

# The Odisha Gazette

EXTRAORDINARY  
PUBLISHED BY AUTHORITY

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No. 54 CUTTACK, FRIDAY, JANUARY 6, 2012/PAUSA 16, 1933

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## LABOUR & EMPLOYMENT DEPARTMENT

### NOTIFICATION

The 30th December 2011

No. 11855—IR(ID)-61/2010-LE.—In pursuance of Section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Award, dated the 24th November 2011 in Industrial Dispute Case No. 09 of 2010 of the Presiding Officer, Labour Court, Sambalpur to whom the industrial dispute between the Management of Rourkela Steel Plant, SAIL, Rourkela and its workman Md. Khan, ex-operator-*cum*-Technician, Roll Shop, Rourkela Steel Plant, Rourkela represented through General Secretary, ISPAT Labour Union, Rourkela was referred to for adjudication is hereby published as in the Schedule below :

#### SCHEDULE

IN THE COURT OF THE PRESIDING OFFICER LABOUR COURT, SAMBALPUR

INDUSTRIAL DISPUTE CASE NO. 09 OF 2010

Dated the 24th November 2011

*Present :*

Shri Pradipa Kumar Sasmal  
Presiding Officer, Sambalpur.

*Between :*

The Management of Rourkela Steel Plant . . . First Party—Management  
through the Executive Director (P. & A.),  
Steel Authority of India Limited, Rourkela  
Steel Plant, Rourkela, Dist. Sundargarh.

And

Its Workman, Md. Khan, . . . Second Party—Workman  
Ex-operator-*cum*-Technician, through the  
General Secretary, Ispat Labour Union,  
Qrs. No. A/158, Sector-13, Rourkela,  
Dist. Sundargarh.

*Appearances :*

For the First Party—Management	..	Shri L. K. Nayak, Dy. Manager, Law
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For the Second Party—Workman himself	..	Shri K. C. Rath, Advocate

## A W A R D

The present dispute arose out of the reference made by the Government of Orissa (now Odisha), Labour & Employment Department, vide their order, dated the 14th May 2010 under Letter No. 3965—ID-61/2010-LE., giving rise to the registration of the present case under Sections 10 and 12 of the Industrial Disputes Act, 1947 (for short, the “Act”). The dispute involved is scheduled as follows :

“Whether the action of the management of Rourkela Steel Plant, SAIL, Rourkela on recovering market and penal house rent, electric charges and guarding charges against Qrs. No. H/261-IBR(LT), Sector - 15, Qrs. No. B/64-IBR/HT., Section - 13 and Qrs. No. A/20-IBR-LT., Sector - 15, Rourkela allotted to Md. Khan, P. L. No. 18699, Ex-operator-*cum*-Technician, Roll Shop, Rourkela Steel Plant from the voluntary retirement benefits of Md. Khan is legal and/or justified ? If not, to what relief Md. Khan is entitled ?”

2. In the statement of claim the workman narrating about the post held by him during his incumbency under the first party management stated that ultimately he took voluntary retirement from his service with effect from the 31st July 2001. According to him, his accounts with the company was finally settled on the 22nd December 2003 and the details of the final settlement was sent to him by the Deputy Manager (F. & A.) but an amount of Rs. 2,46,787 was illegally deducted towards house rent, electricity charges, missing fittings and other estate demand. So far as the allotment of the quarters are concerned from which the present dispute appears to have given rise the second party workman stated that he was allotted with Qrs. No. H/261-IBR(L) in Sector - 15 on the 22nd August 1990 and Qrs. No. B/64-IBR(H) was allotted to him in Sector - 13 on vice vacation of the earlier quarters No. H/261. He then asserted further that he had approached the Estate Supervisor concerned to take possession of the vacated Qrs. No. H/261 but he was told to retain that quarters and guard the same till another worker is allotted with the same. Consequently the workman submitted that the first party management is supposed to pay him the guarding charges of the quarters. However, the further assertions of the second party workman is that the first party management again allotted another quarters No. A/20-IBR(L) in Sector -15 in his favour. By then, he stated to have approached the Estate Supervisor to take possession of the earlier Qrs. No. B/64 but the earlier version was said to have been reiterated by the Supervisor and he was asked to retain and guard the quarters till the same is allotted to another worker. The statement given by the workman disclosed the fact that he retained Qrs. No. B/64 till the first party management took possession of the same on the 3rd April 2000. Similarly he submitted further that the first party management took possession of Qrs. No. H/261 on the 1st January 2002 and Qrs. No. A/20 on the 11th November 2003. According to him, the management should have taken possession of the same before the

31st October 2001. Consequently the workman claimed that he would be entitled to the guarding charges of all those quarters as per Clause No. 15.2(II) of the House Allotment Rules, 1995 of the first party management inasmuch as the Estate Supervisor had told him to retain the quarters till the allotment of the same to the other worker. Instead, according to the second party workman, the first party management went on deducting private party rent from his pay to the tune of Rs 1, 08,826.87. However it was asserted by the workman that the first party management reviewed the case of illegal deduction and refunded him an amount of Rs. 87,686 but without any interest. At the same time he alleged that the private party rent recovered from him has not been refunded for which, he prayed the Court to pass orders for refund of private party rent of Rs. 2,33,731 recovered from his final settlement bill besides ordering for payment of guarding charge at the rate of Rs. 20 per day for the period of retention of all the quarters.

3. The First Party Management in its written statement among other things asserted that it has a House Allotment Rules which governs the mode, manner of allotment of Company's quarters and its use, the procedure of cancellation of allotment action of unauthorized occupation/use, recovery of rent, damages etc. As per the Rules no employee is permitted to occupy more than one quarters at any point of time and if an employee due to misrepresentation or otherwise is found to be in occupation of more than one quarters, he/she shall be deemed to be in unauthorized use of all the quarters under his/her occupation from the date of occupation of more than one quarters and is liable for cancellation in which event the employee would also be liable to pay market rent and other charges as per the Rules.

Saying so, the 1st party management asserted further that the 2nd party workman was found to be in unauthorized occupation of all the three quarters bearing numbers H/261, B/64 and A/20 on different spells by suppressing the information. It is alleged by the 1st party management that the 2nd party workman did not vacate those quarters within the period stipulated under the House Allotment Rules and even after direction to do so for which there being no alternative for the management market rent and other charges were recovered from his wages and the voluntary retirement benefit as well. The further allegation of the 1st party management is that even after his retirement the 2nd party workman did not vacate the quarters under his unauthorized occupation for which a proceeding under the Public Premises (Eviction of Unauthorized Occupation) Act was initiated against him and after several years of his retirement he vacated the quarters finally. As such, he was liable for the market rent as per the Rules. Mentioning the sequence under which the three different quarters were allotted to the workman on different occasions, the 1st party management asserted that after occupation of quarters No. B/64 on the 24th September 1996, he was required to vacate the previous quarters No. H/261 on or before the 11th October 1996, and since he did not vacate the quarters within the time stipulated occupation of both the quarters became unauthorized and cancelled with effect from the 11th October 1996 making him liable to pay market and other charges as per the Rules. It was specifically stated by the 1st party management that after the cancellation of allotment of quarters No. B/64 with effect from the 11th October 1996 the 2nd party workman did not vacate the same till the 3rd April 2000 and even after his voluntary retirement and

release from service, he continued to occupy the quarters unauthorisedly for a long period and vacated the quarters No. H/261 only on the 11th January 2002. As regards quarters No. A/20, the case of the 1st party management is that the 2nd party workman in spite of his illegal possession of the previous two quarters fraudulently took occupation of this quarters on the 3rd April 1998 in the normal course of allotment without vacating the other two quarters already under his occupation. It was, therefore, asserted by the 1st party management that occupation of quarters No. A/20 also became unauthorized with effect from the 13th April 1998 and he was made liable to pay market rent for the said quarters till its vacation. Ultimately quarters No. A/20 was vacated by him on the 11th November 2003 after filing of P. P. Case No. 8177/2002 against the 2nd party workman.

In Para. 8 and 9 of the written statement the 1st party management exhibited the details regarding the dates on which the quarters were allotted to the workman, when those were occupied by him and the dates when the allotment was cancelled and ultimately vacated by him; and on that score the specific amounts which he would be liable to pay to the Company towards the market rent and the electricity charges for the individual quarters denying further regarding recovery of any private party rent from him. However the management admitted about the refund of an amount of Rs. 59,786.56 along with an amount of Rs. 27,900 towards Local Travelling Expenses to the workman after reconciliation and adjustment denying further about recovery of any private party rent from him. But, at the same time, it asserted the contention of the 2nd party workman that he was told by the Estate Supervisor to retain the quarters as baseless. With such averments, it was submitted by the management that after voluntary retirement of the 2nd party workman with effect from the 31st July 2001 there exists no employer-employee relationship between the parties and thus the dispute of the present nature would otherwise not come within the purview of the Industrial Dispute Act, 1947. Consequently, it prayed the Court to answer the reference in its favour as the same is not maintainable.

4. On the above pleadings of the parties and the reference made to the Court, the following issues have been settled for answer :

#### ISSUES

- (i) "Whether the action of the management of Rourkela Steel Plant, SAIL, Rourkela on recovering market and penal house rent, electric charges and guarding charges against Qrs. No. H/261-IBR(LT), Sector - 15, Qrs. No. B/64-IBR-HT, Section 13 and Qrs. No. A/20-IBR-LT., Sector 15, Rourkela allotted to Md. Khan, PL. No. 18699, Ex-Operator-cum-Technician, Roll Shop, Rourkela Steel Plant, from the voluntary retirement benefits of Md. Khan is legal and/or justified ?
- (ii) If not, to what relief Md. Khan is entitled ?"

5. When the workman himself examined as the only witness on his behalf, the Senior Manager (Finance & Accounts) of the management company was brought into the box as the lone witness when a large number of documents were proved by him. No documentary evidence was however, adduced by the workman.

## FINDINGS

7. *Issue No. (i)*—The workman as W. W. 1 in his examination-in-chief through the affidavit, marked Ext. W 1, submitted that the management finally settled his accounts after his taking VRS on the 31st July 2001 and on the 22nd December 2003 sent the details of the final settlement deducting Rs. 2,29,594 towards house rent, Rs. 7,245 towards electric charges Rs 638 for missing fittings and Rs. 9,310 towards other estate demand, totaling to an amount of Rs. 2,46,780 without any basis and arbitrarily and illegally. But according to the workman, he would on the other hand, be entitled to recovery of Rs. 2,33,731 deducted illegally as the deduction of the house rent was arbitrary and illegal and the amount deducted towards the electricity charges is also illegal, whereas his signature was not taken to show that there was any missing of fittings and that the details of other estate demand is not furnished. He however, admitted to have been allotted with all the three quarters bearing Nos. H/261, B/64 and A/20 on different occasions on the basis of his application duly filled in and after due scrutiny thereof. But at the same time he stated that on each occasion of allotment of the other quarters on vice vacation of the earlier he had told the Estate Supervisor concerned to take possession of the vacated quarters but with a view to avoid prevention of the occupation of the quarters of the management by the non-employees on account of reduction of man power more than one quarters were allotted to many employees in the own interest of the management and on that score, he was told by the Estate Supervisor to retain the quarters and to guard the same till another worker takes possession of the same on allotment. In that view of the matter, the workman besides claiming refund of the house rent, electricity charges, missing fitting charges and other estate demands, claimed that he has to be paid with the guarding charges at the rate of Rs. 20 per day for all the quarters under his occupation for the period of retention. But in his fairness, the workman admitted that the management has refunded Rs. 59,786.06 alongwith Rs. 27,900 at the state of conciliation but without any interest and, saying so, he attempted to impress upon the Court that all the deductions made from the accounts finally settled in his favour was without any basis.

On the other hand, the Senior Manager (Finance & Accounts) while examining as M. W. 1, stated in his examination-in-chief through the affidavit, marked Ext. M-13, that after retirement of an employee, final settlement of dues are computed on the basis of "no objection" certificate issued by various department and, in the process, when the 2nd party workman was in unauthorized occupations of the aforesaid three number of quarters, the total amount of Rs. 1,71,871 had been recovered and adjusted from final settlement dues towards market rent, electricity charges and damages, as the same could not be recovered from the salary while he was in employment. In the affidavit(Ext. M-13) M. W. 1 has mentioned specifically at Para. 6 the periods for which the market rent and electricity charges so also the damages were calculated and realized from the workman in relation to the three quarters possessed by him unauthorisedly. With such statements, M. W. 1 deposed further, that the evidence given by the workman is contrary to the House Allotment Rules and also not correct for which he is not entitled to any relief since the recoveries from him have been made as per the Rules. As stated earlier, he proved as many as 26 other documents in support of the claim of the management which included some of the photo copies of the declaration form, occupation order, vacation report, etc. with the signature of the workman.

7. When cross-examined by the workman M. W. 1 admitted about adjustment of Rs. 7,245 in the retirement benefits of the 2nd party workman and such amount was refunded to him which earlier had been deducted from his salary towards energy charges. He also admitted about refund of an amount of Rs. 59,786.56 to the 2nd party on consideration of his appeal. He, however, answered with vehemence at Para. 6, 7 and 8 during cross-examination that the 2nd party workman had applied for allotment of the higher type of quarters whereas the other two quarters were allotted to him by the management taking into consideration his seniority; that an employee allotted with the subsequent quarters had to vacate the previous one within ten days of the occupation of the second quarters; and in the even of his failure to do so, the allotment of the quarters will be deemed to have been cancelled and his occupation thereof would be treated as unauthorized; and that in the House Allotment Rule of the management there is no provision for payment of guarding charges but there is provision for payment of damages. Though he was not able to say the market rent, if any, recovered from the salary bill of the 2nd party workman for the quarters under his occupation but denied the suggestion that in spite of the exercise already made regarding payment of the retirement benefit to the 2nd party workman he is still entitled to the refund of an amount of Rs. 2,33,431.

On the other hand, when cross-examined the workman (W. W.1) admitted fairly at Par. 4 that he has no knowledge about the procedure, if any, regarding allotment of quarters by the Plant; and the Rules, if any, about deduction of house rent from the employee-occupant. Such statement of the witness, in view of the claim made by him that the 1st party management has illegally and arbitrarily made deductions of the house rent, electricity charges etc. and his assertions in the statement of claim regarding the provisions of the House Allotment Rules, found to be not consistent with his examination-in-chief particularly when he *inter alia* had advanced the claim that in the exigency he would otherwise be entitled to the guarding charges of the three quarters at the rate of Rs. 20 per day. From the answers given by this witness during the further cross-examination, it is found that he did not dispute regarding occupation of all the three quarters by him and, instead, admitted specifically that on the 18th August 1990 when he was allotted with the quarters No. H/261, on the 17th September 1996 he was allotted with quarters No. B/64 and on the 16th March 1998 he was allotted with quarters No. A/20. He also admitted at Para. 10 of his cross-examination that on the 11th January 2002 he vacated quarters No. H/261 and quarters No. B/64 was vacated by him on the 3rd April 2000, whereas on 11th November 2003 he vacated the other quarters No. A/20. When questioned regarding his claim that he was asked by the Estate Supervisor to retain and guard the quarters, W. W. 1 at Para. 11 of his cross-examination admitted fairly that he had not filed any document in that behalf. On the other hand, he admitted further that rather he was issued with a written notice by the Plant to show cause regarding letting out of quarters No. B/64 on rent. At Para. 12 of the cross-examination the further admission of the workman was that he continued possession of the quarters No. H/261 for about five years after allotment of quarters No. B/64 and had continued possession over the quarters No. A/20 for about 04-05 years even after his voluntary retirement on the 31st July 2000. In the subsequent Para. this witness also admitted about initiation

of a Departmental Proceeding against him by the Plant for illegal occupation of three different quarters in which he had participated. Of course, while admitting about continuous possession of the quarters by him, he had volunteered at Para. 12 of his cross-examination that he had approached the authority to take vacant possession of the previous quarters but has admitted at Para. 11 that he could not file any document in that behalf.

A bare perusal of the House Allotment Rules produced and proved by the management disclosed the fact that an employee desirous of vacation of quarters allotted to him has to intimate the authority in writing. That was admittedly not done by the workman and, instead, at Para. 14 of the cross-examination it was admitted by him that in his show cause to the Departmental Proceeding he had among other things admitted about retention of the quarters and went on admitting further at Para. 16 that the 1st party management had started a P. P. Case (vide No. 8177/2002) against him for his eviction from the quarters under his occupation. On the other hand, though he claimed the deductions to be illegal, at Para. 17 of his cross-examination admitted to have no documents to show that the deductions made by the 1st party management towards the arrear house rent, electricity bill, fees for missing fittings of the quarters etc. were not correct. He even denied about payment of an amount of Rs. 7,245 towards his retirement benefits but in the next breath admitted to have shown the same wrongly deducted towards the electricity charges.

8. Basing on the evidence adduced by the parties and House Allotment Rules made by the 1st party management when the representative for the management both in his oral and written argument drew the attention of the Court to the specific periods for which the workman was held to have been in unauthorized occupation of the three quarters in view of the rules made for the purpose, contended that he would be liable for the market rent, electricity charges and damages. To strengthen his submissions on the issue the representative for the management also read out the provisions of different clauses of the Rules and placed reliance in different documents marked as Exts. M-23 to M-26. He also spoke about Exts. M-10 and M-11 to show the initiation of the Departmental Proceeding and the subsequent appearance of the workman therein besides the admission made by him in that proceeding. Exhibiting the specific period of unauthorized retention of the quarters by the workman and his liability thereof to pay the market rent and other charges including the energy bill from time to time as per the circular issued on behalf of the management, the representative for the management concluded his submissions that when the workman enjoyed occupation of the Company's quarters illegally, the realizations were made from his salary during his incumbency and the other amount was adjusted from his post service benefits while settling the accounts finally. The specific submission of the representative for the management was that the statement of claim of the workman and the evidence adduced on behalf of the parties on comparison would tally each other and on that score the workman would not be entitled to any relief in the present case.

Per contra, the learned counsel for the workman without advancing any oral submission apprised the Court in the written note of argument primarily mentioning the different calculations as regards the deductions made by the management with regard to the claim advanced by it in relation

to the retention of the quarters by the workman, submitted that such calculations are time and again found to be misleading and incorrect and when the management has subsequently refunded some amount during conciliation, the claim regarding improper calculation is being strengthened further and therefore the workman would be entitled to the refund of the amount claimed by him in the statement of claim particularly when no domestic enquiry was conducted to fasten the culpability on him and the so-called Departmental Proceeding alleged to have initiated by the management would have no force for furtherance of the same without following the due procedure of law. According to the learned counsel for the workman the 2nd party workman would instead be entitled to receive the guarding charges of the quarters when possession of the same was not taken by the management in spite of his approach to the authority concerned.

9. In the reference made to this Court under the schedule, the question was whether the action of the management on recovering the market and panel house rent, the electricity charges and guarding charges against the three quarters allotted to the workman from the voluntary retirement benefits is legal and/or justified. But in the case at hand, the management has specifically submitted that it has neither recovered any panel house rent or guarding charges and has instead only realized the market rent, electricity charges and damages. Therefore the question would be as to if the amount realized by the management for the purpose, notwithstanding the specification made in the reference schedule, was legal and/or justified ?

When the workman claimed that the recovery was arbitrary and illegal he could not produce before the Court any document much less any calculation as per the existing provisions of the management to show such realization either to be arbitrary and/or illegal. On the other hand, the claim of the management is that the entire exercises have been made by it strictly in accordance to the provisions of the House Allotment Rules and the subsequent circulars issued by it from time to time. Both the Rules and the circular orders of the management have been brought into evidence which included in the 26 documents proved by it. On perusal of the Rules made under House Allotment Rules, it is noticed that the Rule was given effect from 1st May 1995. From the written statement, evidence of M. W. 1 and the written argument as well given on behalf of the management, it is found that realization of the market rent, electricity charges etc. for all the three quarters under occupation of the workman were given effect from the 24th September 1996 onwards which is subsequent to the coming into force of the Rules regarding house allotment. Though it is found that the workman was initially allotted with quarters No. H/261 on the 22nd August 1990, but from that day onwards till the 30th April 1995 nothing has been deducted from either the monthly emoluments of the 2nd party workman or from his retirement benefits. As stated earlier, the workman admitted about existence of such Rule of the management but despite availability of the same and the circulars issued by it from time to time he could not otherwise satisfy the Court even by adducing any evidence subsequently regarding the illegality or unjustifiable if any, made by the management in recovering the house rent, electricity charges etc. from him. Since the reference was regarding

the legality/justification or otherwise of the recoveries made by the management towards the house rent etc. of the workman, the same when examined in the light of the evidence adduced by the parties backed by the Rules and the circular orders, appeared to me, to be not illegal and/or unjust.

Hence, this issue is answered against the workman.

10. *Issue No. (ii)*—Number of other pleas that after retirement of the workman there exists no relationship in between the parties to give rise to any dispute much less “industrial dispute” and that the workman would not be entitled to the reliefs claimed in the proceeding in view of the separate provisions made elsewhere under the Act were raised on behalf of the management to disentitle the workman from getting the reliefs otherwise but noting in that behalf was adduced in evidence or addressed to the Court by either party with the aid of any judicial pronouncement. Thus, without discussing the issue in that behalf, it appeared to my considered view, that for the negative answer given in issue No. (i), the workman would also not be entitled otherwise to any other relief in the case at hand. Hence answering this issue accordingly it is ordered :

#### AWARD

That the matter in dispute on being adjudicated on contest found that the action of the management of Rourkela Steel Plant, SAIL, Rourkela on recovering market and penal house rent, electric charges and guarding charges against the quarters allotted to Md. Khan from his voluntary retirement benefits is legal and/or justified and Md. Khan is not entitled to any relief. No cost.

Prepared in the official laptop with the assistance of the Stenographer and correct and printed out by me.

PRADIPA KUMAR SASMAL  
24-11-2011  
Presiding Officer  
Labour Court, Sambalpur

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24-11-2011  
Presiding Officer  
Labour Court, Sambalpur

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By order of the Governor  
T. K. PANDA  
Under-Secretary to Government