

06.10.2026
Item No.02
Ct. No. 30
g.b.

WPA 28429 of 2026

**Ferro Scrap Nigam Limited Employees' Union,
Durgapur Unit & Anr.
Vs
Union of India & Ors.**

Mr. Soumya Majumdar, Sr. Advocate
Mr. Upendra Roy
Miss Kanchan Roy
Miss Sadia Zarreen
Mr. Swadhin Chowdhury
... For the Petitioners
Mr. Kishore Datta, Sr. Advocate
Mr. Laxmi Kanta Pal
Ms. Sunita Shaw
.....For the Respondents

1. The writ application has been preferred praying for directions upon the respondents not to discontinue the contract labours till the pending reference is finalized and that the concerned management be directed to issue gate pass to the contract workers to perform the job assigned to them as usual and also directing the respondent authorities, their, men and agents i.e. Durgapur Steel Plant not to take any coercive actions to deprive the right of the contract workers and be not disturbed from their service, as **the matter is yet to be adjudicated by C.G.I.T. Asansol till date.**
2. Mr. Majumdar, learned senior counsel appearing for the petitioners submits that **an order of reference is pending** before the Central Government Industrial Tribunal-cum-Labour

Court being Reference No. 14 of 2026. The terms of reference are as follows:

1-Whether workmen engaged in Ferro Scrap Nigam Limited (FSNL) are entitled to absorption/regularisation under Durgapur Steel Plant (SAIL), and

2- Whether denial of wage parity and consequential benefits to FSNL workmen is illegal and unjustified. If yes, then what relief, if any, the concerned workmen are entitled to."

3. A writ application was earlier moved by the writ petitioners herein being No. WPA 22386 of 2026. The writ application was disposed of on 01.09.2026 **by taking into consideration the pendency of the reference before the Tribunal** and the submissions of the learned counsels for the parties and the following directions was passed by this Court:-

*" Accordingly, considering the submissions made by the parties, the writ application is disposed of with the direction that **the private respondent who has taken steps for issuing tender on 19.01.2026 shall proceed in accordance with law, keeping in mind that an order of reference bearing no. (44)/2025/E dated 24.02.2026 is pending before the Tribunal and that the private respondent shall be bound as per law in respect of the award passed by the Tribunal in due course."***

4. It is the case of the petitioners that on a fresh cause of action, they have come before this Court, in view of the fact that an application under Section 33 of the Industrial Disputes Act, 1947 filed before the Tribunal has been fixed for hearing on 23.12.2026, on the ground that Management of Durgapur Steel Plant has to be given an opportunity of hearing.
5. Mr. Majumdar, further submits that on receiving a copy of the written statement filed by the respondent/SAIL/Durgapur Steel Plant before the Tribunal, the petitioner has approached this Court, considering the following pleadings in the said written statement:-

“2(c) As SAIL had awarded contract to Ferro Scrap Nigam Ltd. which was an independent Central Public Sector Enterprise, such contract was in any case not covered under Cl. 3.6.1.1 and 3.6.1.2 of NJCS Agreement, 2014 which was intended to prevent engagement of contract workers instead of regular employees, whereas Ferro Scrap Nigam Ltd. would have its own regular employees. If at all those members of Claimant Union who were not regular employees of Ferro Scrap Nigam Ltd. but were contractor workers of Ferro Scrap Nigam Ltd. sought to rely on Cl. 3.6.1.1 and 3.6.1.2 of NJCS Agreement, 2014, such contractor workers of Ferro Scrap Nigam Ltd. ought to have invoked the said clauses against Ferro Scrap Nigam Ltd. instead of invoking the same against SAIL / Durgapur Steel Plant which was never the principal employer of such contractor workers of Ferro Scrap Nigam Ltd.

(d) *After privatization of Ferro Scrap Nigam Ltd. and consequent change of its name to*

*FSNL Pvt. Ltd., **the contract awarded by SAIL Plants including Durgapur Steel Plant had to be continued for the time being so as to operationalize a new contract after open tendering.** The contract awarded to Ferro Scrap Nigam Ltd. and being presently executed by FSNL Pvt. Ltd. **is extended** in Durgapur Steel Plant only till 30.09.2026 after which **the new contract awarded on 20.08.2026 through GeM portal shall be operationalized.** As such, the appeals FMAs nos. 265 and 266 of 2019 filed by SAIL and Ferro Scrap Nigam Ltd. challenging the judgment of an Hon'ble Single Judge dt. 25.01.2019 setting aside the contract awarded to Ferro Scrap Nigam Ltd. and directing award of contract after open tender, in which Hon'ble Division Bench had vide interim order dt. 01.04.2019, directed continuance of the contract awarded by SAIL/Durgapur Steel Plant to Ferro Scrap Nigam Ltd., became infructuous on privatization of Ferro Scrap Nigam Ltd. and after hearing on 01.10.2024 and further hearing on 09.12.2024, were disposed of on 09.12.2024."*

6. It is thus submitted by Mr. Majumder, that in view of the **statements made in Clause 2 (d) to the written statement**, the petitioner herein shall suffer irreparable loss and injury considering that the respondents herein are proceeding to operationalize the new contract awarded on 20.08.2026, in spite of the fact that **the reference has not been disposed of till date.**
7. It is further submitted that in case the respondents proceed as per their statement in Clause 2(d) to the written statement, the

reference will become infructuous, considering the nature of issues under a reference. It is further submitted that if the same is not stayed for the time being, the petitioner's relief before the Tribunal will become infructuous and thus fail, as a new contract to a third party, as stated, shall seriously prejudice the petitioners.

8. A **Notification dated 22.02.1982**, which relates to contract labour employed by M/s. Durgapur Steel Plant, has been relied upon by the petitioner. The part relied upon is as follows:-

*“Thus, the span of contract for the job of reclamation of iron and steel scrap carried out by the Respondent No.2 i.e. DSP, through the deployment of contract labour but with the change of contractors, was of more than 29 years on the date of second spot visit of the committee i.e. 11.7.91 after about 10 years of the first one, before issue of the aforesaid Notification, upon which the representation in question was preferred. It is relevant to mention in this connection that one of the salient features of the said contract with the succeeding contractor, was the **redployment of contract labour**, who used to work under the previous contractor i.e. M/s. Thomas Mouget & Co. (India) Ltd. The first succeeding construction Limited along with its sub-contractor M/s. Vinayak Steels and the **second one is M/s. Ferro Scrap Nigam Ltd.**, which took over the workers of the previous contractor/sub-contractor, as per Agreement made between the contractor and the Unions representing the contract labour, as its own workmen in order to carry out the said job. It also appears on record that the strength of contract labour deployed in the said job remained almost the same since inception of the contract i.e. June, 1962 and till the new contract awarded w.e.f. 1.10.91. And the*

labour force which used to work round the clock in 3 shifts for executing the said job was not appreciable dropped from the commencing level to show any diminished trend in the workload.”

9. It is thus submitted by Mr. Majumder, that in view of the said document and in view of the written statement filed by the respondents before the Tribunal, this Court’s direction in order dated 01.09.2026 passed in WPA 22386 of 2026 would then become meaningless, considering that Clause 2(d) in the written statement filed before the Tribunal is against the direction of the Court in the order dated 01.09.2026 passed in WPA 22386 of 2026, **wherein the Court had specifically directed the private respondent to proceed with the tender in accordance with law but keeping in mind that the order of reference is pending before the Tribunal and that the private respondent shall be bound as per law in respect of the award passed by the Tribunal in due course.**

10. Mr. Datta, learned senior counsel appearing for the respondents submits that there is no fresh cause of action in this case which permits the petitioners to prefer a fresh writ application, as the earlier writ application being WPA 22386 of 2026 and the order dated 01.09.2026, was on the self same issue. No new case is made out and the present writ application is also barred by

resjudicata and thus not maintainable and is liable to be dismissed.

11. On hearing the learned senior counsels for the parties and on perusal of the materials on record, it appears that admittedly the direction of this Court in **Paragraph 7 in the order dated 01.09.2026 passed in WPA 22386 of 2026 remains in force** till date.
12. Thus in view of the said order and direction, if the respondents are permitted to proceed as per Clause 2(d) of the written statement filed by the respondents before the Tribunal, the purpose of reference before the Tribunal will fail and the petitioners rights to be adjudicated therein as per the reference in the context of the respondents herein will stand extinguished, even before the reference is decided by the Tribunal and if this happens, the same will not only cause severe prejudice to the writ petitioners, but will also be an **abuse of the process of law**, considering that **a valid reference is still pending** before the Tribunal. As such the new contract as per tender process, thus cannot be given effect to in the interest of justice.
13. Accordingly, in view of the fact that the reference before the Tribunal is still pending and the direction of this Court in Paragraph 7 of the order dated 01.09.2026 passed in WPA 22386 of

2026, is still in force, **the respondents herein are restrained from giving effect to any new contract, more so the contract awarded on 20.08.2026, as stated in Clause 2 (d) of the written statement till the final disposal of the reference by the Tribunal.** It is further made clear that the private respondents herein shall be bound as per law in respect of the award passed by the Tribunal in due course on the issues under the reference, **as the said reference is earlier in time to the new contract.**

14. **It is further directed that till the decision of the Learned Tribunal which shall proceed expeditiously, the respondent authorities shall not discontinue or take any coercive action against the petitioners/contract workers.**

15. The writ application stands disposed of.

16. Urgent Photostat certified copy of this order, if applied for, be supplied to the parties after completion of all necessary formalities.

(Shampa Dutt (Paul), J.)