

GOVERNMENT OF INDIA
MINISTRY OF STEEL

RAJYA SABHA
UNSTARRED QUESTION NO.4292
FOR ANSWER ON 04/04/2018

FITMENT BENEFIT IN PAY REVISION OF SAIL EMPLOYEES

4292. SHRI SANJAY SINGH:

Will the Minister of STEEL be pleased to state:

- (a) whether 15 per cent benefit in pay revision as per OM No. W-02/0028/2017-DPE (WC)-GL-XIII/17 dated 03.08.2017 is not applicable to Steel Authority of India Limited (SAIL);
- (b) if so, whether it can be said that the SAIL employees are considered responsible for the loss in terms of average profit Before Tax of preceding three years i.e. (2013-14, 2014-15 and 2015-16); and
- (c) if so, the reasons for non-amendment of the 'Affordability Clause' of aforesaid OM considering the truth that SAIL made profit for nine consecutive years from 2006-07 to 2014-15 and reasons for loss during 2015-16 being global steel recession and dumping and predatory prices?

ANSWER

THE MINISTER OF STATE FOR STEEL

(SHRI VISHNU DEO SAI)

- (a) As per para 18 of DPE guidelines issued vide OM dated 03.08.2017 regarding Pay Revision of Board level and below Board level Executives and Non-Unionised Supervisors of Central Public Sector Enterprises (CPSEs) w.e.f. 01.01.2017, the Board of Directors of each CPSE including Steel Authority of India Limited (SAIL) would require to consider the proposal of pay revision based on their affordability to pay, and submit the same to the administrative Ministry for approval. Further clause 3 of the said DPE guidelines provides that the revised pay scales would be implemented subject to the condition that the additional financial impact in the year of implementing the revised pay package should not be more than 20% of the average Profit Before Tax (PBT) of the last three financial years preceding the year of implementation.
- (b) The PBT details of SAIL during last three financial years are as under:-

Financial Year	PBT (Rs. in crore)	Average PBT during last 3 years
2013-14	3225	-475 Crore
2014-15	2359	
2015-16	(-)7008	

The average PBT for 3 years (as per DPE Guidelines) in case of SAIL is negative. Therefore, benefit of Wage/Salary Revision, at this stage, cannot be implemented/ extended to employees of SAIL as per the conditions specified in Clause 3 of DPE guidelines dated 3.8.2017. There are several factors which affected the performance of SAIL and its bottom line.

- (c) The DPE guidelines dated 03.08.2017 on Pay Revision w.e.f. 01.01.2017 of Board level, below Board level Executives and Non-unionised Supervisors of CPSEs following IDA pattern have been issued based on the approval of the Competent Authority on the recommendations of 3rd Pay Revision Committee (PRC) as well as the Committee of Secretaries (CoS) and are uniformly applicable for each CPSEs including SAIL.