

**STANDING COMMITTEE ON LABOUR
(2014-2015)**

SIXTEENTH LOK SABHA

MINISTRY OF STEEL

**[Action Taken by the Government on the
Observations/Recommendations of the Committee contained
in their Thirty Seventh Report (Fifteenth Lok Sabha) on
‘Welfare of legal heirs of deceased workers of Rourkela Steel
Plant – A case study’]**

TENTH REPORT



LOK SABHA SECRETARIAT

August, 2015/Shravana , 1937 (Saka)

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[Action Taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty Seventh Report (Fifteenth Lok Sabha) on `Welfare of legal heirs of deceased workers of Rourkela Steel Plant – A case study']

Presented to Lok Sabha on 12.08.2015

Laid in Rajya Sabha on 12.08.2015



LOK SABHA SECRETARIAT

NEW DELHI

August, 2015/Shravana , 1937 (Saka)

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**COMPOSITION OF THE STANDING COMMITTEE ON LABOUR
(2014-15)**

DR. VIRENDRA KUMAR-CHAIRPERSON

**MEMBERS
LOK SABHA**

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

RAJYA SABHA

22. Shri P. Kannan
23. Shri Aayanur Manjunatha
24. Haji Abdul Salam
25. Shri Tapan Kumar Sen
26. Shri R.K. Sinha
- \$ 27. Shri Rajaram
- @ 28. Shri Ravi Prakash Verma
- @@ 29. Shri P.L. Punia
- #30. Shri Nazir Ahmed Laway
- ##31. Ms. Dola Sen

-
- * Nominated *w.e.f.* 7th October, 2014.
** Nominated *w.e.f.* 25th March, 2015.
*** Nominated *w.e.f.* 23rd July, 2015
**** Vacancy occurred *vice* Shri Kapil Krishna Thakur expired on 13.10.2014.
\$ Re-nominated *w.e.f.* 8th January, 2015.
@ Nominated *w.e.f.* 29th January, 2015.
@@ Nominated *w.e.f.* 12th March, 2015.
Nominated *w.e.f.* 7th May, 2015
Nominated *w.e.f.* 13th May, 2015

SECRETARIAT

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

INTRODUCTION

I, the Chairperson, Standing Committee on Labour (2014-15) having been authorized by the Committee do present on their behalf this Tenth Report on Action taken by the Government on the Observations/Recommendations of the Committee contained in their Thirty Seventh Report (Fifteenth Lok Sabha) on 'Welfare of legal heirs of deceased workers of Rourkela Steel Plant – A case study' relating to the Ministry of Steel.

2. The Thirty Seventh Report was presented to Lok Sabha and also laid in Rajya Sabha on 6th May, 2013. The Ministry of Steel furnished their replies on 18th December, 2013 and updated replies on 24.07.2015 indicating action taken on the Observations/Recommendations contained in thirty seventh Report. The Committee at their sitting held on 10th August, 2015 considered and adopted the Draft Report.

3. An analysis of the action taken by Government on the Observations/Recommendations contained in the Thirty Seventh Report of the Standing Committee on Labour (Fifteenth Lok Sabha) is given at Appendix-II.

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

New Delhi;
10th August, 2015
19 Shravana, 1937 (Saka)

DR. VIRENDRA KUMAR
CHAIRPERSON
STANDING COMMITTEE ON LABOUR

CHAPTER-I

REPORT

This Report deals with the action taken by the Government on the observations/recommendations of the Committee contained in their Thirty-Seventh Report (Fifteenth Lok Sabha) on 'Welfare of legal heirs of deceased workers of Rourkela Steel Plant – A case study'.

2. The Thirty-Seventh Report was presented to Lok Sabha and also laid in Rajya Sabha on 6th May, 2013. It contained 15 observations/recommendations. Replies of Government in respect of all the recommendations have been received and are categorized as under:-

- | | | |
|-------|---|---|
| (i) | Observations/recommendations which have been accepted by the Government –
Para Nos. 48, 49, 53, 55, 58, 59 | Total: 06
percentage: 40 |
| (ii) | Observations/recommendations which the Committee do not desire to pursue in view of the Government's reply –
-NIL- | Total: 00
percentage: 00 |
| (iii) | Observations/recommendations in respect of which replies of the Government have not been accepted by the Committee and which require reiteration –
Para Nos. 50, 51, 52, 54, 56, 60, 61 | Total: 07
percentage: 46.7 |
| (iv) | Observations/recommendations in respect of which replies of the Government are interim in nature -
Para Nos. 57, 62 | Total: 02
percentage: 13.3 |

3. The Committee desire that Action Taken Replies in respect of recommendations contained in Chapter-I and final Action Taken Replies in respect of recommendations contained in Chapter-V, for which only interim replies have been furnished by the Government, may be furnished at the earliest.

A. Policy on compassionate appointments

(Recommendation Para No. 49)

4. In their earlier Report, the Committee had noted that a new policy was introduced by RSP in 1992 which did not incorporate the provisions of earlier policy for compassionate appointments on the ground of death due to illness and in 1995 when the Trade Unions approached the Management, death due to three diseases was made eligible for compassionate appointment w.e.f. 1.1.1996. The Committee were unable to comprehend the rationale behind the approach of the Management to follow and agree with the Trade Union(s) without doing any research in the matter and taking into consideration the prevalent best practices. The Committee further found that in 1998, the inclusion of the above three diseases were given retrospective effect from 1992 which aggravated the wrong by ratifying the discrimination done in 1996.

5. In their Action Taken Note, the Ministry of Steel have stated as follows:

“SAIL introduced the 'Employee Family Benefit Scheme (EFBS)' with effect from 01.01.1989 in order to help the family to overcome the urgent financial crisis arising out of the death/permanent total disablement of the income-earning member of the family. This Scheme is applicable in case of death/permanent total disablement of an employee while in service and provides for monthly payment equivalent to last drawn Basic Pay and DA of the deceased/total permanently disabled employee to the ex-employee/his dependent till notional date of superannuation of the ex-employee, subject to depositing an amount equal to PF and gratuity. The deposited amount towards PF & Gratuity is returned

thereafter. The major objective of the scheme was to provide sustenance by taking care of the financial needs of the ex-employee or his dependents till the date of notional superannuation of the employee.

The scheme with regard to providing employment on compassionate grounds to the dependant of an employee, who was removed from services of the company on account of natural unfitness or on account of natural death was discontinued w.e.f. 21.11.1992 consequent to introduction of EFBS at RSP in terms of the NJCS agreement.

The scheme for providing compassionate employment at RSP in case of death on account of three listed diseases which was implemented w.e.f. 22.11.92 on the basis of a settlement made with the recognized union, in the presence of Asstt. Labour Commissioner-cum-Conciliation Officer, Government of Orissa, was an additional benefit provided by RSP on the basis of aspirations/suggestions/requests of the employees including the recognized representative union.”

6. The Committee note that the scheme for providing compassionate employment in the Rourkela Steel Plant (RSP) was discontinued w.e.f. 21.11.1992 consequent upon the introduction of the 'Employee Family Benefit Scheme (EFBS)' on 01.01.1989. The Committee further note that on the basis of a settlement made with the recognized union, in the presence of Asstt. Labour Commissioner-cum-Conciliation Officer, Government of Odisha, the scheme for providing compassionate employment in RSP in case of death of an employee on account of three listed diseases, viz. cancer, kidney failure and heart stroke was again introduced/implemented w.e.f. 22.11.1992 as an additional benefit provided by RSP on the basis of aspirations/ suggestions/requests of the employees to this effect, including that of the recognized representative unions. The Committee, however, find that if the objective of the EFB

Scheme is to provide sustenance by taking care of the financial needs of the ex-employee or his dependants till the date of notional superannuation of the employee, as claimed by the Ministry, the Committee deem the caveat absolutely irrational and unjustified i.e., depositing an amount equal to PF and Gratuity of the deceased/permanently disabled employee in order to enable him/her dependants a monthly payment equivalent to the last drawn basic pay plus DA till the notional date of superannuation. In the considered opinion of the Committee, it is no consolation or favour to the dependants of an ex-employee that the deposited PF and Gratuity amount is returned thereafter. Moreover, there is absolutely no justification in implementing compassionate appointments on account of death due to three diseases only whereas there is a need for listing other dreaded diseases like Diabetes, Hepatitis, HIV, Brain Hemorrhage, etc. which are also prevalent. Further, to their dismay, the Committee find that there is no provision for compassionate appointment in case of death or permanent disablement due to accidents. The Committee are, therefore, of the firm opinion that the extant loose ends in the EFBS and mechanism established for providing compassionate appointments be tied up so that the affected employees and their aggrieved dependants are duly and justly benefited.

B. Procedures to deal permanently medically unfit cases

(Recommendation Para No. 50)

7. The Committee in their earlier Report, had pointed out the case of one Shri D.N. Das, whose request for declaring him medically unfit and giving compassionate appointment to his son was kept pending by the senior officials of the RSP till the change of the policy. Opining that had the officials acted in time, the dependent would have got the job, the Committee were of the considered view that this case should have been decided as per the policy prevalent at the time when the application for declaring the employee medically unfit was first received. The Committee also observed that on flimsy grounds the RSP rejected the claims for compassionate appointment in other cases also. The Committee found that instead of acting positively to remove the evident flaws in the policies of compassionate appointment of RSP, the SAIL were spending its valuable resources in fighting against the poor dependents in Courts.

8. In their Action Taken Note, the Ministry of Steel stated as under :-

"Shri D.N.Das was declared Permanently Medical Unfit by the Company's Medical Board on 20/08/1994 due to Hypertension, Parkinsonism and Senile Debility. He was accordingly discharged from services of the Company w.e.f. 31/10/1994. As the case was not falling under the extant guidelines for compassionate employment, Shri Das was informed vide letter dated 24.11.1994 that it would not be possible to provide employment on compassionate grounds to his son. Shri Das was further advised to avail the benefits under EFBS. Shri Das, however, did not avail the benefit.

It may be stated that, Sri Swapan Kumar Das S/o Sri D.N.Das has filed a writ petition bearing OJC No.7704/95 in the Hon'ble High Court of Orissa. The case is presently subjudice."

9. The Committee are deeply shocked to note the manner in which the above mentioned employee's case was handled by RSP. As explained in detail in their earlier Report, the Committee will like to remind the

Ministry that the request of the employee for compassionate appointment of his dependant by declaring the employee medically unfit was made in 1991 when the Guidelines permitted such appointment. Intriguingly, for three years, his request was not considered and by the time he was declared medically unfit in 1994, the appointment policy on compassionate grounds had been changed. It is altogether a different matter that the said employee refused to avail the benefits under EFBS. What concerns the Committee is the impression given, in the instant case, that a deliberate attempt was made to deny a permanently medically unfit person a sympathetic consideration for which his son had filed a writ petition in the High Court of Odisha. While reserving their comments on the matter since the case is presently *sub judice*, the Committee will, however, like to impress upon the Ministry/SAIL to handle such cases in future in a more sensitive and humanitarian manner so that unnecessary litigations causing further hardships to the aggrieved and also leading to wastage of time and resources for the Ministry/SAIL are avoided.

C. Role of SAIL

(Recommendation Para No. 51)

10. The Committee had noted in their 37th Report that although SAIL was neither involved nor had any direct role in finalizing the extant policies regarding wages and allied matters but being a party to the litigations, had full knowledge of the cases being filed in the Courts against the policies of the

Rourkela Steel Plant. The SAIL, however, chose to remain a mute spectator for a long time before issuing uniform guidelines for all its Plants in September, 2011 only after irreparable damage and injustice done to the need of employees. Further, the Committee were anguished to find that to add to the woes caused by its inaction in remedying the policies, the SAIL went to Supreme Court against the orders of Odisha High Court and filed an SLP in Shri Ajay Kumar Mitra's case which was eventually dismissed by the Supreme Court. The Committee expressed their displeasure that the SAIL moved Supreme Court in a case of compassionate appointment displaying apathy and inhumane attitude towards a needy and deprived family.

11. In their Action Taken Note, the Ministry of Steel stated as under :-

"In terms of the NJCS agreement, employment on compassionate ground is provided to the dependent of the ex-employee / employee on account of death or permanent total disablement due to accident arising out of and in the course of employment. Instead of employment the dependent may opt for benefits under Employees Family Benefit Scheme. In addition to the benefits provided in the NJCS agreement, different Plants and Units of SAIL were also operating different compassionate employment schemes at Plant/Unit level based on their local conditions, practices and requirements. It is pertinent to mention that SAIL Steel Plants are located at different locations/states and have their own historical backgrounds and work cultures. Some of the steel plants had also amalgamated in SAIL at a later date, prior to which they had their own rules and policies.

Introduction of guidelines for dealing with compassionate cases which were issued in 2010-11 were a step in bringing uniformity in the matter of compassionate employment across the company. These guidelines were prepared after making detailed deliberations with Plants / Units so as to ensure smooth transition to the new guidelines.

Cases are pursued in the High Court / Supreme Court to ensure uniform applicability of the rules / policies. Decisions of the Hon'ble Courts are implemented by the company."

12. The Committee appreciate to note that introduction of uniform Guidelines in 2010-11 was a step in bringing uniformity in the matter of

compassionate appointments across SAIL. The Committee, however, do not agree with the Ministry's contention that cases are pursued in the High Court/Supreme Court to ensure uniform applicability of the rules/policies. Conversely, the Committee are of the considered view that if rules/policies are implemented fairly and uniformly, employees would never approach Courts of Law seeking redressal of their just grievances. Moreover, many employees may not have the resources to seek legal remedies and may be succumbing to the unilateral decisions of the employer. Therefore, the best recourse on the part of the employer is to have invariably uniform and sympathetic approach on matters of compassionate appointments and the Committee believe that SAIL, being a Maharatna Company, should not be seen lagging behind in this regard.

D. 'Employee Family Benefit Scheme (EFBS)'

(Recommendation Para Nos. 52, 56 and 61)

13. In their earlier Report, the Committee had observed that the SAIL had been lauding about the EFBS, introduced in 1989 which offered nothing more than a monthly income scheme of the Banks. The Supreme Court in the case of Balbir Kaur v/s. SAIL held that the scheme was against the very purpose of the welfare schemes since it required the amount of PF and Gratuity receivable at the time of the death to be deposited with the company in order to get the monthly income. The Committee had observed that faulty policies for compassionate employment were implemented by the Rourkela Steel Plant which resulted in gross injustice to the aggrieved families. The Steel Authority of India Limited (SAIL), too, failed miserably in exerting any control on the welfare policies implemented by the plants under its control which resulted in growing injustice and had not been able to offer anything concrete for the betterment of those heirs. The Committee considered the concession under

EFBS as proposed by SAIL a mockery of compassion and felt that nothing less than regular employment would ensure justice to the hapless heirs suffering for last two decades due to sheer indifferent attitude of the Management of RSP.

14. In their action taken reply, the Ministry of Steel replied as under:

"EFBS is a welfare scheme by way of which payment of the last drawn wages is ensured to the ex-employees or his/her dependents till his notional date of superannuation. The popularity and acceptance of the scheme can be gauged by the fact that more than 6500 ex-employees/dependents have availed the benefits under the scheme since inception. At Rourkela Steel Plant alone, nearly 1200 persons have availed benefits under EFBS. As the 18 cases were not getting covered for compassionate employment under the extant guidelines and granting employment can likely result in more than 12,000 similar requests across the company, it had been proposed to extend the benefits of EFBS to 15 of the otherwise eligible cases. Special dispensation for the same has also been given by SAIL Board and consent of the Hon'ble Committee was sought prior to implementation which is awaited."

15. The Ministry further deposed as follows :-

"The Policies on compassionate employment which were in vogue at different period of time were widely accepted by the employees. The policy, which was in vogue from 22.11.92 to 30.9.2011 at RSP was implemented through a tripartite settlement arrived at before the appropriate labour authorities. A large number of dependants have been benefitted on account of formulation and implementation of such policies. SAIL has always been on the forefront towards ensuring the well being of its employees and their dependants as can be seen from the various proactive decisions taken at the NJCS level since 1970s.

Based on the deliberations held before the Hon'ble Parliamentary Committee on Labour, SAIL Board has already approved extension of EFBS benefit to the dependants of 15 ex-employees of RSP with the consent of the Hon'ble Standing Parliamentary Committee on Labour."

16. The Ministry also submitted as follows :-

"More than 1200 ex-employees / their dependents have availed / are availing the benefits of EFBS at RSP as the scheme is proving beneficial and effective for them. Similarly, the above persons, in case they chose to avail the benefits under EFBS shall be similarly benefitted."

17. The Committee are not convinced with the Ministry's contention that the EFBS is a popular Scheme since 1200 persons in RSP have availed benefit under the Scheme, as there might be thousands of employees not opting for the Scheme because of the inherent flaws in it, as pointed out by the hon'ble Supreme Court. The Committee also do not find any merit in the Ministry's reasoning that granting employment in the earlier discussed 18 cases can likely result in more than 12,000 similar requests across the Company. The Committee will like to stress that if justice has not been meted out to the affected and aggrieved employees, then SAIL/RSP are legally and morally bound to sort out the contentious issues and take corrective measures, irrespective of the number of employees involved therein. Therefore, the Committee intend that the existing lacunae in the EFBS must be looked into with a compassionate approach expeditiously so that it becomes a popular welfare scheme in its true sense and spirit.

E. Concerns towards sustainability of the Company

(Recommendation Para Nos. 54 and 60)

18. The Committee in their earlier Report had noted the apprehension of the SAIL that giving employment to all these heirs now would open a Pandora's Box since all the compassionate cases which had not come in open would now also

surface. After examination of all these cases in detail, the Committee were of the considered opinion that since each plant of SAIL had a different sets of policies on compassionate employment, there could not be any question of similar cases cropping up. Further, in RSP faulty policies were implemented without any accountability which resulted in gross injustice to 18 aggrieved families. Since those families had been suffering because of the wrongs done to them, it was the responsibility of the Government to help them and dispense justice irrespective of the number of persons involved. The Committee further observed that in the instant case of giving compassionate employment to the 18 legal heirs of Rourkela Steel Plant, SAIL maintained that taking such a step would adversely affect the profits of the company. Drawing the attention of the observation of Supreme Court in the case of Balbir Kaur vrs. SAIL, the Committee opined that a company which is owned by the Government of a Welfare State should not be unduly concerned about profits and a compassionate approach towards its employees was always desirable.

19. In their Action Taken Note, the Ministry submitted as follows :-

"SAIL plants and units were following the additional schemes / guidelines on compassionate employment in a uniform manner. If any deviation from the extant guidelines is made at any of the plant/unit, it would create aspirations across the Company in all cases which were not covered by the extant schemes/policies/guidelines in the different plants and units. As mentioned earlier, there are more than 12,000 such cases and dealing with them would give rise to serious far reaching administrative and legal complications. Further, SAIL is in the midst of a major expansion drive which requires intake of young and qualified work force. Intake of persons not meeting the specifications/requirements in terms of qualification, experience standards of the company would have an inimical effect on the long-term sustainability of the company."

20. The Ministry further submitted:-

"The additional schemes / guidelines on compassionate employment being operated at different plants and units of SAIL were being implemented in a uniform manner in terms of the schemes / guidelines. If any deviation from the extant guidelines is made at any of the plant / unit, it would create aspirations across the Company in all cases which were not covered by the extant schemes/policies/guidelines in the different plants and units. As mentioned earlier, there are more than 12,000 such cases and dealing with them would give rise to serious far

reaching administrative and legal complications. Further, SAIL is in midst of a major expansion drive which requires intake of young and qualified work force. Intake of persons not meeting the current exacting standards of the company would have an inimical effect on the sustainability of the company.

21. The Committee note that SAIL is in the midst of a major expansion drive which requires intake of young and qualified workforce. However, in the Committee's view, this does not mean that the Government prescribed policies on compassionate appointments are to be conveniently ignored. The Committee are aware that compassionate appointments are made at the lowest rung of the Group 'C' & 'D' posts and departmental training, wherever required, is given to the appointees to meet the specifications/requirements of the job. Therefore, on the plea of adverse effect on the long term sustainability of the Company, SAIL should not deny deserving compassionate appointments. The Committee, therefore, call upon the Ministry to impress upon SAIL to suitably modify the extant Scheme/Policies/Guidelines governing compassionate appointments, notwithstanding the administrative and legal complications so that the principles of sympathetic, sensitive and humanitarian approach of a Welfare State and its various organs in governance are truly reflected in their working, especially in their approach towards employees' welfare.

CHAPTER-II

OBSERVATIONS/RECOMMENDATIONS WHICH HAVE BEEN ACCEPTED BY THE GOVERNMENT

(Recommendation at Para 48)

The Committee observe that as per the policy of compassionate employment implemented in Rourkela Steel Plant prior to 1992, the dependent to be eligible had to be matriculate, deceased should have served for at least 10 years before his / her separation, his / her last three ACR gradings should have been good and he / she must not have got a major punishment in last 5 years. The Committee find that a needy widow with a small child was denied employment since she was non-matriculate and hence ineligible according to the above criteria. The Committee fail to understand that how could the management of RSP be so callous and ignore the plight of a woman whose husband had died and deny her employment knowing very well that she has a small child and was not educated enough. Similarly, in two other cases that were brought before the Committee, the dependents were denied employment because both the employees had not completed ten years of service. The Committee feel that all the above criteria smack of non humanitarian approach of the RSP management towards its own employees. The Committee are of the firm view that a grieving family needs immediate relief and, therefore, should not be subjected to unnecessary rigorous and inhuman technicalities. The views of the Committee also find endorsement in the latest guidelines issued by the SAIL wherein most of the faulty policies / rules have been amended.

REPLY OF GOVERNMENT

The guidelines / rules for dealing with cases for rehabilitation of the dependents of our employees in case of their death or permanent total disablement during their service period are emanating from the decisions taken at the level of the National Joint Committee for the Steel Industry (NJCS). Earlier, in addition to the benefits provided in the NJCS agreements, based on the local conditions, different plants and units of SAIL were also operating additional schemes at their plant/unit level in the area of compassionate employment.

The NJCS agreement provides for the following benefits in cases of death or permanent total disablement of our employees during their service period:

- In case of death or permanent total disablement due to accident arising out of and in course of employment, employment to one of his/her direct dependents will be provided.
- The dependent, instead of employment, may opt for “Employee Family Benefit Scheme (EFBS)” which was introduced with effect from 01.01.1989 in order to help the family to overcome the urgent financial crisis. This Scheme, applicable in case of death/permanent total disablement of an employee while in service, provides for monthly payment equivalent to last drawn basic pay & DA of the deceased / total permanently disabled employee to the ex-employee/ his dependent till notional date of superannuation of the ex-employee, subject to depositing an amount equal to PF and gratuity. The deposited amount towards PF & gratuity is returned thereafter.

At Rourkela Steel Plant, in addition to the NJCS provisions, the following schemes were being operated at different periods of time:

- A scheme was in operation till 21.11.1992 which provided for compassionate employment to dependents of employees, both in cases of natural death and where the employee was declared medically unfit by the Competent Authority.
- In terms of a tripartite agreement at Rourkela Steel Plant, a new scheme for appointment on compassionate grounds on account of death due to three (3) listed diseases viz. cancer, kidney failure and heart stroke was introduced w.e.f. 22.11.92.

It is pertinent to mention here that the policy of providing employment on compassionate grounds is not on account of any statute. These benevolent schemes were framed on humanitarian considerations. While framing such schemes and policies, based on the requirement of the organization, conditions and guidelines are framed for deciding the eligibility criteria and ensuring fair and transparent implementation.

In the scheme being operated by Rourkela Steel Plant, certain eligibility criteria had been laid down for uniform implementation of the policy. It needs to be stressed that employment on compassionate ground is provided in terms of the policies / rules which are in vogue at the time of the death of the employee / removal of the employee from the services of the Company. As has also been

submitted before the Hon'ble Committee, both during the oral and in written submission, the cases as cited by the representationists were not fulfilling the relevant guide lines / policy / rules for providing employment on compassionate ground.

The case of Sri Pradeep Kumar Mohanty is presently subjudice in the Hon'ble High Court of Orissa.

(Ministry of Steel O.M. No.11013(5)/2013 dated 08/08/2013)

(Recommendation at Para No.49)

The Committee note that a new policy was introduced by RSP in 1992 which did not incorporate the provisions of earlier policy for compassionate appointments on the ground of death due to illness and then in 1995 when the trade unions approached the Management, death due to three diseases was made eligible for compassionate appointment w.e.f. 1.1.1996. The Committee are not able to comprehend the rationale behind the approach of the Management to only follow and agree with the trade union(s) without supplementing from their experience and research in the matter and the prevalent best practices. The Committee further find that in 1998, the inclusion of above three diseases was given retrospective effect from 1992. The Committee strongly feel that this action doubled the wrong already done since it ratified the discrimination done in 1996 by giving it a retrospective effect.

REPLY OF GOVERNMENT

SAIL introduced the "Employee Family Benefit Scheme (EFBS)" with effect from 01.01.1989 in order to help the family to overcome the urgent financial crisis arising out of the death/permanent total disablement of the income-earning member of the family. This Scheme is applicable in case of death/permanent total disablement of an employee while in service and provides for monthly payment equivalent to last drawn Basic Pay and DA of the deceased / total permanently disabled employee to the ex-employee/ his dependent till notional date of superannuation of the ex-employee, subject to depositing an amount equal to PF and gratuity. The deposited amount towards PF & Gratuity is returned thereafter.

The major objective of the scheme was to provide sustenance by taking care of the financial needs of the ex-employee or his dependents till the date of notional superannuation of the employee.

The scheme with regard to providing employment on compassionate grounds to the dependant of an employee, who was removed from services of the company on account of natural unfitness or on account of natural death was discontinued w.e.f. 21.11.1992 consequent to introduction of EFBS at RSP in terms of the NJCS agreement.

The scheme for providing compassionate employment at RSP in case of death on account of three listed diseases which was implemented w.e.f. 22.11.92 on the basis of a settlement made with the recognized union, in the presence of Asstt. Labour Commissioner-cum-Conciliation Officer, Government of Orissa, was an additional benefit provided by RSP on the basis of aspirations / suggestions / requests of the employees including the recognized representative union.

(Ministry of Steel O.M. No.11013(5)/2013 dated 08/08/2013)

(Recommendation at Para No.53)

The Committee are pained to note that the policies for compassionate employment followed by various plants under the SAIL over the years were not even documented till 2011 when SAIL issued uniform guidelines. The Committee are shocked to note that the livelihood and future of so many families was being decided by various Steel Plants under SAIL without any sound basis by the managements in the absence of any definite, uniform and codified policies. The Committee are saddened to note that this rampant injustice was being perpetrated by a public sector plant of a 'Maharatna' company on the unfortunate families of its ex-employees.

REPLY OF GOVERNMENT

The provisions related to compassionate employment were elaborately documented in the various NJCS agreements and implemented accordingly. The additional schemes which were being operated at different plants and units were also mostly codified. In fact, the local schemes/guidelines/agreements pertaining to compassionate employment at RSP were fully codified and copy of

the same have been provided to the Hon'ble Committee during the course of the sitting of the Hon'ble Committee.

(Ministry of Steel O.M. No.11013(5)/2013 dated 08/08/2013)

(Recommendation at Para No.55)

The Committee note that the Rourkela Steel Plant / SAIL like other PSUs are following the policy on 'Corporate Social Responsibility' (CSR) where under they are required to spend a certain amount for the welfare activities and development of the peripheral areas. The Committee, however, find it shocking that though RSP is looking after its peripheral villages and community neighbours, it has chosen to turn a blind eye towards the families of its own employees. The Committee are unable to understand that when RSP can adopt 16 villages why it has left 18 families to suffer for almost 20 years now. The Committee would like to remind RSP that charity begins at home which it has conveniently forgotten.

REPLY OF GOVERNMENT

SAIL has been discharging its responsibility towards development of peripheral areas of its plants/units/mines and their populace since inception from a period much before the formal concept of CSR came into being. Further, in terms of the Government directives and decision of SAIL Board, Rourkela Steel Plant is now also discharging its responsibilities in the area of Corporate Social Responsibility.

The activities undertaken for improvement of the welfare of the employees and the activities done for development of the underprivileged people living in and around Rourkela as part of the CSR activities / programmes are totally separate activities and undertaken for achieving different objectives.

(Ministry of Steel O.M. No.11013(5)/2013 dated 08/08/2013)

(Recommendation at Para 58)

The Committee also expect PSUs to move higher Courts against the decision of lower Courts in cases relating to compassionate employment only after threadbare discussion with experts in human relations, labour and legal affairs.

REPLY OF GOVERNMENT

Matter is discussed at various levels of the management including with Law Department before higher courts are moved against the decisions of the lower courts. As explained earlier, decisions to challenge judgements of lower courts is taken when it is found to be at variance with the prescribed / policies / guidelines of the Company.

(Ministry of Steel O.M. No.11013(5)/2013 dated 08/08/2013)

(Recommendation at Para No. 59)

The Committee further desire that an inquiry may be instituted against the officers responsible for causing hardship by their inhumanitarian approach towards the poor heirs of their own employees and also for framing and implementing faulty policies in regard to compassionate employment viz. inclusion of death due to only three diseases i.e. Failure of Kidneys, Heart strokes and Cancer for being eligible and giving it retrospective effect later on, linking the matter with length of service or ACR gradings of the deceased employees etc. They would like to be apprised of the action taken in the matter.

REPLY OF GOVERNMENT

The schemes/guidelines including eligibility criteria related to compassionate employment at Rourkela Steel Plant were formulated and implemented across a large period of time. Implementation of the same was after detailed discussions across various levels including employees and recognized union. The schemes / guidelines were finalized taking into account the local aspirations and requirement of the plant. The cases in question, as has been explained to the Standing Committee did not qualify for consideration as per the extant policies of the company. Accordingly, the benefit of compassionate employment was not due to dependents.

(Ministry of Steel O.M. No.11013(5)/2013 dated 08/08/2013)

CHAPTER-III

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

- NIL -

CHAPTER-IV

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

(Recommendation at Para No. 50)

The Committee would like to point to the case of one Shri D.N.Das, whose request for declaring him medically unfit and giving compassionate employment to his son was kept pending by the senior officials of the RSP till the change of the policy. The Committee feel that had the officials acted in time, the dependent would have got the job. The Committee are of the view that this case should have been decided as per the policy prevalent at the time when the application for declaring the employee medically unfit was first received. The Committee also observe that the RSP relied on flimsy grounds for rejecting the claims for compassionate employment in other cases also. The Committee find that instead of acting positively now when the flaws in the policies of compassionate appointment of RSP are wide open and evident, the SAIL is spending its valuable resources in fighting against the poor dependents in Courts.

REPLY OF GOVERNMENT

Shri D.N.Das was declared Permanently Medical Unfit by the Company's Medical Board on 20/08/1994 due to Hypertension, Parkinsonism and Senile Debility. He was accordingly discharged from services of the Company w.e.f. 31/10/1994. As the case was not falling under the extant guidelines for compassionate employment, Shri Das was informed vide letter dated 24.11.1994 that it would not be possible to provide employment on compassionate grounds to his son. Shri Das was further advised to avail the benefits under EFBS. Shri Das, however, did not avail the benefit.

It may be stated that, Sri Swapan Kumar Das S/o Sri D.N.Das has filed a writ petition bearing OJC No.7704/95 in the Hon'ble High Court of Orissa. The case is presently subjudice.

(Ministry of Steel O.M. No.11013(5)/2013 dated 08/08/2013)

(Recommendation at Para 51)

The Committee note that although SAIL was neither involved nor had any direct role in finalizing the extant policies regarding wages and allied matters but being a party to the litigations, had full knowledge of the cases being filed in the courts against the policies of the Rourkela Steel Plant. The SAIL, however, chose to remain a mute spectator for a long time before issuing uniform guidelines for all its Plants in September, 2011 only after irreparable damage and injustice had already been done. The Committee are anguished to further find that to add to the woes caused by its inaction in remedying the policies, the SAIL went to hon'ble Supreme Court against the orders of Odisha High Court and filed an SLP in Shri Ajay Kumar Mitra's case which was eventually dismissed by the hon'ble Supreme Court. The Committee express their displeasure that the SAIL moved Supreme Court in a case of compassionate appointment thereby acting in an apathetic and non-humanistic manner against a needy and deprived family.

REPLY OF GOVERNMENT

In terms of the NJCS agreement, employment on compassionate ground is provided to the dependent of the ex-employee / employee on account of death or permanent total disablement due to accident arising out of and in the course of employment. Instead of employment the dependent may opt for benefits under Employees Family Benefit Scheme. In addition to the benefits provided in the NJCS agreement, different Plants and Units of SAIL were also operating different compassionate employment schemes at Plant / Unit level based on their local conditions, practices and requirements. It is pertinent to mention that SAIL Steel Plants are located at different locations / states and have their own historical backgrounds and work cultures. Some of the steel plants had also amalgamated in SAIL at a later date, prior to which they had their own rules and policies.

Introduction of guidelines for dealing with compassionate cases which were issued in 2010-11 were a step in bringing uniformity in the matter of compassionate employment across the company. These guidelines were prepared after making detailed deliberations with Plants / Units so as to ensure smooth transition to the new guidelines.

Cases are pursued in the High Court / Supreme Court to ensure uniform applicability of the rules / policies. Decisions of the Hon'ble Courts are implemented by the company.

(Ministry of Steel O.M. No.11013(5)/2013 dated 08/08/2013)

(Recommendation at Para No. 52)

The Committee are surprised to observe that the SAIL has been lauding about the EFBS, introduced in 1989 which offers nothing more than a monthly income scheme of the Banks. The Committee would like to refer to the observation of the hon'ble Supreme Court in the case of Balbir Kaur vrs. SAIL in which several flaws in the EFBS have been pointed out. The Court held that the scheme goes against the very purpose of the welfare schemes since it requires the amount of PF and Gratuity receivable at the time of the death to be deposited with the company in order to get the monthly income. The Committee find that the SAIL has proposed that the benefit under the same EFBS may be given to these legal heirs as a special concession. The Committee fail to comprehend as to how these dependents would, now, arrange the lump sum amount they received at the time of the death of their family head. They further find it illogical, the extent to which the monthly income based on the basic pay that was drawn around twenty years ago would be of help to the dependents now.

REPLY OF GOVERNMENT

EFBS is a welfare scheme by way of which payment of the last drawn wages is ensured to the ex-employees or his/her dependents till his notional date of superannuation. The popularity and acceptance of the scheme can be gauged by the fact that more than 6500 ex-employees/ dependents have availed the benefits under the scheme since inception. At Rourkela Steel Plant alone, nearly 1200 persons have availed benefits under EFBS. As the 18 cases were not getting covered for compassionate employment under the extant guidelines and granting employment can likely result in more than 12,000 similar requests across the company, it had been proposed to extend the benefits of EFBS to 15 of the otherwise eligible cases. Special dispensation for the same has also been given by SAIL Board and consent of the Hon'ble Committee was sought prior to implementation which is awaited.

(Ministry of Steel O.M. No.11013(5)/2013 dated 08/08/2013)

(Recommendation at Para No.54)

The Committee note the apprehension of the SAIL that giving employment to all these heirs now would open a Pandora's Box since all the compassionate cases which have not come in open till now will also surface. After examination of all these cases in detail, they are of the considered opinion that since each plant of SAIL had a different sets of policies on compassionate employment, there is no question of similar cases cropping up. Further, in RSP faulty policies were implemented without any accountability which resulted in gross injustice to the 18 aggrieved families. Since these families are still suffering because of the wrongs done to them, it is the responsibility of the Government to help them and dispense justice irrespective of the number of persons involved. The Committee further observe that in the instant case of giving compassionate employment to the 18 legal heirs of Rourkela Steel Plant, SAIL has maintained that taking such a step would adversely affect the profits of the company. The Committee would like to remind a company which is owned by the Government of a Welfare State should not be unduly concerned about profits and a compassionate approach towards its employees is always desirable. In this connection, attention is invited to the observation of hon'ble Supreme Court in the case of Balbir Kaur vrs.SAIL.

“.....The employer being Steel Authority of India, admittedly an authority within the meaning of Article 12 has thus an obligation to act in terms of the avowed objective of social and economic justice as enshrined in the Constitution but has the authority in the facts of the matters under consideration acted like a model and an ideal employer.....”.

REPLY OF GOVERNMENT

SAIL plants and units were following the additional schemes / guidelines on compassionate employment in a uniform manner. If any deviation from the extant guidelines is made at any of the plant / unit, it would create aspirations across the Company in all cases which were not covered by the extant schemes/policies/guidelines in the different plants and units. As mentioned earlier, there are more than 12,000 such cases and dealing with them would give rise to serious far reaching administrative and legal complications. Further, SAIL is in the midst of a major expansion drive which requires intake of young and qualified work force. Intake of persons not meeting the specifications/requirements in terms of qualification, experience standards of

the company would have an inimical effect on the long-term sustainability of the company.

(Ministry of Steel O.M. No.11013(5)/2013 dated 08/08/2013)

(Recommendation at Para No. 56)

It is evident from the foregoing observations of the Committee that faulty policies for compassionate employment were implemented by the Rourkela Steel Plant resulted in gross injustice to the aggrieved families. The Steel Authority of India Limited (SAIL), too, failed miserably in exerting any control on the welfare policies implemented by plants under its control and has not been able to offer anything concrete for the betterment of these heirs as yet.

REPLY OF GOVERNMENT

The Policies on compassionate employment which were in vogue at different period of time were widely accepted by the employees. The policy, which was in vogue from 22.11.92 to 30.9.2011 at RSP was implemented through a tripartite settlement arrived at before the appropriate labour authorities. A large number of dependants have been benefitted on account of formulation and implementation of such policies. SAIL has always been on the forefront towards ensuring the well being of its employees and their dependants as can be seen from the various proactive decisions taken at the NJCS level since 1970s.

Based on the deliberations held before the Hon'ble Parliamentary Committee on Labour, SAIL Board has already approved extension of EFBS benefit to the dependants of 15 ex-employees of RSP with the consent of the Hon'ble Standing Parliamentary Committee on Labour.

(Ministry of Steel O.M. No.11013(5)/2013 dated 08/08/2013)

(Recommendation at Para 60)

The Committee do not agree with the contention of the SAIL as observed by them elsewhere in this Report that giving compassionate employment to these heirs will adversely affect its profits. The Committee are of the firm view that since most of the heirs are in their mid or late 40s and early 50s, giving them jobs in the lowest rung in the RSP would not at all be any financial burden on SAIL.

REPLY OF GOVERNMENT

The additional schemes / guidelines on compassionate employment being operated at different plants and units of SAIL were being implemented in a uniform manner in terms of the schemes / guidelines. If any deviation from the extant guidelines is made at any of the plant / unit, it would create aspirations across the Company in all cases which were not covered by the extant schemes/policies/guidelines in the different plants and units. As mentioned earlier, there are more than 12,000 such cases and dealing with them would give rise to serious far reaching administrative and legal complications. Further, SAIL is in midst of a major expansion drive which requires intake of young and qualified work force. Intake of persons not meeting the current exacting standards of the company would have an inimical effect on the sustainability of the company.

(Ministry of Steel O.M. No.11013(5)/2013 dated 08/08/2013)

(Recommendation at Para No. 61)

The Committee consider the concession under EFBS as proposed by SAIL which involves lump sum deposit of amount equivalent to Gratuity and Provident Fund and monthly payment based on the last drawn basic pay (pertaining to 1990s), a mockery of compassion and feel that nothing less than regular employment will ensure justice to hapless heirs suffering for last two decades due to sheer indifferent attitude of Management of RSP.

REPLY OF GOVERNMENT

More than 1200 ex-employees / their dependents have availed / are availing the benefits of EFBS at RSP as the scheme is proving beneficial and effective for them. Similarly, the above persons, in case they chose to avail the benefits under EFBS shall be similarly benefitted.

(Ministry of Steel O.M. No.11013(5)/2013 dated 08/08/2013)

CHAPTER-V

RECOMMENDATION/OBSERVATION IN RESPECT OF WHICH REPLIES OF THE GOVERNMENT ARE INTERIM IN NATURE

(Recommendation at Para No. 57)

The Committee are constrained to note that experts are not involved at any level viz. Ministry / SAIL / NJCS in the process of policy formulation in regard to wages and allied matters and recommend that the Ministry issue comprehensive set of guidelines for policy formulation and review the existing policies in the light of these guidelines in respect of PSUs under their purview.

REPLY OF GOVERNMENT

The ATN will be prepared in consultation with Department of Public Enterprises. The comments/ views of the Department of Public Enterprises in this regard are awaited. The ATN will be furnished shortly.

(Ministry of Steel O.M. No.11013(5)/2013 dated 08/08/2013)

(Recommendation at Para 62)

In view of the foregoing, the Committee while deprecating apathy and wrong policies of the Management of RSP / SAIL strongly recommend the Ministry of Steel to issue appropriate directions to give employment on compassionate ground to all the 18 affected representationists within three months.

REPLY OF GOVERNMENT

The ATN will be prepared in consultation with Department of Public Enterprises. The comments/ views of the Department of Public Enterprises in this regard are awaited. The ATN will be furnished shortly.

(Ministry of Steel O.M. No.11013(5)/2013 dated 08/08/2013)

**New Delhi;
10 August, 2015
19 Shravana, 1937 (Saka)**

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

APPENDIX-I
STANDING COMMITTEE ON LABOUR
(2014-15)

Minutes of the Twentieth Sitting of the Committee

The Committee sat on 10th August, 2015 from 1000 hrs. to 1030 hrs. in Room No. `139', Parliament House Annexe, New Delhi.

PRESENT

Dr. Virendra Kumar - Chairperson

MEMBERS

LOK SABHA

1. Shri Ashok Dohare
2. Shri Satish Chandra Dubey
3. Shri Kaushalendra Kumar
4. Shri Hari Manjhi
5. Shri R. Parthipan
6. Shri Hariom Singh Rathore
7. Shri kodikunnil Suresh
8. Shri Mulayam Singh Yadav

RAJYA SABHA

9. Shri Tapan Kumar Sen
10. Shri Ravi Prakash Verma
11. Shri Nazir Ahmed Laway
12. Smt. Dola Sen

SECRETARIAT

1. Shri D.R. Mohanty - Deputy Secretary
2. Smt. Archana Srivastva - Under Secretary

2. At the outset, the Chairperson welcomed the Members to the sitting of the Committee and informed them regarding adoption of two Draft Reports slated for consideration by the Committee. Giving an overview of the main/important Recommendations contained in both the Draft Reports, the Chairperson requested the Members to give their suggestions on them, if any.

3. The Committee, then, took up for consideration the following Draft Reports and adopted them after some discussion:

(i) XX XX XX XX

(ii) Action Taken by the Government on the Observations/ Recommendations of the Committee contained in their Thirty Seventh Report (15th Lok Sabha) on 'Welfare of Legal Heirs of Deceased Workers of Rourkela Steel Plant - A Case Study'.

4. The Committee also authorized the Chairperson to finalise the Reports in the light of consequential changes that might arise out of factual verification of the Draft Reports and to present the same to both the Houses.

The Committee then adjourned.

XX Do not pertain to this report

APPENDIX-II

(Vide Para No. 3 of the Introduction)

ANALYSIS OF ACTION TAKEN BY THE GOVERNMENT ON OBSERVATIONS/RECOMMENDATIONS CONTAINED IN THE THIRTY SEVENTH REPORT OF THE STANDING COMMITTEE ON LABOUR (FIFTEENTH LOK SABHA)

	Total	Percentage
I. Total number of Recommendations	15	
II. Observations/recommendations which have been accepted by Government (Rec. Para Nos. 48, 49, 53, 55, 58, 59)	06	40%
III. Observations/recommendations which the Committee do not desire to pursue in view of Government's replies- (Nil)	NIL	NIL
IV. Observations/recommendations in respect of of which Government's replies have not been accepted by the Committee and which requires reiteration – (Rec. Para Nos.50, 51, 52, 54, 56, 60, 61)	07	46.7%
V. Observations/recommendations in respect of which final replies of Government are of interim in nature (Rec. Para Nos.57,62)	02	13.3%
		----- 100% -----