment procedure would follow.
- (iv) As per the DPE circular dated 6th November, 2001, 100% increase in *ex-gratia* is applicable for employees in 1987 pay scale. However, only 2% of employees numbering only 196 were denied this benefit when the financial implications were only about Rs. 8 crore whereas an amount of Rs. 50 crore which was allocated for payment to IDPL employees was returned.

We, therefore, humbly request your goodself to intervene and see that, this discrimination should end against 196 employees in CDA pattern of scale and request

that 100% increase in *ex-gratia* is also paid to us as it has already been paid to other employees.

And your petitioner as in duty bound shall ever pray.

Name	Address	Signature
Shri D.S. Sikka, General Secretary	IDPL Officers Association (Corporate Office & Marketing Division) IDPL Complex, Dundahera, Gurgaon-122016 (Haryana).	Sd/-
Shri Kalyan Kr. Basu	C/o Regional Office, IDPL, 1, AJC Bose Road, Kolkata-700020.	Sd/-

**Countersigned by Shri Basudeb Acharia, M.P.**

*ANNEXURE (II)*

MINUTES OF THE SIXTY SEVENTH SITTING OF THE COMMITTEE ON  
PETITIONS (FOURTEENTH LOK SABHA)

The Committee on Petitions sat on Wednesday, 31st October, 2007 from 1500 hrs. to 1650 hrs. in Committee Room 'B', Parliament House Annexure, New Delhi.

PRESENT

Shri Prabhunath Singh — *Chairman*

MEMBERS

2. Adv. Suresh Kurup
3. Shri Dharmendra Pradhan
4. Shri Kishan Singh Sangwan
5. Shri Paras Nath Yadav

SECRETARIAT

1. Shri A.K. Singh — *Director*
2. Shri U.B.S. Negi — *Deputy Secretary*
3. Shri V.P. Gupta — *Under Secretary*
4. Smt. Jagriti Tewatia — *Committee Officer*

WITNESSES

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**Ministry of Chemicals and Fertilizers**

**Department of Chemicals and Petrochemicals**

1. Shri Arun Ramanathan — Secretary
2. Shri G.S. Sandhu — Joint Secretary
3. Smt. Jayashree Gupta — CMD, IDPL
4. Shri Ajit Kulshreshtha — Addl. Central Provident  
Fund Commissioner
5. Shri S.C. Sharma — Deputy Secretary

**Department of Fertilizers**

1. Dr. J.S. Sarma — Secretary

- |                           |   |                        |
|---------------------------|---|------------------------|
| 2. Shri Deepak Singhal    | — | Joint Secretary        |
| 3. Shri Manoj Kumar Gupta | — | Director, PSU          |
| 4. Shri Rajesh Agrawal    | — | Deputy Secretary       |
| 5. Shri R.R. Babu         | — | Personnel Manger, HFCL |
| 6. Dr. J.S. Agarwal       | — | General Manager, IDPL  |

**Special Invitee**

Shri Basudeb—Acharia, M.P.

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5. The representatives of the Ministry of Finance then withdrew and representatives of the Ministry of Chemical and Fertilizers (Department of Chemicals and Petrochemicals) took their seats.

6. Thereafter, the Committee took oral evidence of the representatives of Ministry of Chemicals and Fertilizers on the following two representations:—

(1) Petition requesting for payment of additional *ex-gratia* to 196 employees of IDPL;

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The following issues/points were discussed by the Committee:—

- (i) The matter was briefly discussed regarding genesis of the case and why the *ex-gratia* was not granted to the CDA employees in IDPL at par with IDA employees.
- (ii) There was discrimination because in the case of IDA pattern employees, the effect was implemented in 2002 while in case of CDA employees the effect was given in 2004, after two years.
- (iii) The reasons for returning an amount of Rs. 50 crore to the Government which was allocated for making payment to IDPL employees.
- (iv) The reasons for non-payment of *ex-gratia* to the CDA employees while this benefit was granted to other PSU employees who had opted for VRS.
- (v) The position adopted by other sick PSUs in respect of pay scales revision for IDA and CDA employees.

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8. The Committee asked the witness to send the replies on points which were not supplied or readily available with them during the evidence, within the stipulated period.

9. A copy of the verbatim proceedings of the sitting of the Committee has been kept on record.

*The witnesses then withdrew.*

*The Committee then adjourned.*

ANNEXURE (III)

MINUTES OF THE SEVENTY NINTH SITTING OF THE COMMITTEE ON  
PETITIONS (FOURTEENTH LOK SABHA)

The Committee on Petitions sat on Tuesday, the 18th March, 2008 from 1500 hours to 1530 hours in Chairman's Room No. 45(II) Ground Floor Parliament House, New Delhi.

PRESENT

Shri Prabhunath Singh — *Chairman*

MEMBERS

2. Shri Shingada Damodar Barku
3. Shri N.S.V. Chitthan
4. Shri Mohan Jena
5. Shri Wangyuh W. Konyak
6. Adv. Suresh Kurup
7. Shri Dharmendra Pradhan
8. Shri Kishan Singh Sangwan
9. Shri Mansukhbhai Dhanjibhai Vasava

SECRETARIAT

- |                         |   |                            |
|-------------------------|---|----------------------------|
| 1. Shri P.K. Grover     | — | <i>Joint Secretary</i>     |
| 2. Shri A.K. Singh      | — | <i>Director</i>            |
| 3. Shri U.B.S. Negi     | — | <i>Deputy Secretary</i>    |
| 4. Shri H.R. Kamboj     | — | <i>Deputy Secretary-II</i> |
| 5. Shri V.P. Gupta      | — | <i>Under Secretary</i>     |
| 6. Smt. Jagriti Tewatia | — | <i>Committee Officer</i>   |

2. The Committee considered and adopted the following reports of the Committee with slight modifications:—

- (1) Thirty Seventh Report pertaining to Ministry of Chemicals and Fertilizers (Department of Chemicals and Petrochemicals) on the Petition from Shri Basudeb Acharia, MP requesting for payment of additional ex-gratia to 196 employees of IDPL in Central Dearness Allowance (CDA) scale at par with other employees.

- (2) Thirty Eighth Report pertaining to Ministries of Agriculture (Department of Agricultural Research and Education) and Railways.
- (3) Thirty Ninth Report pertaining to Ministries of Coal and Defence (Defence, Research and Development Organization).
- (4) Fortieth Report pertaining to Ministry of Petroleum and Natural Gas.

3. The Committee also authorised the Chairman to finalise and present the Reports to the House.

*The Committee then adjourned.*