

LOK SABHA

*Tuesday, April 28, 1987/Vaisakha 8,
1909 (Saka)*

*The Lok Sabha met at Eleven
of the Clock.*

[MR SPEAKER *in the Chair*]

[*Translation*]

MR SPEAKER: Please sit down

[*English*]

SHRI ACHARIA BASUDEB: You are ready!

MR SPEAKER: Yes, I am always ready

SHRI INDRAJIT GUPTA: Ever ready

MR SPEAKER: Ever ready I have to be, because I am paid for it

Shri Ramashray Prasad Singh

(*Interruptions*)

[*Translation*]

MR SPEAKER: If you are happy, I am also happy. If you don't speak a bit loudly, then there will be no disturbance

ORAL ANSWERS TO QUESTIONS

[*English*]

**Interim Report of High Power Pay
Committee For Public Undertakings**

*820. SHRI RAMASHRAY PRASAD SINGH: Will the Minister of INDUSTRY be pleased to state:

(a) whether the High Power Pay Committee for Public Undertakings headed by Justice R.B. Mishra has submitted its interim report to Government;

(b) if so, the recommendations made by the Committee in its interim report;

(c) the action taken by Government thereon; and

(d) whether a copy of the interim report will be laid on the Table of the House?

THE MINISTER OF STATE IN THE DEPARTMENT OF PUBLIC ENTERPRISES IN THE MINISTRY OF INDUSTRY (PROF. K. K. TEWARY): (a) to (d) A statement is given below

STATEMENT

(a) Yes, Sir

(b) The High Power Pay Committee in their Interim Report has made the following Recommendations:—

- (i) That D A be continued to be released to these employees on the same basis on which they were getting such D A prior to 1.1.1986 i.e. on the basis on which D A was being released to Central Government employees following the pattern recommended by the Third Pay Commission, and as amended by the Government of India from time to time upto that date. The D A due to these employees on various dates subsequent to 1.1.1986 in accordance with the increase in the Consumer Price Index be released to them with effect from such due dates on the same basis

- (ii) The Interim Relief granted by the Hon'ble Supreme Court to all employees of these undertakings drawing a basic pay of Rs. 1000 or less be extended to all employees of these undertakings i.e. even to those employees drawing a basic pay over Rs. 1000 with effect from the same date from which the Hon'ble Supreme Court had given the above relief, namely, January 1, 1986.
- (iii) The recommendation in regard to D.A. at item (i) will govern these employees till such time as the Committee consider this issue and make recommendations regarding the pattern to be followed hereafter. The D.A. to be paid in accordance with item (i) till such time as a new pattern of D.A. is adopted will not be recoverable. In the case of some of these employees the instalments of D.A. that fell due prior to 1.1.1986 were released in accordance with the directions given by the Hon'ble Supreme Court or Hon'ble High Courts and were subject to the condition imposed in those orders that in case such payment results in the employee concerned receiving an excess over the payment to which he would be entitled in case their petitions failed, such excess would be recoverable from the employee from future payments to which he would be entitled. In view of what has been stated above, this condition need not be enforced.
- (iv) In cases where either the Hon'ble Supreme Court or Hon'ble High Courts had ordered the grant of Interim Relief to some employees from dates prior to 1.1.86 the same condition regarding recovery of such payments as has been mentioned in

the preceding paragraphs had been prescribed. Since the position in these cases prior to 1.1.86 is not modified this condition will continue to apply in the case of Interim Relief given in such cases prior to 1.1.86. However, in regard to the Interim Relief recommended under item (ii) with effect from 1.1.86 no such condition has been prescribed, since it is considered to be an Interim Relief pending final recommendations. Therefore, no such condition need be applied in the case of any relief received by the employees from 1.1.86 onwards. This would apply both to those employees whose basic pay is over Rs. 1000 and who are covered by item (ii) above and those employees whose basic pay is Rs. 1000 or less and who had already received this Interim Relief in accordance with the orders of the Hon'ble Supreme Court of 19.2.86. This slight modification of the earlier orders of the Hon'ble Supreme Court is necessary to avoid a discrimination between these two categories of employees. This will avoid hardship to the employees retiring or who have already retired since 1 1 1986.

(c) The above recommendations have been accepted by the Government. Suitable instructions have been issued to the public enterprises on 19.3.1987.

(d) No, Sir.

[Translation]

SHRI RAMASHRAY PRASAD SINGH: Mr. Speaker, Sir, may I know the policy under which interim relief is being provided to the employees in the Public Sector and the reasons for depriving the employees of the Public Undertakings of those benefits which have been given

to the Central Government employees by granting the pay scales recommended by the Fourth Pay Commission?

PROF. K.K. TEWARY: Sir, the question relates to the Public Sector employees. I want to inform the hon. Member that in the Public Sector, there are about 21 lakh employees and about 2 lakh executives. There are two patterns of pay scales. One is the pay scale related to industrial pattern of D.A. and the other is related to Central Government pattern of D.A. As regards the interim relief, which we have just given, there is some background which the hon. Member might be knowing. As per the decision of the Supreme Court, the Government appointed a High Power Committee under the chairmanship of a retired Supreme Court Judge and according to the recommendations of this Committee the Public Sector employees, who are on the Government pattern of D.A., have been allowed some relief.

SHRI RAMASHRAY PRASAD SINGH: The hon. Minister has referred to the interim relief. An interim relief of Rs 75 to Rs 100 has been granted. I want to know whether it is based on the price index of 1985 or on the current price index and what was the price index in 1985 and what is the current price index?

PROF. K K TEWARY: Sir, I have said that the matter was taken to the Supreme Court by the Associations of Employees and Officers and a High Power Committee was appointed under the direction of the Supreme Court. The Committee after considering all the points made comprehensive recommendations and it is according to these recommendations that interim relief is being granted to the employees.

SHRI RAMASHRAY PRASAD SINGH: It was on 19.2.1986 when the Supreme Court directed that interim relief should be paid. I want to know whether the Public Sector employees will be treated as Government employees or not?

MR. SPEAKER: Two supplementaries have already been asked by you

[English]

DR. DATTA SAMANT: For 21 lakh employees of the public sector undertakings recently Government has issued a circular that all their agreements must be linked with the productivity and 60 agreements are pending. The second thing is that the variation in the existing dearness pattern in respect of various public sector undertakings and other public sector undertakings like Richardson Crudas and Bharat Petroleum is more. The Government has unilaterally reduced their D.A. prior to this judgement. All these public undertakings like Bharat Petroleum are making more profit and other undertakings are making losses. Now the Supreme Court has given a judgement that the existing service conditions of the private undertakings should not be changed or reduced. So this action of the Government in reducing their D.A. pattern is against the judgement of the Supreme Court. So the Government is unilaterally going to force the workmen to accept whatever D.A. it is giving, nothing will be given unless production is reduced and that it has a right to remove the workers. Is the Government going to act so harshly against the workmen of the public sector undertaking? I am going to ask two things. Why the D.A. which the employees of the public undertakings were getting prior to 1.1.86, has been changed by the Government? Has the Government given directives recently to increase the salaries of the officers cadre?

PROF. K K TEWARY: I thought the hon. Member is a very knowledgeable person about the trade union activities, salaries and service conditions of workmen and officers. But the supplementary put by him has rather been disappointing. I inform the hon. House at the very outset that in the entire public sector we follow two patterns. One is industrial pattern of D.A. All those who are receiving industrial pattern of D.A. and related scales of pay

their scales of pay are revised every four years. And 1986 and 1987 wage agreements have been due. Government has prepared a package which has been approved at the highest level and the Department of Public Enterprises has already issued instructions. I also inform the hon. Members that out of 22 lakh workmen 95 per cent workmen are on industrial pattern of D.A. So far these 95 per cent we have already approved the guidelines for wage settlements.

DR. DATTA SAMANT: Reducing the D. A. pattern?

PROF. K.K. TEWARY: This is a package which has already gone to all the PSUs and negotiations are on. The second pattern is applicable to about 5% remaining workmen and about 15% executives.

DR. DATTA SAMANT: He has not replied my question. My question is that their D.A. has been reduced.

PROF. K.K. TEWARY: That is the Government pattern of D.A. Government wanted these remaining categories i.e. those who are on Government pattern of D.A. to be linked with industrial pattern of D.A. This order went in 1984. Since the workmen and officers were not satisfied with this decision of the Government, they approached the Hon. Supreme Court and the hon. High Courts in many States. The Supreme Court and the High Courts took this decision that a high power committee is to be appointed by the Government under the chairmanship of a retired Supreme Court judge. That we have done. This committee headed by Justice Mishra has submitted its interim report. According to that report, we have issued instructions in the case of this category also that D.A. payment be made according to the directives of the Committee. We have not reduced their D.A. It was for the Committee to make the recommendations whatever be the D.A. pattern. The recommendation of the Committee has been accepted in toto. And we have

issued instructions for payment of D.A. and interim relief also.

SHRI ANANDA GOPAL MUKHOPADHYAY: Will the hon. Minister make it clear as to what is the justification in having two patterns of D.A.?

PROF. K.K. TEWARY: Sir, it is very simple. Government had decided in 1984 itself that all the workmen and executives working in public sector should be brought on industrial pattern of D.A. So, we very much like them to be on industrial pattern of D.A. because 95 per cent of the workforce has already accepted it and under that, agreements take place about wage revisions every four years. Right now we are negotiating with 95 per cent of the workforce who are on industrial pattern of D.A. This is actually what Government wanted to do but it was not acceptable to some people and they went to court of law. Supreme Court, the highest court of justice in the land have given us this instruction to have this committee and go according to the recommendations of the committee, and we have gone according to the recommendations made in their Interim Report. Final Report will come towards the end of 1987 and naturally it will depend on what kind of recommendations are received.

SHRI INDRAJIT GUPTA: Sir, I welcome the fact that after a long period of stalemate or deadlock, it has been decided that negotiations should be resumed in the public sector undertakings with the employees for revision of their wages. But is the Minister aware of the fact that whereas these negotiations are just at the beginning stage, already handsome amounts of Interim Reliefs have been sanctioned for the officers alone, for the executives, and is he aware of the fact that this is causing great resentment among the workers? They do not mind the officers getting Interim Relief but at present only the officers are already being given the Interim Relief whereas the workers are asked to wait until their negotiations are over. So, is he aware of the fact

that this is likely to lead to industrial unrest and would he kindly hold the Interim Relief sanctioned for the officers at least in abeyance until the Interim Relief question is settled for the workers also?

PROF. K.K. TEWARY: Sir, I will seek the cooperation of the hon. Member, who is a very eminent trade union leader, for maintaining industrial peace in the country because that is in the interest of workers also and in the interest of the nation also. As regards the Interim Relief to officers, it has been overdue. I will clarify under what circumstances we had to grant this Interim Relief. So far as the salaries of workmen are concerned, revisions take place religiously after every four years. In the case of officers, as you know, there has been paucity of really good executives and we have failed to attract really talented people in public sector for want of better scales of pay and better career prospects in course of time. Their scales of pay may be revised for quite some time. The existing scales of pay were very poor and there was distortion also. In many public sector undertakings the executives were getting very poor salaries. So, keeping these in view, we decided to give them Interim Relief. This is not a revision of their scales of pay because this also is ultimately linked with the final recommendations of the High-Powered Pay Committee. The workmen have got a separate package according to the standing understanding between the Government and the unionised workforce. Therefore, I think it should not cause any heartburning in the workforce.

SHRI INDRAJIT GUPTA: But is he aware of the heartburning or not?

PROF. K.K. TEWARY: Yes, I am. That is why I took this chance to clarify that they are two separate issues. Therefore, no confusion should be created, no agitation should be built up on an issue which is non-existent.

SHRI ANANDA GOPAL MUKHOPADHYAY: Sir, this is a very important item. If

you permit me, I will ask one supplementary.

MR. SPEAKER: No, Sir. There is rule for only one supplementary Mukhopadhyay Ji.

[*Translation*]

MR. SPEAKER: Shri H.B. Patil, Shri R.P. Suman, Dr. A.K. Patel, Shri Digvijaya Singh, Shri Narsing Suryawanshi. This is a very large number. I think there is no special protest today.

[*English*]

Is there a protest against the Question Hour?

[*Translation*]

Shri H.G. Ramulu, Shri Radhakanta Digal, Shrimati Geeta Mukherjee, this pinches me.

[*English*]

I feel so very sad. We spend so much of time, money and energy. Shri Indrajit Gupta.

Contract for gas based power project

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* 829 SHRI INDRAJIT GUPTA:
SHRIMATI GEETA MUKHERJEE:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Bharat Heavy Electricals Limited, as a sub-contractor of a West German Company, Kraftworks Union, was interested in getting National Thermal Power Corporation's contract for its proposed gas-based power project to be located at Kawas (Gujarat);

(b) whether the Kraftworks Union could secure the contract;

(c) if so, the details thereof; and

(d) if not, the reasons therefor and the