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LABOUR & E. S. I. DEPARTMENT

ORDER

The 13th March 2013

S. R. O. No. 161/2013—Whereas, the Management of M/s Orissa Sponge Iron & Steel Ltd., At/P.O. Palaspanga, Distt. Keonjhar had applied for closing of its Billet Unit in the letter dated the 12th January 2013, received in the department on dated the 14th January 2013, under Section 25-O(1) of the Industrial Dispute Act, 1947 and sought permission of the Government under sub-section (4) of Section 25(O) of the Industrial Dispute Act, 1947 with effect from the 15th May 2013 for the reasons mentioned in the application of the 12th January 2013 ;

And whereas, the State Government in Labour & E.S.I. Department have made such inquiry as was considered necessary and have given a reasonable opportunity of being heard to the employer and the workmen represented by the Orissa Sponge Iron Employees Union, At/P.O. Palaspanga, Dist. Keonjhar. The hearing was attended by the representative of the workmen through above said Union.

The above Union aired their grievances and stated reasons why the company should not be allowed to close down.

Shri Lambodar Nayak and other Union Officials while refuting the allegation of the Management, opined that intentionally the Management declared a lock out in the factory and later applied for closure of the Billet Plant. They added that due to lack of foresightedness and due to other ulterior motive, the Management has applied for closure while the discussion for payment of bonus/ *ex gratia* to the workmen for the year 2011-12 was under the process of discussion with the Deputy Labour Commissioner, Rourkela. Due to the above intentional action of the management the workmen have not received their salary for last five months. Therefore, they requested the Government not to allow the Management close the plant.

The following reasons were given by M/s Orissa Sponge Iron Steel Ltd. for closure of the Billet Plant Division, At/P. O. Palaspanga, Dist. Keonjhar :—

The Director of the Company first objected the presence of CITU Members in the meeting stating that the Union has no affiliation with CITU. The Director stated that the Billet Plant of the factory has started in the year 1994 & since last 3 and half years the Billet Plant had become unviable due to hike in prices of Iron Ore and Coal for which the company has suffered huge losses and not in a position to run the same for which management finally decided to close the Billet Plant on and from the 15th May 2013 onwards. For these reason the Management sought closure permission from Government.

1. From the side of the Government for payment of Bonus/*ex gratia* for the accounting year 2011-12 the demand of the Orissa Sponge Iron Employees Union have been referred to Presiding Officer, Industrial Tribunal, Bhubaneswar, Odisha for adjudication vide Order No. 37, dated the 2nd January 2013.
2. The State Government have prohibited lock out vide order No. 2237, dated the 4th March 2013.

Now, therefore in pursuance of the provisions under sub-section (2) of Section 25-O of the Industrial Dispute Act, 1947 (Act 14 of 1947) the Government of Odisha do hereby refuse to grant permission for the intended closure of M/s. Orissa Sponge Iron & Steel Ltd., At/P. O. Palaspanga, Dist. Keonjhar on the following ground :—

1. The employer has already declared a lock-out on the 14th October 2012 before the application for closure was submitted to the Government on the 12th January 2013. The employer has violated the provision of 25-O(1) of the ID Act, 1947 by closing down the establishment before orders of the Government were passed in accordance with law.
2. The employer has failed to clarify satisfactorily as to what steps have been taken to clear all outstanding dues of the workmen.
3. No steps have been taken to revive the unit in recent times.

[No. 2666—IR(M)-1/2013-LESI.]

By order of the Governor

CTM SUGUNA

Commissioner-*cum*-Secretary to Government

Members present during hearing on closure application of the Management of Orissa Sponge Iron & Steel Ltd., Palaspanga, Keonjhar on the 8th March 2013 at 11-30 A.M. in the Office Chamber of Commissioner-*cum*-Secretary, L & ESI. Department.

1. Shri H. Sharma . . Labour Commissioner, Odisha, Bhubaneswar
2. Shri Munir Mohanty . . Director, Orissa Sponge Iron & Steel Ltd.
3. Shri Anil Ku. Virmani . . C. E. O. Orissa Sponge Iron & Steel Ltd.
4. Shri Anjan Kumar . . General Secretary, Orissa Sponge Iron Employees Union
5. Shri Sanu Charan Naik . . President, Orissa Sponge Iron Employees Union
6. Shri Santanu Ku. Pradhan . . Joint Secretary, Orissa Sponge Iron Employees Union
7. Shri Satyanarayan Brahma . . Treasurer, Orissa Sponge Iron Employees Union
8. Shri Khageswar Mahanta . . Joint Secretary, Orissa Sponge Iron Employees Union
9. Shri Lambodar Nayak . . President, CITU, Odisha
10. Shri Pradip Mohanty . . EC Member, CITU, Odisha
11. Shri Ajay Kumar Pradhan . . District Labour Officer In-charge, Keonjhar
12. Shri P. K. Baliarsingh . . Assistant Labour Commissioner (HQ)