

37

STANDING COMMITTEE ON LABOUR

(2012-13)

(FIFTEENTH LOK SABHA)

**'WELFARE OF LEGAL HEIRS OF DECEASED
WORKERS OF ROURKELA STEEL PLANT -A CASE
STUDY'**

THIRTY- SEVENTH REPORT



LOK SABHA SECRETARIAT

NEW DELHI

May, 2013/Vaisakha, 1935 (Saka)

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Presented to Lok Sabha on 6th May, 2013

Laid in Rajya Sabha on 6th May, 2013



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CONTENTS

	<u>PAGE (S)</u>
COMPOSITION OF THE COMMITTEE	(iii)
INTRODUCTION	(v)
LIST OF ABBREVIATIONS	
REPORT	

ANNEXURES

- (i) Annexure-I-A comparative statement of the guidelines/rules dealing with compassionate employment
- (ii) Annexure-II – A statement containing details of the cases brought before the Committee and the reasons given for denying compassionate employment
- (iii) Annexure-III-Minutes of the sittings of the Committee held on 30.1.12, 2.5.12, 23.8.2012 and 12.12.12 and 3.5.2013

COMPOSITION OF THE STANDING COMMITTEE ON LABOUR

(2011-12)

SHRI HEMANAND BISWAL - CHAIRMAN

2. Shri Raj Babbar
3. Shri Dara Singh Chauhan
4. Dr. Virendra Kumar
- **5. Shri Pakauri Lal
6. Shri Narahari Mahato
7. Shri Hari Manjhi
8. Shri P. Balram Naik
9. Smt. Mausam Noor
10. Shri Jayaram Pangi
11. Shri Sanjay Dina Patil
12. Shri S. Pakkirappa
13. Shri Mahendra Kumar Roy
14. Ms. J. Shantha
15. Shri Bhausahab Rajaram Wakchaure
- *16. Shri Konakalla Narayana Rao
- ****17. Shri T.K.S. Elangovan
18. Vacant
19. Vacant
20. Vacant
21. Vacant

RAJYA SABHA

22. Shri D. Bandyopadhyay
23. Shri Mohd. Ali Khan
24. Shri Aayanur Manjunatha
25. Dr. E. M. Sudarsana Natchiappan
- ***26. Shri Rudra Narayan Pany
27. Smt. Renubala Pradhan
28. Shri Ranbir Singh Parjapati
29. Shri Rajaram
- ***30. Shri Praveen Rashtrapal
31. Shri G. N. Ratanpuri
- ***** 32. Shri Thaawar Chand Gehlot

* Nominated *w.e.f* 25th November, 2011.

** Ceased to be Member of the Committee consequent upon his nomination to Standing Committee on Coal & Steel *w.e.f.* 3rd January, 2012.

*** Retired *w.e.f.* 02.04.2012 and 03.04.2012 respectively.

**** Nominated *w.e.f.* 12th April, 2012.

***** Nominated *w.e.f.* 4th May, 2012.

COMPOSITION OF THE STANDING COMMITTEE ON LABOUR**(2012-13)****SHRI DARA SINGH CHAUHAN - CHAIRMAN****MEMBERS****LOK SABHA**

2. Shri Ismail Hussain
- *3. Shri Nalin Kumar Kateel
4. Dr. Virendra Kumar
5. Shri Nara Hari Mahato
6. Shri Hari Manjhi
7. Shri Bal Kumar Patel
8. Shri Mahendra Kumar Roy
9. Shri Rajiv Ranjan Singh (Lalan)
10. Shri Dinubhai Boghabhai Solanki
11. Shri Makhan Singh Solanki
12. Shri K. Sugumar
13. Shri Bibhu Prasad Tarai
- **14. Shri Ashok Argal
- ***15. Smt. J. Shantha
- ****16. Shri Suresh Kashinath Taware
- ****17. Dr. Manda Jagannath
- ****18. Shri Ratan Singh
- ****19. Shri Om Prakash Yadav
20. Vacant
21. Vacant

MEMBERS**RAJYA SABHA**

22. Smt. T. Ratna Bai
23. Shri D. Bandyopadhyay
24. Shri Thaawar Chand Gehlot
25. Shri P. Kannan
26. Shri Mohd. Ali Khan
27. Shri Ranbir Singh Parjapati
28. Smt. Renubala Pradhan
29. Shri Rajaram
30. Shri G.N. Ratanpuri
31. Shri Jai Prakash Narayan Singh

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- * Ceased to be Member of the Committee consequent upon his nomination to Standing Committee on Commerce *w.e.f.* 13th December, 2012.
- ** Nominated *w.e.f.* 9th January, 2013.
- *** Nominated *w.e.f.* 19th March, 2013.
- **** Nominated *w.e.f.* 1st May, 2013.

SECRETARIAT

1. Shri A.K. Singh - Joint Secretary
2. Shri P.V.L.N Murthy - Director
3. Shri Ashok Sajwan - Additional Director
4. Smt. Bharti S. Tuteja - Deputy Secretary

INTRODUCTION

I, the Chairman, Standing Committee on Labour (2012-13) having been authorized by the Committee to submit the Report on their behalf, present this 37th Report on 'Welfare of legal heirs of deceased workers of Rourkela Steel Plant – A case study'.

2. The Committee (2010-11) during their study visit to Bhubaneswar in December, 2010 received a representation from the dependants of deceased employees of Rourkela Steel Plant regarding denial of employment on compassionate grounds by the Rourkela Steel Plant. Considering the merits of the case, the Committee took up the matter with the concerned authorities and after having detailed deliberations the Committee decided to present a report thereon.

3. The Committee constituted for the year 2010-11 and 2011-12 took evidence of the representatives of the Ministry of Steel, Rourkela Steel Plant (RSP) and SAIL on 30.1.2012, 2.5.2012 and 23.8.2012. The present Committee (2012-13) continued the evidence and had meeting with the representatives of Ministry of Steel, SAIL and RSP on 12.12.2012.

4. The Committee wish to express their thanks to the officers of the Ministry of Steel, SAIL and Rourkela Steel Plant (RSP) for appearing and furnishing the information as desired by them in connection with the examination of the subject.

5. The Committee before considering the report ratified the subject and adopted the Report at their sitting held on 3rd May, 2013.

6. For facility of reference, the observations and recommendations of the Committee have been printed in thick type in the body of the Report.

New Delhi;
3 May, 2013
13 Vaisakha, 1935 (Saka)

DARA SINGH CHAUHAN,
CHAIRMAN,
STANDING COMMITTEE ON LABOUR

LIST OF ABBREVIATIONS IN THE REPORT

1. SAIL : Steel Authority of India Limited
2. NJCS : National Joint Committee for the Steel Industry
3. INTUC : Indian National Trade Union Congress
4. AITUC : All India Trade Union Congress
5. HMS : Hind Mazdoor Sabha
6. CITU : Centre of Indian Trade Unions
7. RSP : Rourkela Steel Plant
8. EFBS : Employees' Family Benefit Scheme
9. PF : Provident Fund
10. DA : Dearness Allowance
11. PSU : Public Sector Undertaking
12. CEO : Chief Executive Officer
13. SLP : Special Leave Petition
14. ACR : Annual Confidential Report
15. CMD : Chairman cum Managing Director
16. HR : Human Resources

Report

Introduction

After independence the builders of modern India worked with a vision to lay the infrastructure for rapid industrialization of the country. The steel sector was to propel the economic growth. Hindustan Steel Private Limited was set up on January 19, 1954 to manage initially the plant that was coming up at Rourkela which was the first integrated steel plant in the public sector in India.

2. A policy statement to evolve a new model for managing industry was presented to the Parliament in 1972 by the Ministry of Steel and Mines which led to the creation of a holding company to manage inputs and outputs under one umbrella. Steel Authority of India Limited (SAIL) was incorporated in 1973 and was made responsible for managing five integrated steel plants at Bhilai, Bokaro, Durgapur, Rourkela and Burnpur. In 1978 SAIL was restructured as an operating company.

3. The guidelines/ rules for dealing with wages and allied matters in these plants emanate from the decisions taken at the level of the National Joint Committee for the Steel Industry (NJCS). The NJCS is a bipartite forum consisting of representatives both from the employers' side and employees' side. The employees are represented through three members each from the four Central Trade Union Organizations of INTUC, AITUC, HMS and CITU and one each from recognized trade union organizations of the main steel plants.

FACTS OF THE CASE

4. The Standing Committee on Labour during their study visit to Bhubaneswar on 21st December, 2010 received a representation from the dependents of deceased employees of Rourkela Steel Plant (RSP) and also met them who were suffering due to inconsistent policy for compassionate appointments. 18 such cases were brought to the notice of the Committee where the legal heirs had been denied employment on compassionate grounds. The Committee after considering their representation decided to take up the matter with the concerned authorities since these cases displayed in- humanitarian and stolid attitude of a PSU towards its own employees in case of grave need.

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

- In case of death or permanent disablement due to accident arising out of and in course of employment, employment to one of the direct dependants will be provided. However, instead of employment, the dependant may opt for benefits under Employees' Family Benefit Scheme (EFBS).
- In order to help the family overcome financial crisis, 'Employee Family Benefit Scheme '(EFBS) was introduced with effect from 1.1.1989. This Scheme provided for monthly payment equivalent to last drawn basic pay and DA of the deceased employees to dependants till notional date of superannuation, subject to depositing an amount equal to PF and gratuity in case of death/ permanent total disablement of an employee while in service.

6. In addition to benefits provided in the NJCS agreement, different plants and units of SAIL were also operating differing schemes at plant/unit level for compassionate employment. The

SAIL did not provide for a uniform policy in any of its plants till 2011 and most of the plants had not documented the policies and some of them even considered the compassionate appointments on case-to-case basis.

7. Rourkela Steel Plant had a scheme 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.

8. In terms of tripartite agreement a new scheme for appointment on compassionate grounds on account of death due to three listed diseases viz. cancer, kidney failure and heart stroke was introduced retrospectively from 22.11.1992.

9. The cases of death resulting from any three of the aforesaid diseases were covered by a scheme first circulated on 1.1.1996. This scheme was extended retrospectively through a Tripartite

Agreement dated 18-12-1998 to cover such disease death cases from 22-11-1992 upto 31-12-1995 also.

10. The SAIL/RSP stated, in its reply, that 'In the year 1995, Rourkela Shramik Sangh, the then recognized union requested the Management for introduction of a scheme by which the dependent of the employees who died due to heart stroke, cancer and kidney failure can get employment on compassionate ground. Similar request was also received from other trade unions. The matter was discussed at various levels. Accordingly, a scheme was introduced for providing employment on compassionate ground to the dependent of the ex-employees dying on account of the following three listed diseases.

- a) Failure of kidneys.
- b) Heart strokes
- c) Cancer

This scheme was also ratified through a tripartite settlement between the Management of Rourkela Steel Plant and Rourkela Shramik Sangh, the recognized union, made in the presence of

Assistant Labour Commissioner-cum- Conciliation Officer, Govt. of Orissa, and Rourkela and was given effect w.e.f. 22-11-1992.'

11. SAIL issued uniform guidelines for dealing with compassionate cases for all its plants in 2010-11. The latest guidelines provide for compassionate appointment to dependent of an employee in the following cases:

- * Death/permanent total disablement of the employee due to accident arising out of and in course of employment- cases covered under NJCS agreement.
- * Medical invalidation of the employee due to suffering from certain listed chronic debilitating diseases.

12. The uniform guidelines for dealing with compassionate cases have been implemented in plants and units of SAIL superseding the differing practices prevalent at plants/units.

13. These guidelines have been implemented at Rourkela Steel Plant w.e.f 01.09.2011 and the scheme prevalent at RSP w.e.f. 22.11.1992 was dispensed with.

14. A comparative statement of the guidelines/ rules dealing with compassionate employment, provided at RSP over the period of time, is placed at **Annexure-I.**

ANALYSIS OF THE CASES/POLICIES ON COMPASSIONATE APPOINTMENTS

15. A statement containing details of the cases brought before the Committee and the reasons given for denying compassionate employment is placed at **Annexure-II.**

16. An analysis of cases shows that the decisions of RSP management were lacking on humanitarian front:

1. In the first case, the widow was denied employment because she was non matriculate.
2. In the second case and case no 18, the sons of the deceased employees were denied employment since as per Company rules the deceased employees had not served the plant for 10 years.

3. In case nos.3,6,7,11,12,13,14,15,16,17 the compassionate employment was denied since the diseases which the employees suffered from/ died of were not covered under three listed diseases as per the policy in vogue after 22.11.1992.
4. In case no. 4, the RSP issued an option letter to the dependent of the employee pursuant to the orders of the Court but when the dependent approached the management, he was told that the letter was issued by mistake and, therefore, he was denied employment.
5. In case no. 9, a case of head injury with multiple injuries with fracture ribs and death due to same and shock was not considered sufficient enough for offering compassionate employment as it did not fall under the three listed diseases and hence compassionate employment was denied.
6. In case no. 5, the employee died in a road accident, but his son was denied employment since the case did not fall under injury on duty.

It is pertinent here to mention that in the case of **T.K. Meenakshi vrs.SAIL**, the employee fell ill while taking his wife to hospital and died, the Supreme Court directed SAIL to give

employment to his son on compassionate grounds even when the employee was not on duty.

7. In case no 10, the employee fell seriously ill and applied for being declared medically unfit in 1991, he was asked to take voluntary retirement. The case was overtly stretched till the Rourkela Steel Plant changed its policy in 1992 after which he was declared unfit in 1994.
8. In case no 8, there is a similar instance of medical non-fitness which was not covered under policy after 22.11.1992 but in case of Shri Ajay Kumar Mitra who was declared medically unfit on 7.9.1996, the High Court of Odisha directed RSP to give employment on compassionate ground.

Eight of the above cases are sub-judice at present.

17. When questioned on the absolute non-humanitarian approach of RSP as evident from the case of Sh. D.K.Mohanty whose widow was denied employment on compassionate grounds since she was not matriculate, the representative of SAIL stated that, "The request of the dependant of the deceased employee, was examined in terms of the rules/guidelines which were prevalent at the time of death of the ex-employee. As the case was not fulfilling the extant

rules/guidelines, employment on compassionate ground could not be provided”.

18. On being asked that son of late Shri Jaideb Mallik, was given an option letter by the Rourkela Steel Plant as per the orders of the High Court, but he was not allowed to exercise the option stating that the letter was issued by mistake, the representative of SAIL stated that “The request of the dependant of the deceased employee, was examined in terms of the rules/guidelines which was prevalent at the time of death of the ex-employee. As the case was not fulfilling the rules/guidelines, employment on compassionate ground could not be provided to him.”

19. As regards, the case of late Shri D.N.Das where the employee applied for being declared medically unfit in 1991, when the earlier policy was in vogue, but he was asked to take VRS instead and his file was kept pending till the policy changed. In this regard SAIL stated as follows:

“ The request of the dependant of the deceased employee, was examined in terms of the rules/guidelines which was prevalent at the time of removal of the ex-employee. As the case was not fulfilling the rules/guidelines, employment on compassionate ground could not be provided”.

20. When enquired about the case of late Sh. Khali Rout who was admitted in hospital for treatment of head injury with multiple injuries with fractured ribs and he died the same day. It was a case of accident but the RSP denied compassionate appointment since he was not covered under listed diseases. The SAIL informed that the request of the dependant of the deceased employee, was examined in terms of the rules/guidelines which were prevalent at the time of death of the ex-employee. As the case was not fulfilling the rules/guidelines in vogue, employment on compassionate ground could not be provided.

21. When asked about the reason for not giving any relaxation in such genuine cases, the Secretary, Ministry of Steel stated as under:

“...Sir, as I mentioned earlier, SAIL is actually in the market in deregulated sector. They are competing against private sector players. If they are in profit, it is very good for the country. Tomorrow, if they are in loss, then they have to go through the process of being a loss- making company. We do not want that to happen. The percentage of cost of employees today is 18 percent of the cost of production of one tonne of steel as compared to the private sector where this cost is two percent. Now the whole attempt of the SAIL is to be competitive in the market”.

22. When further queried that SAIL is a Government owned company and profit motive only would not be in the public interest, the Secretary stated that, "But SAIL is not getting any grant from the Government. SAIL is only getting loans from the banks like private sector".

23. The Committee invited the attention of the officials of SAIL and Rourkela Steel Plant towards the observation of the hon'ble Supreme Court in **Balbir Kaur vs. SAIL case (Appeal (civil) 11881 of 1996) (Appeal (civil) 11882 of 1996)** that "The socialistic pattern of society as envisaged in the Constitution has to be attributed its full meaning. A person dies while taking the wife to the hospital and the cry of the lady for bare subsistence would go unheeded on certain technicality. The bread earner is no longer available and prayer for compassionate appointment would be deemed as 'It is likely to open Pandora's Box'. This is the resultant effect of our entry into the new millennium. Can the law courts be mute spectator in the matter of denial of such a relief to the horrendous sufferings of an employee's family by reason of the death of the bread earner?"

24. On being asked why the RSP did not consider all the cases on the basis of the above judgment of the hon'ble Supreme Court, the CEO, RSP stated that "...In these cases judiciary has decided it. In other cases if judiciary comes in, we will honour the judiciary. If we give it of our own, there will be a thousand of cases coming up and there will be no justification then in denying this in other cases..."

25. Three cases have been decided in favour of the heirs of the deceased employees by the hon'ble Supreme Court i.e. Balbir Kaur verses SAIL, T.K. Meenakshi vrs. SAIL and an SLP filed before the Supreme Court by SAIL against the decision of the High Court of Odisha which was dismissed.

26. On the issue of policy for compassionate appointment, the Secretary Ministry of Steel during evidence before the Committee on 2nd May, 2012 stated that "...I would just clarify that that the Government of India policy is applicable to armed forces and the Government of India. The PSUs have their own policy. I do admit that if the policy of the PSU is more restrictive then they should make it as open as the Government of India policy..."

Analysis of scheme for compassionate employment prior to 1992

27. The scheme prior to 1992 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.

28. The CMD, SAIL during his evidence before the Committee on 2nd May, 2012 stated that, "...There were four pre-conditions for compassionate employment i.e. dependent to be atleast matriculate, ex-employee to have served minimum 10 years, last three year ACR ratings should be good and no major punishment should have been given to ex-employee during the last five years".

Analysis of Employee Family Benefit Scheme introduced in 1989:

29. According to the reply furnished by the SAIL 'The Employees Family Benefit Scheme (EFBS) was formulated and introduced in terms of decision at the level of National Joint Committee for the Steel Industry (NJCS) which is a bipartite forum consisting of representatives both from the Employers' side as well as the Employees' side. The employees are represented through three members each from the four Central Trade Union Organizations of INTUC, AITUC, HMS and CITU and one each from recognized trade union organizations of the main steel plants.

30. EFBS was introduced with effect from 01.01.1989 in order to help the family to overcome urgent financial crisis on account of death/permanent total disablement of the employee while in service. This Scheme provides for monthly payment equivalent to last drawn basic pay & DA of the deceased employees to dependents till the notional date of superannuation of the employee, subject to depositing an amount equal to PF and gratuity. The deposited amount is returned after cessation of monthly payments.

31. The hon'ble Supreme Court in **Balbir Kaur vrs SAIL** observed that, "...the introduction of family benefit scheme cannot be a ground to refuse benefit of compassionate appointment...`There is a mandate of statute that gratuity is to be paid to the employee on his retirement or to his dependents in the event of his early death. The introduction of Family Pension Scheme by which the employee is compelled to deposit the gratuity amount, as a matter of fact runs counter to this beneficial piece of legislation...The provident fund, is payable to the employee under the provisions of the statute and this statutory obligation cannot possibly be deferred in the event of untimely death of a worker or an employee. The family needs the money in lump-sum and availability of this amount is the only insulating factor in such a grief stricken family... and ...this Family Benefit Scheme cannot be in any way equated with the benefit of compassionate appointments..."

Analysis of scheme introduced in 1992:

32. The scheme provided that:

- In case of death or permanent total disablement due to accident arising out of and in course of employment,

employment to one of the direct dependents will be provided. However, instead of employment, the dependent may opt for benefits under Employees' Family Benefit Scheme (EFBS).

- In order to help the family overcome financial crisis, 'Employee Family Benefit Scheme' (EFBS) was introduced with effect from 01.01.1989. This Scheme provides for monthly payment equivalent to last drawn basic pay & DA of the deceased employees to dependents till notional date of superannuation, subject to depositing an amount equal to PF and gratuity in case of death /permanent total disablement of an employee while in service.
- A scheme was introduced for providing employment on compassionate ground to the dependant of the ex-employees who die on account of the following three listed diseases.
 - Failure of kidneys
 - Heart Stroke
 - Cancer

33. The scheme introduced in 1992 was circulated on 01-01-1996 and extended retrospectively w.e.f. 22.11.1992 through a Tripartite Settlement dated 18.12.1998 between the Management of Rourkela Steel Plant and the recognized union, made in the presence of Assistant Labour Commissioner-cum-Conciliation Officer, Rourkela, Government of Odisha. The scheme was different from the earlier one available for appointments on compassionate basis. Legal heirs of those employees who died due to three specific diseases chosen arbitrarily by the trade union/ management were made eligible for compassionate appointments from 1996. In 1998 the above policy was given retrospective effect to cover cases during 1992-95. Legal heirs of 34 employees (who died during 1992-98) could not get employment on compassionate grounds due to the policy change in 1992, 16 got relief due to the retrospective effect given to the circular of 1996 in 1998 and 18 were left in lurch.

34. On being asked, when in 1996, the policy was changed and given retrospective to benefit 16 people, why cannot this be done again that too when the Chairman, SAIL has the powers to supersede the Board, the CMD, SAIL replied as follows :

"I would submit before the Committee two or three things. Since September, 2011, a new policy has been adopted. Today, there is no other previous policy in vogue. The only policy which is applicable is the September, 2011 policy which is now uniformly applicable to all the Plants. Secondly, besides these 18 cases, there were three other cases. Yes, I agree that we have gone against the policy. But in respect of these three specific cases, I would submit that they are not strictly speaking covered by the policy. These appellants had gone to the Supreme Court and got the orders. The Supreme Court judgement says that SAIL is directed to consider the cases on compassionate ground, of appointment insofar as the appellants are concerned. In view of the judgement, we had given employment to three employees who were not covered strictly speaking by the policy but as per the judgement delivered. In 18 cases, some of the employees' affected family members, have gone to the Court. We will always have to abide by the orders of the Court. There cannot be any two opinions about that."

35. When asked about the powers of CMD, SAIL in this regard and whether the Chairman, SAIL is the competent authority to modify and withdraw this scheme at his discretion, he replied, "I will submit to the Committee that this enabling clause is there in relation to this policy. My humble submission will be that since around 8 cases are pending and at advanced level of disposal, if the Committee permits, let us wait and as we have done in other cases we have to abide by the orders of the Court so that this would save us from the botheration."

Analysis of policy after August 2011

36. As per the reply furnished by SAIL, 'For bringing uniformity in the matter of compassionate employment at all plants and units of SAIL, uniform guidelines for providing relief / benefit to dependent family members of employees in cases of death, permanent total disablement and medical invalidation were formulated and circulated at Plants and Units covering the following cases:

- Death/total permanent disablement due to accident arising out of and in course of employment (flowing from NJCS agreement)
 - Employee being declared medically invalid to perform duty due to suffering from chronic debilitating diseases listed in the guidelines
-
- The dependent family members/employees also have the option to opt for benefits under EFBS in lieu of employment.
 - For consideration under medical invalidation cases, all employees are eligible excluding those working as trainees or on stipend basis or those having less than one year of service left on the date of medical invalidation.
 - The minimum qualification for dependent opting for employment is matriculation with maximum age as 35 years. However, for widows, the minimum qualification can be relaxed if dependent son/daughter is not eligible. Further widows are given relaxation in the prescribed maximum age by 5 years.

- List of diseases covered under list of debilitating diseases in the guidelines have been broad-based and more than those which were covered at the steel plants earlier.

- The new uniform guidelines have been implemented at all plants and units from 2010-11 onwards. The earlier practices/schemes/provisions pertaining to compassionate cases prevalent at Plants/units have been dispensed with after implementation of these uniform guidelines.

37. The policy introduced w.e.f. 1.9.2011 in the RSP stipulates that compassionate appointment may be considered for dependent family members on 'medical invalidation' of an employee on specified 'debilitating diseases' which is a big difference from the policy of 1992. The policy also provides for relaxation in case of minimum qualification of matriculation in case of widow if dependent son/ daughter are not eligible. The policy takes away the condition of minimum 10 years service which was necessary as death or medical invalidation of the bread earner has similar consequences for families of the deceased employees.

38. When asked whether any drafting Committee was constituted for finalizing the uniform guidelines, the Ministry replied that:

"The uniform guidelines were finalized keeping in background the differing practices which were then prevalent at the different plants and units of SAIL. No specific drafting committee was constituted for the purpose. However, views from plants and units were taken and the draft scheme was discussed in the Heads of Personnel Meeting also before finalization. At Rourkela Steel Plant, after receipt of the new uniform guidelines, discussions were held with the recognized union, in writing, for introduction of the new scheme as per the SAIL guideline, the revised guideline dealing with compassionate employment cases was implemented at Rourkela Steel Plant w.e.f. 01.09.2011."

39. When asked about the reasons for implementing uniform policy, the Director (Personnel) SAIL stated that:

"...We will go by directions definitely but then it is basically all other plants, there have been different policy for this compassionate appointments. This is the first time on 1.9.2011 that we started the common policy because of all these aberrations. Lot of complaints were coming from other units also i.e. Bhilai, Durgapur. There are different practices. From very old times, it was coming up and then with lot of difficulties, we could do it..."

40. On the same issue, the CMD, SAIL, during his evidence before the Committee on 2nd May, 2012 stated that:

"...it is a fact that earlier we were having different schemes in different plants and they kept on changing them with the passage of time due to changing requirements. But since 1.9.2011, we are having a uniform policy across all the plants. These 18 cases pertain to the period prior to that. The 15 cases pertain to the period post 21.11.1992 and three cases are prior to 21.11.1992. Though they are falling under the scheme, they are not satisfying the qualifying criteria. Fifteen cases are not covered under the Scheme. Over the years, we have given employment on compassionate grounds in RSP alone to 1821 people. Besides that, about 1164 employees have availed the Employee Benefit Scheme. Besides this, three cases were adjusted against the specific orders passed by the Supreme Court and they were also not covered by the policy and under the rules. But they were the specific cases in which the Supreme Court gave judgement. While giving the judgement, the hon. Supreme Court has said that to consider the cases of compassionate employment so far as the applicants are concerned, it said that it is always open for the employer to have a new policy for compassionate employment. My only earnest request to the hon. Chairman and the hon. Members is that these are the cases where we are having full sympathy. But the policy is not permitting us to do it though we want to do it. We are handicapped by the policy directives. In addition to this, there are other similar cases which are not surfacing. But we are having details which run into few hundreds in number for RSP and for the SAIL as a whole. My only request to the hon. Chairman and the hon. Members would be kindly allow us. We will see that in what other way we can help them, may be by giving them training, etc. But giving employment at this stage to these family members, since it is not covered by the policy, we find it very difficult."

41. On being asked to take steps to give employment to these heirs on humanitarian grounds, the CMD, SAIL on 2.5.2012 stated that he would go to the Board with the request to condone the delay

of the families who had not opted for EFBS within 6 months of the death of the employee and would recalculate the benefits available to them under the scheme. He also requested the Committee to allow him two months time for the same.

42. The Secretary, Ministry of Steel, during the evidence held on 23.8.2012, stated that "SAIL has put up a proposal for extending the EFBS to those cases who were not entitled because they have to apply for EFBS within six months of the death of the employee. The SAIL has sent the proposal to the Board's sub-Committee as per their procedure in the meeting of 4th July 2012. However, the sub-Committee deferred its consideration and, however, considered it in their meeting held on 1.8.2012. The sub-Committee has recommended the proposal for approval of the Board and this proposal will be sent to the SAIL Board in the next meeting shortly".

43. As per the written reply of the SAIL, after the intervention of the Committee "A proposal for extending benefits under EFBS to the eligible cases has been submitted to the SAIL Board for its consideration. The following modalities have been proposed :

- Dependents of ex-employees would be required to deposit with the Company a non interest bearing amount equivalent to the entire PF and Gratuity, as payable at the time of separation of ex-employee, for a duration equivalent to the period from actual date of separation to notional date of superannuation.

- The monthly benefit equivalent to the last pay drawn by the ex-employee i.e. Basic Pay + DA would be payable to the dependents under the scheme. Such payments would continue on monthly basis for a duration equivalent to the period from actual date of separation to notional date of superannuation of the ex-employee.

- On expiry of the said equivalent duration, the monthly payment by the company would cease and the amount so deposited would be refunded to the depositor or his/her nominee.

- Dependents desirous to avail the above benefit under EFBS would be required to withdraw cases filed in Court of Law against the Company.

The decision of the SAIL Board is awaited."

44. The CMD, SAIL during his evidence before the Committee held on 23.8.2012, stated that, "After the last meeting we took up the cases in our Board level of HR sub-Committee and the cases were discussed at length. There are 6557 cases in the various plants in respect of those employees who had died and their kith and kin had not availed of the benefit of Employee Family Benefit Scheme (EFBS) because one has to apply within six months to avail benefit under this scheme. We pleaded these cases with the Board-level sub-Committee on HR and we also made a reference of the discussions that had taken place in the Standing Committee. After a great deal of hectic persuasion with the Board members, finally in the second meeting, we were successful in getting the nod of the Board-level sub-Committee on HR. They had recommended that though the next kith and kin of these eligible employees had not applied to get benefit under the EFBS, but these cases, as a special

case, which shall not be cited as precedents in future, may be recommended to the Board. Our next meeting of the Board is on 10.09.2012. I am hopeful that we will be able to get this resolution passed in our ensuing Board meeting and these eligible employees will be covered under the EFBS. Sir, while we are doing, I am also conscious and the Board-level sub-Committee on HR was also conscious of the fact that there will be many such cases which may arise in future since the number of such cases is 6,557 as the next wards of these employees, who also died, may also apply for such scheme, but we have not taken any view about the remaining cases in various plants. We will see to them on case to case basis because we cannot have a policy decision. The Board has very categorically said that these will not be cited as precedents in future. Sir, with this recommendation of the Board-level Sub-Committee on HR, we are going ahead with recommendations to be placed in the ensuing meeting of the Board on 10.09.12. I will try and ensure that these recommendations of the Board-level Sub-Committee on HR are passed by the Board in the meeting. Then, we will be able to give the benefit of the scheme to those people".

45. The Secretary, Ministry of Steel during the same sitting of the Committee further added that, "The reason why SAIL is not able to agree to compassionate appointment and giving the employee family benefit scheme, one major reason for this is that SAIL has a number of employees which is much larger than its competitors. SAIL has no money coming in from the Government of India. They do not receive any grants, loans or any funds from the Government of India. They are their own in the market. Steel is a deregulated sector. They have to compete in the market along with the private players. They do not have a specialised place or quota from the Government. They are equal in the market when compared to TATA Steel or JSW or any other steel company. The cost of manpower in SAIL is 18 per cent of the total cost of one tonne of steel in comparison to TATA Steel which is 12 per cent. TATA Steel is a very old steel plant and thereby they have many more labour. But if you look at the newer companies like JSW and JSPL, their percentage of cost of labour is two per cent to three per cent. What we are saying is that they are not able to give compassionate appointments because of these type of problems. But they will extend the Employees Family Benefit Scheme. The Employees Family Benefit Scheme basically is that employee at the time of death, within six

months of death has to deposit the amount which he or she would have got from the provident fund and the gratuity payment. Since he has deposited that amount with the SAIL, SAIL would then pay the next heir who has deposited the amount, a monthly payment equal to the last drawn basic pay and DA of the deceased. Thereby, the amount which the family gets under this scheme is far larger than he would get from the bank interest. A bank interest would give ten per cent or nine per cent or maybe 11 per cent in some cases. If we calculate in percentage terms, the monthly payment he will get will be much higher and the employee is actually benefitted".

46. During the sitting of the Committee held on 12.12.2012, Members were furious over such reply and attitude of SAIL in the matter. Members particularly pointed out that huge amount of money was being spent by SAIL on fighting cases against poor workers and going to the hon'ble Supreme Court against the decision of High Court (s). The Members were of the view that once the hon'ble Supreme Court has already given a decision in a particular case of compassionate appointment, the same should have become precedent/guideline for SAIL in the similar cases.

Members also vociferously objected to the frequent changes in the policies for compassionate employment and the arbitrary decision having taken by the Plants under SAIL. The Members were particularly critical of the Ministry's failure to review the policies adopted by SAIL, a PSU under its administrative control. The Members were of the view that being the largest shareholder in the PSU, the Ministry should have exercised control over the policies adopted by SAIL and its Plants. The Members criticized the representative of the Ministry on the Board of SAIL and termed them 'mute-spectators'. The Members were shocked to hear that the Plants did not have any codified policies and cases were being decided purely on the whims of the officers. The Members unequivocally demanded that these 18 legal heirs be given jobs on compassionate grounds immediately thereby totally rejecting the EFBS benefit which was being proposed by the CMD, SAIL.

47. The SAIL in their post evidence reply stated that:

"(a) Extension of the above benefits under EFBS would be made applicable to the above 15 cases only as a special and one time dispensation and shall not be cited as a precedent in future either at RSP or any other plant/unit of SAIL.

(b) Before implementation of the above special dispensation in respect of the 15 cases, proposal shall be taken before the

Hon'ble Parliamentary Standing Committee for their consideration and consent."

OBSERVATIONS/RECOMMENDATIONS

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.

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.

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.

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.

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 lumpsum 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.

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.

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..."

55. The Committee note that the Rourkela Steel Plant/SAIL like other PSUs are following the policy on 'Corporate Social Responsibility' (CSR) whereunder 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.

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.

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.

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.

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.

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.

61. The Committee consider the concession under EFBS as proposed by SAIL which involves lumpsum 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.

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.

**New Delhi;
3 May, 2013
13 Vaisakha, 1935 (Saka)**

**DARA SINGH CHAUHAN,
CHAIRMAN,
STANDING COMMITTEE ON LABOUR**

GUIDELINES / RULES FRAMED FOR PROVIDING EMPLOYMENT ON COMPASSIONATE GROUND

<u>Prior to 22/11/1992</u>	<u>From 22/11/1992 to 30/08/2011</u>	<u>From 01/09/2011</u>
<p>Separation on account of the following reasons were considered for providing employment under compassionate ground :-</p> <p>1. <u>1st Priority ;</u></p> <p>Death due to accident arising out of and in course of employment including extension to road accident cases.</p> <p>2. <u>2nd Priority :</u></p> <p>Removal on account of permanent medical unfitness under Standing Orders.</p> <p>Discontinued w.e.f. 21-11-92 on extension of Employees' Family Benefit Scheme (EFBS) to cover medical unfit cases.</p> <p>3. <u>3rd Priority :</u></p> <p>Cases of natural death.</p> <p>Discontinued w.e.f. 07-08-91 when EFBS was introduced. However after Hon'ble High Court's order in Shanti Bhattacharjee case, such deaths between 07-08-91 and 21-11-92 were considered.</p>	<p>Separation on account of the following reasons were considered for providing employment under compassionate ground :-</p> <p>(a) Death due to accident arising out of and in course of employment including extension to road accident cases.</p> <p>(b) Sickness in shop floor shifted to IO followed by death.</p> <p>(c) IOW cases leading to Permanent Total Disablement as provided for in NJCS Agreement of 1995.</p> <p>(d) Cases of IOW leading to loss of earning capacity of 50% and above but less than 100% if found to be not re-deployable</p> <p>(e) Cases of death resulting from any of specific diseases - Cancer, Heart Stroke and Kidney Failure vide a Scheme circulated 01-01-1996. This scheme has been extended retrospectively through a Tripartite Agreement dated 18-12-98 to cover such disease death cases from 22-11-1992 up to 31-12-1995.</p>	<p>In order to bring uniformity in the matter of compassionate employment across all the Plants/Units of SAIL, the guidelines for dealing with compassionate employment cases was circulated vide letter No. PER/IR&W/2009 dtd 28/08/2009 of ED (P&A), SAIL Corporate Office for implementation. These guidelines have been implemented at RSP w.e.f.01/09/2011.</p> <p>The cases covered for providing compassionate employment are :-</p> <ol style="list-style-type: none"> 1. Death/Permanent total Disablement due to accident arising out of and in course of employment including extension to road accident cases 2. Sickness on duty and death with causal connection with work.

<p>4. <u>4th Priority</u> :</p> <p>Superannuation. Discontinued w.e.f. April'78, on account of objection raised by State Government.</p>		<p>3. Medical Invalidation due to listed debilitating diseases.</p>
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Sl. No.	Name of the Dependant as per representation and Relationship	Name, PL. No., Designation, Department of Ex-Employee	Date of Death/ Removal	Cause of Separation	Remarks
[1]	[2]	[3]	[4]	[5]	[6]
1.	Jayanta Kumar Mohanty Son	Late D.K.Mohanty, PI.No. 24960, Ex- Helper, Repair Shop (Elec)	15/12/1985	Admitted for treatment of Head and Chest Injury and expired due to "Cardio Respiratory Failure" as per Death Certificate dated 20/12/1985	The request of Smt. Diptibala Mohanty, W/o Late D.K. Mohanty was considered for compassionate employment. However, she was not provided job as she was non-matriculate.
2.	Pradeep Kumar Mohanty Son	Late Udaynath Mohanty PI. No.43741 Ex-Khalasi SMS (Opn.)	01/03/1986	Admitted for treatment of "Carcinoma Bladder and expired due to Carcinoma Bladder with Secondary Metastasis" as per Death Certificate dated 03/03/1986	The case was not considered as the ex-employee had not completed minimum 10 years of service in the Company as per rules. Sri Pradeep Kumar Mohanty has filed a writ petition bearing WP(C) No.10118/08 in the Hon'ble High Court of Orissa. The case is presently subjudice.
3.	Arun Naik Son	Late Khali Naik PI. No. 4196, Ex-Operator, Plate Mill (O)	20/02/1993	Admitted for treatment of Hypertension with I.C.Haemorrhage and expired on due to "Cardio Respiratory Failure" as per Death Certificate dated 23/03/1993	This being a case of death, occurring after 21/11/1992 and cause of death being not coming under the three listed diseases as per Circular No.PL-RR-20(2) dated 01/01/1996 and Tripartite Settlement dtd18/12/1998, was not covered for compassionate employment under Company's guidelines.
4.	Pravat Kumar Mallick Son	Late Jaydeb Mallick PI. No.1110 Ex-Sr. Operative Coal Chem. (Opn.)	03/07/1993	Admitted for treatment of "P.T. with massive Haemoptysis with Diabetes and expired due to Massive	This being a case of death, occurring after 21/11/1992 and cause of death being not coming under the three listed diseases as per Circular No.PL-RR-20(2)dtd

				Haemoptysis, P.T.B (endobronchial TB) with DM" as per Death Certificate dated 15/07/1993	01/01/1996 and Tripartite Settlement dtd18/12/1998, was not covered for compassionate employment under Company's guidelines. Sri Pravat Kumar Mallick, S/o Late Jaydeb Mallich has filed a writ petition bearing WP (C) No.14938/2004 in the Hon'ble High Court of Orissa. The case is presently subjudice.
5.	Susanta Kumar Mohanty Son	Late Adwaita Charan Mohanty PI. No.1573 Ex-Sr. Operator (Cranes) Blast Furnaces (Opn.)	22/07/1993	Admitted for treatment of "Brain Stem, Injury, Diabetic Ketoacidosis Septicaemia" and expired as per Death Certificate (Duplicate) dated 26/10/1998	This being a case of road accident, not coming under Injury on Duty (while coming to and going back from duty) was not covered for compassionate employment under Company's guidelines.
6.	Anu Kiran Sanga Son	Late Mahadeo Sanga PI. No. 7834, Ex-Chargeman, Foundries (Opn.)	22/09/1993	Admitted for treatment of "Diabetes Mellitus with Septicaemia" and expired on 22/09/1993 as per Death Certificate dated 25/11/1993	This being a case of death, occurring after 21/11/1992 and cause of death being not coming under the three listed diseases as per Circular No.PL-RR-20(2) dated 01/01/1996 and Tripartite Settlement dtd18/12/1998, was not covered for compassionate employment under Company's guidelines.
7.	Anil Tirkey Son	Late Sitaram Tirkey PI. No. 55031, Ex-Service Assistant Canteen Deptt.	03/11/1993	Admitted for treatment of "Diabetic Ketoacidosis with CVA and expired due to the same with Cardio Respiratory failure" as per Death Certificate dated 16/11/1993	This being a case of death, occurring after 21/11/1992 and cause of death being not coming under the three listed diseases as per Circular No.PL-RR-20(2) dtd. 01/01/1996 and Tripartite Settlement dtd18/12/1998, was not covered for compassionate employment under Company's guidelines.
8.	Rashmi Ranjan Panda	Late Bhaskar Panda PI. No. 8119,	13/08/1994	Found "Permanently Medically Unfit" under	There is no provision to provide compassionate employment in case

	Son	Ex-Jr. Refractory Inspector Refractories.		Clause 23 of S.O.	of Permanent Medical Unfit under Clause-23 of Standing Order after 21/11/1992. Smt. Swarna Prabha Panda, W/o Sri Bhaskar Panda has filed a writ petition bearing WP (C) No.4483/2005 in the Hon'ble High Court of Orissa. The case is presently subjudice.
9.	Ashok Kumar Rout Son	Late Khali Rout Pl. No.9220 Ex- Techn/Elect./Elec.Fitter SMS (Elect.)	23/10/1994	Admitted for treatment of Head Injury with multiple injuries with fracture ribs and expired due to the same and shock as per Death Certificate dated 28/10/1994.	This being a case of death, occurring after 21/11/1992 and cause of death being not coming under the three listed diseases as per Circular No.PL-RR-20(2) dated 01/01/1996 and Tripartite Settlement dtd18/12/1998, was not covered for compassionate employment under Company's guidelines.
10.	Swapan Das Son	Late D.N.Das Pl. No.6291 Ex-SSW Communication Engg.	31/10/1994	Found "Permanently Medically Unfit" under Clause 23 of S.O.	There is no provision to provide compassionate employment in case of Permanent Medical Unfit under Clause-23 of Standing Order after 21/11/1992. Sri Swapan Kumar Das, S/o 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.
11.	Bhima Moharana Son	Late Banchhanidhi Maharana Pl. No. 9236, Ex-Technician, T & RM	12/12/1994	Admitted for treatment of Bronchial Asthma with chronic Obstructive Pulmonary Disease with Corpulmonale and expired due to "Cardio Respiratory Failure" as per Death	This being a case of death, occurring after 21/11/1992 and cause of death being not coming under the three listed diseases as per Circular No.PL-RR-20(2) dated 01/01/1996 and Tripartite Settlement dtd18/12/1998, was not covered for compassionate employment under Company's guidelines.

				Certificate dated 27/12/1994	
12.	Pramod Kumar Ray Son	Late N. K. Ray Pl. No. 20849, Ex-Office Attendant CO & CCD (Mech.)	19/12/1994	Brought Dead to IGH (may be due to Hypertension or IHD as indicated in M.T. Book) as per Death Certificate dated 05/01/1995	This being a case of death, occurring after 21/11/1992 and cause of death being not coming under the three listed diseases as per Circular No.PL-RR-20(2) dated 01/01/1996, was not covered for compassionate employment under Company's guidelines.
13.	Sandip Singh Son	Late Samuel Singh Pl. No. 62928, Ex-Techn-cum-Painter T.E (Elect.)	16/08/1995	Admitted for treatment of Diabetic Mellitus, Hyper Tension with Hapatic Encephalopathy and expired due to Hapatic Encephalopathy as per Death Certificate dated 21/08/1995	This being a case of death, occurring after 21/11/1992 and cause of death being not coming under the three listed diseases as per Circular No.PL-RR-20(2) dated 01/01/1996 and Tripartite Settlement dtd18/12/1998, was not covered for compassionate employment under Company's guidelines. Smt. Rupabati Singh, W/o. Late Samuel Singh has filed a writ petition bearing OJC No.13999/96 in Hon'ble High Court of Orissa. The case is presently subjudice.
14.	Ramesh Biswakarma Son	Late Kailash Mistry Pl. No. 12048, Ex-Sr. Technician, R.S. (Mech.)	06/06/1996	Admitted for treatment of "Cirrhosis of Liver with Hepatic Coma" and expired as per Death Certificate dated 28/06/1996	This being a case of death, occurring after 21/11/1992 and cause of death being not coming under the three listed diseases as per Circular No.PL-RR-20(2) dated 01/01/1996, was not covered for compassionate employment under Company's guidelines.
15.	Saroj Sahoo Son	Late Alekha Mohan Sahoo Pl.No.8944 Ex-Sr. Loco Operator	24/01/1997	Admitted for treatment of "Ischemic Cardio Myopathy & old ASMI and expired due to	This being a case of death, occurring after 21/11/1992 and the case being not coming under the purview of Circular No.PL-RR-20(2)

		T&RM		Ischemic Cardio Myopathy” as per Death Certificate dated 11/02/1997	dtd. 01/01/1996, was not covered for compassionate employment under Company’s guidelines. Smt. Monorama Sahoo, W/o. Late A.M. Sahoo has filed a writ petition bearing OJC No. 5943/01 in the Hon’ble High Court of Orissa. The case is presently subjudice.
16.	Nausad Ahmed Son	Late Jahangir Ansari PI.No.19470 Ex-Operator (Cranes) SPP (Opn.)	24/01/1998	Death due to “Multiorgan Dysfunction & Caronary Artery Disease” as per Death Certificate dated 24/01/1998 of B. M. Birla Heart Research Centre	This being a case of death, occurring after 21/11/1992 and the case being not coming under the purview of Circular No.PL-RR-20(2) dated 01/01/1996, was not covered for compassionate employment under Company’s guidelines. Smt. Fatima Khatoon, W/o. Late J. Ansari has filed a writ petition bearing OJC No. 11954/98 in the Hon’ble High Court of Orissa. The case is presently subjudice.
17.	Mrutunjoy Bose Son	Late Atul Ch. Bose PI. No. 16895, Ex- Store Keeper, Repair Shop (Elect.)	22/08/1998	Admitted for treatment of “Bilateral Pneumonia with Septic Shock” and expired as per Death Certificate dated 19/11/1998	This being a case of death, occurring after 21/11/1992 and the case being not coming under the purview of Circular No.PL-RR-20(2) dated 01/01/1996, was not covered for compassionate employment under Company’s guidelines. Smt. Gita Bose, W/o. Late Atul Ch. Bose has filed a writ petition bearing OJC No. 1747/2000 in the Hon’ble High Court of Orissa. The case is presently subjudice.
18	Mahendra Kumar Sahoo	Late R.N. Sahoo PI.No. 24207	24/09/1974	Admitted on 22/09/1974 for	The case was not considered for employment, as Late R.N. Sahoo

	Son	Ex- Khalasi ERWPP		treatment of Delirium Tremens and expired on 24/09/1974 as per Death Certificate dated 29/10/1974	had not completed 10 years of service.
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ANNEXURE-III

**MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON
LABOUR HELD ON 30TH JANUARY, 2012.**

The Committee met from 1500 hrs. to 1700 hrs. in Committee Room 'C', Parliament House Annexe, New Delhi to have (i) further evidence of the representatives of the Ministry of Information and Broadcasting and Prasar Bharati Broadcasting Corporation on regularization of casual workers/Artists of Radio Kashmir, CBS Radio Kashmir and Doordarshan Kendra, Srinagar; and (ii) evidence of the representatives of Steel Authority of India Ltd. (SAIL) and Rourkela Steel Plant on the issue of rehabilitation of legal heirs of deceased employees of Rourkela Steel Plant.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

MEMBERS

LOK SABHA

2. Dr. Virendra Kumar
3. Shri Narahari Mahto
4. Shri Hari Manjhi
5. Ms. Mausam Noor
6. Shri Mahendra Kumar Roy

RAJYA SABHA

7. Shri Mohd. Ali Khan
8. Shri Rudra Narayan Pany
9. Smt. Renubala Pradhan
10. Shri Ranbir Singh Parjapati

4.	Shri D. Basu	ED (P&A), Rourkela Steel Plant
5.	Shri Atul Srivastava	GM(Personnel), SAIL

7. The Chairman welcomed the representatives of the Steel Authority of India Ltd. (SAIL) and Rourkela Steel Plant. First of all, the Chairman deprecated the casual attitude of the CEO, Rourkela Steel Plant towards the parliamentary work as he took unduly and time in furnishing the requisite information to the Committee. The Chairman also lamented the fact that Chairman, SAIL who was supposed to be present during the sitting sought exemption without giving specific reasons for the same. Thereafter, the officials of SAIL and Rourkela Steel Plant briefed the Committee on the issue of rehabilitation of legal heirs of deceased employees of Rourkela Steel Plant. The Members raised the following issues:-

- (i) Reasons for discontinuation of the compassionate appointment scheme of 1992.
- (ii) Introduction of Employees Family Benefit Scheme.
- (iii) Implementation of Uniform policy for compassionate appointments in all the Steel Plants.

- (iv) Decision of the Supreme Court in Balbir Kaur case & A. K. Mitra case regarding appointment on compassionate ground.
- (v) Action taken by the management of Rourkela Steel Plant for compassionate appointment of legal heirs of 18 deceased employees who had submitted memoranda to the Committee.
- (vi) Policy of compassionate appointment in other Public Sector Undertakings.

8. The officials of the Steel Authority of India Ltd. (SAIL) and Rourkela Steel Plant Ministry briefed the Committee on the issues raised by the members.

9. A list of points was also handed to the Regional Labour Commissioner (Central), Rourkela for furnishing written replies.

10. The Chairman then thanked the representatives of the organisation for free and frank replies to the queries of the Members on the subject and directed the officials of the organisation to furnish written replies to the queries raised by the Members which could not be replied during the meeting, within a fortnight along with the replies to the List of Points handed over to them. As the issues raised by the Members on the subject remained inconclusive, the Committee decided

to all again the representatives of Ministry of Steel, SAIL and Rourkela Steel Plant.

11. A copy of the verbatim proceedings was kept for record.

The Committee then adjourned.

XX Do not pertain to this report.

MINUTES OF THE SITTING OF THE STANDING COMMITTEE ON LABOUR HELD ON 2ND MAY, 2012.

The Committee met from 1500 hrs. to 1630 hrs. in the Committee Room 'E', Parliament House Annexe, New Delhi to take further evidence of the representatives of the Ministry of Steel, Steel Authority of India and Rourkela Steel Plant on the issue of rehabilitation of legal heirs of deceased employees of Rourkela Steel Plant.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

**MEMBERS
LOK SABHA**

2. Dr. Virendra Kumar
3. Shri Jayaram Pangi
4. Shri Sanjay Dina Patil
5. Shri Mahendra Kumar Roy
6. Shri Bhausahab Rajaram Wakchaure

RAJYA SABHA

7. Shri Mohd. Ali Khan
8. Smt. Renubala Pradhan
9. Shri Ranbir Singh Parjapati
10. Shri G.N. Ratanpuri

SECRETARIAT

- | | | | |
|----|-----------------------|---|---------------------|
| 1. | Shri Devender Singh | - | Joint Secretary |
| 2. | Shri Ashok Sajwan | - | Additional Director |
| 3. | Smt. Bharti S. Tuteja | - | Deputy Secretary |

Witnesses

REPRESENTATIVES OF THE MINISTRY OF STEEL, SAIL AND ROURKELA STEEL PLANT

Sl. No.	Name of the Officer	Designation
1.	Shri D.R.S. Chaudhary	Secretary (Steel)
2.	Shri Upendra Prasad Singh	Joint Secretary (Ministry of Steel)
3.	Smt. Indrani Kaushal	Director
4.	Shri C.S. Verma	Chairman (SAIL)
5.	Shri H.S. Pati	Director (SAIL)
6.	Shri G.S. Prasad	CEO, Rourkela Steel Plant
7.	Shri B. Dhal	Executive Director (SAIL)
8.	Shri D. Basu	Executive Director (RSP, SAIL)
9.	Shri Atul Srivastava	GM, SAIL
10.	Shri S.K. Nayak	DGM, RSP, SAIL
11.	Shri Samir Swarup	AGM, SAIL

2. At the outset, the Chairman welcomed Shri D.R.S. Chaudhary, Secretary, Ministry of Steel, Shri C.S. Verma, Chairman, SAIL and Shri G.S. Prasad, CEO, Rourkela Steel Plant and other officials of the Ministry of Steel, SAIL and Rourkela Steel Plant and invited their attention to the provisions contained in Direction 55 (1) of the Directions by the Speaker.

3. The Secretary , Ministry of Steel apprised the Committee of the policy of SAIL regarding compassionate appointments followed by various Steel Plants under SAIL. He further submitted that the new policy evolved by the SAIL effective from 1.9.2011 was more liberal towards its employees as compared to the different policies pursued by different Plants in the matter of compassionate employment. The CMD, SAIL while conceding that prior to 1.9.2011 different Plants were having different policies which kept on changing with the changing requirements but expressed constraints in giving employment on compassionate ground to a few number of employees as they, statedly, did not satisfy the eligibility criteria despite their full sympathy. On being asked to explain the eligibility criteria, the representative submitted that compassionate employment is given on three grounds, viz., (a) death/permanent total disablement due to accident arising out of and in course of employment including extension to road accident cases (b) sickness on duty and death with casual connection with work and (c) medical invalidation due to listed debilitating diseases. The representative also submitted that if a deceased employee had earned bad Confidential Report, his dependents are debarred from compassionate appointment.

4. The Members, thereafter, raised various issues and sought specific clarifications on the issue of rehabilitation of legal heirs of deceased employees of Rourkela Steel Plant. The Members expressed their unhappiness over;

- (i) the insensitive attitude of management of Rourkela Steel Plant towards the plight of the legal heirs of the deceased employees;
- (ii) the inconsistent policies followed by various plants of SAIL over the years and constrictive nature of the new policy of SAIL which come into force *w.e.f.* 1.9.2011;
- (iii) the denial of relief to the legal heirs even after the courts have ruled against Rourkela Steel Plant in various cases;
- (iv) the lopsided control by SAIL over its Plants in respect of their policy of compassionate appointments; and
- (v) the rationale for changes made by Rourkela Steel Plant in policy for compassionate appointments arbitrarily over the years.
- (vi) withholding of the Provident Fund and Gratuity of the deceased till his date of retirement had he lived.

5. There was unanimous view in the Committee that the guidelines were highly constrictive and devoid of compassion that is expected from an organ of the State like the SAIL and its constituent Steel Plants. The Members were of the considered view that the compassionate employment policy could not be frozen given the admission of the representative of Ministry of Steel and SAIL that the policy had to be changed according to requirement in the past. The Committee also deplored the provisions relating to bad CR earned by deceased

employee and the limited causes of death. The Members were unanimous and emphatic in their assertion that a death in harness of an employee for whatever reason and regardless of the track record of his service should be construed as a valid ground for compassionate employment since compassion is intended to mitigate the financial distress of the family of the deceased.

6. The Committee, after sustained examination of the witnesses and the documents made available to them, resolved unanimously that one time relaxation be given for employment to the legal heirs of 18 deceased employees and if necessary, the CMD, SAIL may invoke his overriding power in view of the assurance given by the then Minister for Steel to give employment to them on compassionate ground. The Chairman thereupon directed that the Chairman, SAIL revisit the issue and report back to the Committee within a month.

7. The CMD, SAIL, thereupon, assured the Members that he would have a relook at these cases with a view to providing some relief to the legal heirs of the deceased in consultation with the Board and would and sought two months for necessary corrective measures and to report back to the Committee.

8. The Chairman conceded the request of the Chairman, SAIL and thanked the Secretary and the other witnesses for giving valuable information and full cooperation to the Committee on the subject.

The witnesses then withdrew.

[A copy of the verbatim proceedings was kept for record].

The Committee then adjourned.

Minutes of the Sitting of the Committee

The Committee sat on 23 August, 2012 from 1500 hrs. to 1630 hrs. in the Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

Shri Hemanand Biswal – CHAIRMAN

MEMBERS

LOK SABHA

2. Dr. Virendra Kumar
3. Shri Jayaram Pangi
4. Shri Sanjay Dina Patil
5. Shri Bhausahab Rajaram Wakchaure

RAJYA SABHA

6. Shri Mohd. Ali Khan
7. Shri Aayanur Manjunatha
8. Dr. E.M.Sudarsana Natchiappan
9. Smt. Renubala Pradhan
10. Shri Thaawar Chand Gehlot

SECRETARIAT

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|----|-----------------------|---|---------------------|
| 1. | Shri Ashok Sajwan | - | Additional Director |
| 2. | Smt. Bharti S. Tuteja | - | Deputy Secretary |

Witnesses

**REPRESENTATIVES OF THE MINISTRY OF STEEL, SAIL AND
ROURKELA STEEL PLANT**

Sl. No.	Name of the Officer	Designation
1.	Shri D.R.S. Chaudhary	Secretary, Steel
2.	Shri Upendra Prasad Singh	Joint Secretary
3.	Smt. Indrani Kaushal	Director
STEEL AUTHORITY OF INDIA (SAIL)		
4.	Shri C.S. Verma	Chairman, SAIL
5.	Shri H.S. Pati	Director (Personnel), SAIL
6.	Shri B. Dhal	Executive Director (P&A), SAIL
ROURKELA STEEL PLANT		
7.	Shri G.S. Prasad	CEO, Rourkela Steel Plant
8.	Shri D. Basu	Executive Director (P&A), Rourkela Steel Plant

2. At the outset, the Chairman welcomed the Secretary, Ministry of Steel, Chairman, SAIL and CEO, Rourkela Steel Plant and other officials of the Ministry of Steel, SAIL and Rourkela Steel Plant and invited their attention to the provisions contained in Direction 55 (1) of the Directions by the Speaker.

3. The Secretary , Ministry of Steel apprised the Committee of the efforts made by SAIL since the last sitting of the Committee to provide relief to the 18 legal heirs in question. The Committee were informed that a sub-Committee of the Board of SAIL has recommended that these legal heirs be given benefit under EPBS and that the SAIL Board will consider the same at its next sitting to be held on 7th September, 2012. The CMD, SAIL stated that there are 6557 such cases where legal heirs have not opted for the EFBS within 6 months after the death of the employees. Further, the sub-Committee has proposed the EFBS be extended to the legal heirs as a special case and that a final decision would be taken in the Board meeting to be held on 7th September, 2012.

4. The Members expressed their reservation on the EFBS and raised the issue of fallout of discriminatory policies of Rourkela Steel Plant on the families of the deceased employees. The witnesses responded to the queries raised by the Members.

5. The Committee reiterated unanimously that one time relaxation be given to the legal heirs of 18 deceased employees by giving them employment on compassionate ground. The Committee thereupon asked the Chairman, SAIL to revisit the issue with a humanitarian approach and report back to the Committee.

6. The Chairman then thanked the Secretary and the other witnesses for giving valuable information and full cooperation to the Committee on the subject.

(The witnesses then withdrew.)

[A copy of the verbatim proceedings was kept for record].

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8.	XX	XX	XX
9.	XX	XX	XX

The Committee then adjourned.

XX Do not pertain to this report.

Minutes of the Sitting of the Committee

The Committee sat on 12th December, 2012 from 1530 hrs. to 1700 hrs. in Main Committee Room, Parliament House Annexe, New Delhi.

PRESENT

Shri Dara Singh Chauhan – CHAIRMAN

MEMBERS

Lok Sabha

2. Dr. Virendra Kumar
3. Shri Bal Kumar Patel
4. Shri Mahendra Kumar Roy
5. Shri Rajiv Ranjan Singh (Lalan)
6. Shri Makhan Singh Solanki

Rajya Sabha

7. Smt. T. Ratna Bai
8. Shri Thaawar Chand Gehlot
9. Shri Mohd. Ali Khan
10. Shri Ranbir Singh Parjapati
11. Smt. Renubala Pradhan
12. Shri G.N. Ratanpuri
13. Shri Jai Prakash Narayan Singh

SECRETARIAT

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|----|-----------------------|---|---------------------|
| 1. | Shri A.K. Singh | - | Joint Secretary |
| 2. | Shri Ashok Sajwan | - | Additional Director |
| 3. | Smt. Bharti S. Tuteja | - | Deputy Secretary |

Witnesses

REPRESENTATIVES OF THE MINISTRY OF STEEL, SAIL AND ROURKELA STEEL PLANT

Sl.No.	Name of the Officer	Designation
1.	Shri D.R.S. Chaudhary	Secretary
2.	Shri E.K. Bharat Bhushan	AS & FA
3.	Shri Upendra Prasad Singh	JS
4.	Shri C.S. Verma	Chairman, SAIL
5.	Shri G.S. Prasad	CEO, RSP
6.	Shri B. Dhal	ED, SAIL
7.	Shri D. Basu	ED, SAIL
8.	Shri H.S. Pati	Director, SAIL

2. At the outset, the Chairman welcomed the Secretary, Ministry of Steel, Chairman, SAIL and CEO, Rourkela Steel Plant and other officials of the Ministry of Steel, SAIL and Rourkela Steel Plant and invited their attention to the provisions contained in Direction 55 (1) of the Directions by the Speaker.

3. The Secretary, Ministry of Steel and CMD, SAIL apprised the Committee of the efforts made by SAIL since the last sitting of the Committee to provide relief to the 18 legal heirs of Rourkela Steel Plant. The Committee were informed that the recommendation of the Sub-Committee of the Board of SAIL that these legal heirs be given benefit under EFBS was placed before the SAIL Board. The SAIL Board considered the issue and has sought further information relating to the financial implications of such relaxation to be given in all such cases.

4. The Members, however, expressed their reservation on extending Employees Family Benefit Scheme to the 18 legal heirs and severely criticized Rourkela Steel Plant/SAIL for choosing death due to only three diseases eligible for compassionate appointment. The witnesses responded to the queries raised by the Members.

5. The Committee reiterated unanimously that the legal heirs of 18 deceased employees be given employment on compassionate ground on the lines of the judgment of Hon'ble Supreme Court in the earlier cases.

6. The Chairman then thanked the Secretary and the other witnesses for giving valuable information and full cooperation to the Committee on the subject.

(The witnesses then withdrew)

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

The Committee then adjourned.

Minutes of the sitting of the Committee

The Committee sat on 3rd May, 2013 from 0930 hrs. to 1050 hrs. in Committee Room 'E', Parliament House Annexe, New Delhi.

PRESENT

Shri Dara Singh Chauhan – CHAIRMAN

MEMBERS

LOK SABHA

2. Dr. Virendra Kumar
3. Shri Narahari Mahato
4. Shri Mahendra Kumar Roy
5. Shri Bibhu Prasad Tarai
6. Shri Ashok Argal
7. Dr. Manda Jagannath
8. Shri Om Prakash Yadav

RAJYA SABHA

9. Smt. Renubala Pradhan
10. Shri Thaawar Chand Gehlot

SECRETARIAT

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|--------------------------|---|---------------------|
| 1. Shri A.K Singh | - | Joint Secretary |
| 2. Shri P.V.L.N Murthy | - | Director |
| 3. Shri Ashok Sajwan | - | Additional Director |
| 3. Smt. Bharti S. Tuteja | - | Deputy Secretary |

2. At the outset, the Chairman welcomed Dr. Manda Jagannath a new Member to the Committee. The Chairman then apprised the Members regarding the Memorandum circulated to them for rectifying the evidence taken by the previous Committee on the subject 'Welfare of

legal heirs of deceased workers of Rourkela Steel Plant- A case study' and also to consider the draft report thereon for adoption.

The Chairman thereafter invited attention of the Members towards Committee's visit to Mau in January, 2013 where they saw the pathetic conditions of weavers in the area and also the absence of any welfare schemes or social security for those weavers. The Chairman proposed that 'Welfare of small weavers of Mau and adjoining areas- A case study' as a subject, may be selected for examination during the current term of the Committee.

3. The Members agreed.

4. The Committee then took up the draft Report on 'Welfare of legal heirs of deceased workers of Rourkela Steel Plant – A case study', for consideration. After detailed deliberations, the Committee adopted the draft Report with minor modifications.

5. The Committee then authorized the Chairman to finalise the Report in view of the consequential changes arising out of factual verification and to present the same to both the Houses of Parliament.

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(A copy of the verbatim proceeding of the sitting was kept for record.)

The Committee then adjourned

XX Do not pertain to this report.