Significance and meaning of 'Settlement'

Settlements/agreements and awards play a very crucial role in directing the relations between the parties. It has been experienced that the day of first or subsequent settlement/
agreement between the concerned parties is greeted as a historical one in the life of an industrial unit. Occasions, when managements and their employees resolve their conflicts by compromise, are regarded as fruitful and positive conclusion of the unrest in their mutual relations; for, they expect to live in a better and peaceful coexistence after arriving thereat. The agreement may be entered into in two ways, viz., (i) when the parties agree privately, and (ii) when they agree during the proceedings of conciliation. Technically speaking both these methods are included in the definition of the term 'settlement' as per Sec. 2(p) of Industrial Dispute Act, which reads as under:

"'Settlement' means a settlement arrived at in the course of conciliation proceedings and includes a written agreement between the employer and workmen arrived at otherwise than in the course of conciliation proceedings, where such agreement has been signed by the parties thereto in such a manner as may be prescribed and a copy thereof has been sent to an officer authorised in this behalf by the appropriate Government and the conciliation officer."

Distinction between a private agreement and a conciliation settlement:

Sec. 18(1) of Industrial Dispute Act specifies that a bipartite or private agreement (entered into by the parties otherwise than during the course of conciliation proceedings) shall bind only the parties to the agreement.

Sec. 18(3) provides that a settlement arrived at in the course of conciliation proceedings shall bind all workmen belonging to the same establishment or 'part of an establishment' irrespective of the fact that some of the workmen are not a party to the settlement and that they might be opposed to the
settlement; the fact that a particular employee was not a member of the union is quite immaterial and does not affect the binding force of the settlement upon all workmen. This view finds support from a decision of the Supreme Court, which held — in the case of Ramnagar Cane & Sugar Co. Ltd. Vs Jatin Chakravarty\(^1\) — that, in order to bind the workmen, it is not necessary to show that the said workmen belonged to the union which was a party to the dispute before the conciliator. Further, in the case of Jhagrakhan Collieries (P) Ltd. Vs. G.C. Agarwal\(^2\) the Supreme Court held that it is clear from a perusal of Sec. 18 that a settlement arrived at in the course of a conciliation proceedings is binding not only on the actual parties to the industrial dispute but also on the heirs, successors or assigns of the employer, on the one hand, and all the workmen in the establishment, present or future, on the other hand.

Regarding private agreement it is necessary that it must be a written agreement duly signed in the manner prescribed by the Rules framed under the Act. An implied agreement by acquiescence or conduct such as acceptance of a benefit under an agreement to which the worker accepting the benefit was not a party, being outside the purview of the Act, is not binding on such a worker either under Sec. 18(1) or Sec. 18(3).

\(^1\) A.I.R. 1960, SC, p.1012.
\(^2\) Lab. IC, 1975, p.137.
The settlement in the course of conciliation, therefore, stands on a higher footing than an agreement between the parties; greater sanctity is attached to it as it is arrived at with the assistance and concurrence of the conciliation officer, who invites all the concerned parties and persuades the participating parties to reach a fair and reasonable decision to safeguard their mutual interests after due deliberations and consideration of the pros and cons of the issues involved. The significance of a settlement arrived at in the course of conciliation is that it bears the stamp of approval of the conciliation officer over the consensus resulting from such discussions so as to justify its binding force not only on the employees in service at the time when it is arrived at, but also on those who are to enter service on a future date, so long as the settlement remains in force and is effective. Any other view on this aspect of the matter would run counter to the concept of 'settlement arrived at in the course of conciliation', as enunciated in the decisions of the Supreme Court as referred to above. The parties can not attack some of terms of the agreement on one hand and yet seek protection of Sec. 18(3) with respect of some other terms thereof.

Chart VII.1 explains the settlement (including agreement) in outline.
Principles for just and fair settlement

The Supreme Court has, in two cases, ruled some principles for a just and fair settlement as follows:

* The size of the numerical strength of the members of the Union which is a party to the settlement.
* Collectively bargained settlement is entitled to due weight and consideration.
* Conditions that were in force at the time of the reference.
* Negotiations between the parties and encouragement in the interests of general peace and well-being and in the spirit of give and take.
* Settlement as a package deal — when labour gains in the matter of wages it may have some reduction in the matter of dearness allowance.
* Adjudication is distinguished from a voluntary settlement. Whether the settlement is fair and just cannot be judged by the principles of adjudication.

* Several factors influence parties to sign a settlement as a phased endeavour in the course of collective bargaining. With the establishment of cordiality there is always a likelihood of further advances during the binding period of settlement and of improved emoluments by voluntary measures avoiding friction and unhealthy litigation.

* Settlement should not be viewed against the yardstick of adjudication or in bits and pieces. Unless the objectionable portion in settlement completely outweighs all other advantages in settlement, it cannot be held to be unfair or unjust. Settlement has to be accepted or rejected as a whole.

* When the settlement is challenged by the minority workmen, the large majority who have signed the settlement stand by it.

Industrial peace as the aim of all legislation has been explained here. The Supreme Court has also made a reference to its decision in Sirsilk Ltd. 1963 II LLJ, 647. The following words from its judgement, 1978 I LLJ 490, provide the guidelines for judging a settlement:

"Settlement of labour disputes by direct negotiation or settlement through collective bargaining is always to be preferred; for, as is obvious, it is the best guarantee of industrial peace which is the aim of all legislation for the settlement of labour disputes." It is further explained that, under the law, it is no longer necessary to confine the settlement to the conciliation proceeding. That the Written Agreement must be signed in the prescribed manner and a copy thereof sent to the authorised officers is also explained.

**Awards**

Unlike settlements under written agreements or conciliation proceedings, the settlement of disputes between two parties may take place by a binding decision of an impartial outsider. This decision of settlement is known as 'award' which may be either (i) a voluntary arbitration award, or (ii) a compulsory arbitration or adjudication award. In the case of the former, movement
is 'from within', i.e., both the parties express a desire to submit to the decision of an arbitrator. In the case of latter, movement is 'from without', i.e., there is compulsion from the State and is resorted to when all other means of settlement of disputes fail. This settlement is commonly known as adjudication, which involves reference of disputes to the industrial relations machinery constituted by the State.

Sec. 2(b) of Industrial Disputes Act defines 'award' thus:

"'award' means an interim or a final determination of any Industrial Disputes of any question relating thereto by any Labour Court, Industrial Tribunal or National Industrial Tribunal and includes an arbitration award made under Sec. 10-A."

Sec. 10-A explains voluntary reference of disputes to arbitration in these words: Where any industrial dispute exists or is apprehended and the employer and the workmen agree to refer the dispute to arbitration, they may, at any time, before the dispute has been referred under Sec. 10-A to a Labour Court or Tribunal or National Tribunal, by a written agreement, refer the dispute to arbitration and the reference shall be to such person or persons (including the presiding officer of a Labour Court or Tribunal or National Tribunal) as an arbitrator or arbitrators, as may be specified in the arbitration agreement.

It appears from the above that the awards may be given either through the proceedings of arbitration or adjudication.

Further the awards can be broadly classified in two
categories:

(1) Award in terms of settlement.

(2) Award on the basis of adjudication.

(1) The parties to a dispute, who have failed to come to an amicable settlement before or during conciliation proceeding, may — if they desire — subsequently discuss and achieve a sort of understanding bringing forth the framework of settlement. If this framework of settlement — thus arrived at after conclusive failure of conciliatory proceedings — is presented to the respective judiciary body to whom the dispute has been referred, the Labour Court or the Tribunal, as the case may be, looking to the terms of settlement, its propriety, reasonability, justifiability and rationality, may approve the terms and conditions of the settlement put forth by the parties accordingly. This award, by its very nature, will be binding to the whole of workforce, if the reference is relating to whole of the workforce. But it seems that this type of award in terms of settlement has less sacraminal force or less spirit of sanctity as compared to the settlement arrived at under Sec. 18(3) of Industrial Disputes Act. Sometimes this award is also known as 'consent award' as it is based on element of consent of the concerned parties.

(2) In case when the parties to a dispute show their inability or reluctance to come to an amicable solution, the judiciary authority will examine the reference on the basis of contentions, evidences and arguments put forth by the parties in
relevance of the prevailing circumstances besides the merits of the case and given an award. This type of award will also be binding on all the parties concerned.

Main provisions/clauses of some of the Settlements/Awards in the Units under study:

In every organised industrial unit, some settlement/agreement or award do emerge, that mostly regulate the relations between the employer and the employees in regard to wages, bonus, dearness allowance, other allowances, welfare amenities, working conditions and so on.

To examine significant developments in LMR in each of the industrial units under study, some selected settlements and awards were studied. An attempt is made in the following pages to discuss in brief the main provisions and clauses of these documents, which regulate the LMR therein. They are both crucial and enlightening.

Refinery Industry : Unit R

A memorandum of Settlement was signed on 6-5-1975, by the representing parties of the employer and the workmen, under section 18(1) of the Industrial Disputes Act, 1947. The representing authorities of employers were: (i) General Manager, and (ii) Chief Personnel and Administrative Officer. The representatives of the labour union were: (i) Vice-President, (ii) General Secretary, (iii) Deputy General Secretary, and (iv) Secretary.
Prior to this, their settlement of January 1971, had expired on 31st December 1973. Due to the fresh representation of charter of demands by the recognised union, a series of meetings between the management of Industrial Organisation and the recognised union were held. The settlement took place between the parties as per the following main terms:

(1) **Applicability:** The settlement applied to all categories of 'workmen' as defined in the Industrial Disputes Act, 1947, on the date of the settlement. Those workmen, who had left the service during the period in between 1-1-74 to the date of settlement, were to be paid due amounts up to the dates of their separation.

(2) **Period of Settlement:** The settlement was to be in force for a period of three years, i.e., up to 5-5-1978.

The settlement was effective from 1-1-1974 in so far as the revision of pay scales, dearness allowance, house rent allowance and house rent subsidy were concerned. Other provisions except city compensatory allowance were to be effective from the date of the settlement.

The Union, according to the settlement, could not open a fresh charter of demands prior to six months before the expiry of the settlement.
(3) Scales of pay: The revised scales of pay were agreed upon as under:

<table>
<thead>
<tr>
<th>Gr.</th>
<th>Pre-settlement scales (Rs.)</th>
<th>Settlement scales (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I.</td>
<td>82-3-106-4-142</td>
<td>180-5-235-6-277</td>
</tr>
<tr>
<td>II.</td>
<td>91-4-115-5-170</td>
<td>190-6-238-7-308</td>
</tr>
<tr>
<td>III.</td>
<td>119-6-167-8-239</td>
<td>215-8-295-9-376</td>
</tr>
<tr>
<td>IV.</td>
<td>150-8-198-10-298</td>
<td>245-9-308-11-440</td>
</tr>
<tr>
<td>V.</td>
<td>215-10-275-14-415</td>
<td>300-11-388-14-570</td>
</tr>
<tr>
<td>VI.</td>
<td>261-14-359-18-521</td>
<td>355-14-467-18-683</td>
</tr>
<tr>
<td>VII.</td>
<td>347-18-455-24-647</td>
<td>400-18-562-24-826</td>
</tr>
<tr>
<td>VIII.</td>
<td>400-25-650-30-710-35-780</td>
<td>460-25-760-30-820-35-995</td>
</tr>
</tbody>
</table>

Further, for the fitment of the old scales into the revised scales, detailed Tables were prepared for each grade.

The normal date of annual increment of workman was not affected by fitment in the revised pay scales except as provided for as under:

If the normal date of annual increment of a workman at the lower of the two stages fell earlier, the date of increment at the higher stage was to be advanced so that he did not draw less basic pay in the revised scale than the workman at the lower stage in the old pay scales. The date of increment thus advanced was thereafter to be the normal date of annual increment.

Special pay, if any, drawn by a workman was not to be affected. However, personal pay, if any, drawn by workman was to be absorbed in increments accruing on 1-1-1974 or after.
(4) Dearness Allowance:

(a) The Fixed Dearness Allowance rates (FDA) were linked to the All India Working Class Consumer Price Index Number 244 (Simla Series with base year 1960=100, known as 'CPI'). These rates were agreed upon and demonstrated in a separate Annexure to the settlement against the different ranges of basic pay.

(b) In addition to the FDA as mentioned above, Variable Dearness Allowance (VDA) were also agreed upon, which were linked to CPI and their escalation or de-escalation were to be as per 4(c) below.

(c) For any increase or decrease in the quarterly average of CPI by three full points, VDA was to be increased or decreased by two-and-a-half per cent of basic pay subject to a maximum of Rs. 5/-.

(d) If the CPI fell below 244, there was to be no reduction in the quantum of FDA.

(5) Other Allowances:

(I) (a) House Rent Allowance (HRA): The rate of HRA for 'A' class cities was enhanced from 22\(\frac{1}{2}\)% to 25%.

(b) House Rent Subsidy (HRS): For workmen living in the vicinity of the establishment, the rates of HRS were enhanced as under and there was to be no recovery of 5% from their subsidy:

<table>
<thead>
<tr>
<th>Gr.</th>
<th>Revised pay scales</th>
<th>Monthly rates of subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>I, II &amp; III</td>
<td>Rs. 30</td>
<td></td>
</tr>
<tr>
<td>IV, V, VI, VII &amp; VIII</td>
<td>Rs. 40</td>
<td></td>
</tr>
</tbody>
</table>
(c) The HRS rates applicable to workmen living in Baroda city were agreed upon as under:

<table>
<thead>
<tr>
<th>Revised pay scales</th>
<th>Monthly rates of HRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gr. I &amp; II</td>
<td>Rs. 45/-</td>
</tr>
<tr>
<td>Gr. III</td>
<td>Rs. 60/-</td>
</tr>
<tr>
<td>Gr. IV, V, VI, VII &amp; VIII</td>
<td>Rs. 70/-</td>
</tr>
<tr>
<td></td>
<td>Plus 5% of basic pay, special pay &amp; personal pay, if any.</td>
</tr>
</tbody>
</table>

(d) Workmen living in Baroda city were not to be required to produce H.R. receipts for claiming amounts not exceeding Rs. 75/- per month.

(II) (a) City Compensatory Allowance (CCA): City Compensatory Allowance was agreed upon to be payable w.e.f. 1-4-1975 computed on pay only. The difference between CCA computed on pay and D.A. admissible in revised pay-scales on 31-3-75 and the CCA admissible only on the revised pay on 1-4-75 were to be protected. The amount thus protected on 1-4-1975 was to be adjusted against CCA accruing to workmen consequent upon any increase in pay on or after 1-4-1975 till it was fully adjusted. Arrears of CCA for the period from 1-1-74 to 31-3-75, as applicable, were to be paid along with the other arrears as mentioned in Item 7.

(III) Shift Allowance: The rate of Shift Allowance was to be increased from Re.1 to Rs 1.25 per shift.

(IV) Washing Allowance (WA): The workmen provided with uniform, boiler suits or aprons were to be paid W.A. at the rate of Rs 10/-per month instead of @ Rs 6/- per month.
(V) Special Allowance was to be taken into account for computation of bonus payable for the financial year 1974-75 and onwards.

(VI) Travelling Allowance (T.A.): Revised basic pay limits for the entitlement of allowance for travel by rail were decided as under:

<table>
<thead>
<tr>
<th>Basic Pay range</th>
<th>Entitlement for Travel by rail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below Rs. 380/-</td>
<td>Second Class</td>
</tr>
<tr>
<td>Rs. 380 and above</td>
<td>First Class</td>
</tr>
</tbody>
</table>

(6) Free Tea: In lieu of free tea, the Management agreed to make the following monthly payments:

(i) Rs. 8/- per month, where subsidised canteen facilities were made available.

(ii) Rs. 10/- per month, where no subsidised canteen facilities were made available.

(7) Arrears: The arrears due to workmen in terms of the revised pay, D.A., HRA/HRS were to be paid within a period of four months from the date of the settlement. Increase in pay and D.A. were to be reckoned for arrears of P.F., O.T., Special Allowance and recovery of H.R. In respect of workmen in service on 31-12-1973, arrears were to be computed from 1-1-1974. In respect of workmen who joined after 31-12-1973, arrears were to be computed from the date of their joining.

(8) Leave Travel Concession (LTC): Workmen were to have the option to visit any place in India in lieu of their home town in alternate blocks, as provided in the Memorandum of Settlement of January 1971. The LTC was to be available to an eligible workman for self, his/her spouse and unmarried
dependent children. Entitlement of class of travel was to be governed by 5 (VI) above.

(9) **Advances:** Advance for purchase of bicycle, motorcycle, scooter or moped were to be limited to the actual price paid for the vehicle or the cost of a new vehicle, whichever was less.

(10) **Conveyance Allowance:** The old conveyance allowance of Rs. 25/- per month was agreed to be withdrawn w.e.f. 1-4-1975.

(11) **Conveyance Charges:** Recovery of charges for use of transport, wherever provided, for attending duties was to be continued at the rate of Rs. 5/- per month.

(12) The corporation agreed that such terms and conditions of service as well as amenities and allowances as were not altered under the settlement were to remain unchanged and to be operative during the period of the settlement.

(13) The union agreed that, during the tenure of the settlement, it would not raise any demand having financial burden on the corporation other than bonus.

(14) **Harmonious Industrial Relations & Productivity:** The corporation and the union agreed to cooperate in creating healthy climate of industrial relations and in promoting efficiency and productivity.

The union and management agreed to cooperate in minimising overtime to the extent possible.
Implementation/interpretation of settlement:

Both the parties agreed to abide by the settlement in true spirit. In case there was any dispute regarding implementation of the settlement — or, interpretation of any of its provisions, both the parties were to try to compose their differences through mutual discussions, failing which they were to resort to the machinery prescribed under the Industrial Disputes Act, 1947.

Fertilizers Industry

Unit F

A Memorandum of Settlement was entered into on 21-9-1979, between the representatives of the employer and the workmen of the Unit under Sec. 18(3) of Industrial Disputes Act, 1947, during the conciliation proceedings before the Conciliation Officer, Baroda, on the following terms and conditions:

Objectives:

* To create harmonious and lasting industrial relations through collective bargaining.
* To strive for maximum performance, efficiency and productivity.
* To establish and promote equitable standards of payments and other conditions of service.
* To promote the stability and prosperity of the company.
* The union and the company were to settle all disputes by direct negotiations. Only when direct negotiations failed,
the other party was to resort to conciliation or adjudication. The parties agreed not to open any settled or dropped demand nor to raise any new demand involving financial burden on the company during the period of the settlement.

**Applicability of this settlement:** The terms of this settlement were to be applicable to all permanent employees in the plant and the office.

**Commencement and period of settlement:** The settlement was to be effective from 1-1-1979 and was to remain in force for a full period of four years, i.e., up to 31-12-1982.

The main terms and conditions of the settlement were as follows:

**(1) Revision of Pay-scales:**

(a) The revised pay-scales, with efficiency bar and merging D.A. of Rs. 250/-, were to be as under:

<table>
<thead>
<tr>
<th>Gr. :</th>
<th>Old scales (Rs.)</th>
<th>Revised Pay-scales (with merged D.A. of Rs. 250) (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IV-B</td>
<td>50-6-80-7-101-8-133-10-173</td>
<td>300-6-330-7-351-8-383-10-423-EB-10-505</td>
</tr>
<tr>
<td>IV-A</td>
<td>65-7-100-10-130-12-190</td>
<td>315-7-350-10-380-12-440-EB-12-536</td>
</tr>
<tr>
<td>III-B</td>
<td>100-10-130-12-178-15-238-17-289</td>
<td>350-10-380-12-428-15-488-17-539-EB-17-675</td>
</tr>
</tbody>
</table>
(b) Addition of the Lumpsum Amount to the basic pay of each of the permanent employees was to be only once as under:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Lumpsum Increase (Rs.)</th>
<th>Grade</th>
<th>Lumpsum Increase (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>IV-B</td>
<td>25</td>
<td>III-C</td>
<td>50</td>
</tr>
<tr>
<td>IV-A</td>
<td>30</td>
<td>III-B</td>
<td>60</td>
</tr>
<tr>
<td>III-E</td>
<td>40</td>
<td>III-A</td>
<td>65</td>
</tr>
<tr>
<td>III-D</td>
<td>45</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(c) Fixation in the Revised Pay-scales: The lumpsum amount as well as Rs. 250 of D.A. were to be added only once to the basic pay drawn by an employee on 31-12-1978 in the pre-revised pay-scales, and the total of basic pay thus arrived was then to be fitted in the revised pay-scales. The adjusting difference was, if necessary, to be treated as his personal pay.

(d) In case of an employee appointed after the date of the settlement, he was not to be eligible to the lumpsum amount but Rs. 250 from the existing rate of D.A. were to be added to his basic pay for being fitted in the revised pay-scales. The adjusting difference, if any, was to be his personal pay.

(e) In case of employees recruited after the date of the settlement, the company was to have the discretion of employing them either in the revised pay-scale or on a daily consolidated rate as under:

(a) Unskilled : Rs. 5.50 per day  
(b) Semi-skilled : Rs. 7.50 per day  
(c) Skilled : Rs. 10.50 per day
(2) Dearness Allowance:

(a) A flat increase of Rs. 15. in the old rates of Dearness Allowance as available on 31-12-78 after merging Rs. 250 in basic pay was agreed upon. The amount so arrived at and effective from 1-1-79 was to be as under:

<table>
<thead>
<tr>
<th>Revised slabs of basic pay (inclusive of personal pay, if drawn) (Rs.)</th>
<th>Revised Rates of D.A. w.e.f. 1-1-1979 (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto 364</td>
<td>110</td>
</tr>
<tr>
<td>365 - 414</td>
<td>130</td>
</tr>
<tr>
<td>415 - 554</td>
<td>160</td>
</tr>
<tr>
<td>555 - 869</td>
<td>185</td>
</tr>
<tr>
<td>870 &amp; above</td>
<td>195</td>
</tr>
</tbody>
</table>

(b) The revised rates of D.A. as in (a) above were to correspond to the All India CPI for September 1978 (of Labour Bureau, Simla), which stood at 336 (Base: 1960=100). Thereafter, the increase or decrease in D.A. was to be given at the rate of Rs. 15 per every rise or fall of 10 points in All India CPI.

(c) The minimum D.A. payable was to correspond to the CPI figure of 286 and it was not to fall below it.

(3) House Rent Allowance:

(a) A flat increase of Rs. 20 from 1-1-79 in the old rate of House Rent Allowance was provided for. The revised rates of HRA corresponding to the revised pay slabs fixed were to be
as under:

<table>
<thead>
<tr>
<th>Old Pay Slabs Basic (Rs.)</th>
<th>Old Rates of URA (Rs.)</th>
<th>Revised Pay Slabs Basic (Rs.)</th>
<th>Revised Rates of HRA (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upto 119</td>
<td>45</td>
<td>Upto 394</td>
<td>65</td>
</tr>
<tr>
<td>120 - 169</td>
<td>50</td>
<td>395 - 444</td>
<td>70</td>
</tr>
<tr>
<td>170 - 234</td>
<td>60</td>
<td>445 - 524</td>
<td>80</td>
</tr>
<tr>
<td>235 - 449</td>
<td>65</td>
<td>525 - 754</td>
<td>85</td>
</tr>
<tr>
<td>450 and above</td>
<td>15% of Basic Pay</td>
<td>755 and above</td>
<td>15% of Basic Pay</td>
</tr>
</tbody>
</table>

(b) The payment of the revised HRA was to be made as per the old rules including extra percentage fixed for the metropolitan cities, viz., Bombay, Madras, Calcutta and New Delhi.

(c) Regarding the house rent recovery to be made from employees residing in the company's quarters, the old rent ceiling for Type VI, VII and VIII was to be raised by Rs. 5, Rs. 3 and Rs. 2 per month respectively w.e.f. 1-10-1979.

(4) Increase in Vehicle/Conveyance/Cycle Allowance & Loan/Advance facility for the purchase of vehicle/cycle:

(a) An increase in the Cycle/Conveyance Allowance from Rs. 15/- to Rs. 25/- per month w.e.f. 1-1-1979 was provided for.

(b) The eligibility for Scooter/Motor-cycle/Moped/Auto-cycle Allowance was revised to include (i) employees in Gr. III A/B, and (ii) employees drawing a Basic Pay of Rs. 705/- and above in the Grade III-C.

(c) The revised amounts of advance of loan for buying vehicles
were agreed to as follows:

<table>
<thead>
<tr>
<th>Type of Vehicle</th>
<th>Revised amount of loan, terms etc. (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Scooter/Motorcycle</td>
<td>₹5,500 (4,500) or 90% (90%) of the cost, whichever is less, recoverable in 70 (60) instalments.</td>
</tr>
<tr>
<td>(ii) Moped</td>
<td>₹3,200 (2,500) or 90% (90%) of the cost, whichever is less, recoverable in 95 (85) instalments.</td>
</tr>
<tr>
<td>(iii) Cycle</td>
<td>₹500 (425) or 90% (90%) of the cost, whichever is less, recoverable in 25 (25) instalments.</td>
</tr>
</tbody>
</table>

(*) Note: The figures in brackets indicate the corresponding figures agreed upon in the previous settlement.

(d) The amounts of advance of loan for construction of a house under the 'Own Your Own House Scheme' were revised as follows:

<table>
<thead>
<tr>
<th>Type of Loan</th>
<th>Revised Terms</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Margin Money</td>
<td>₹25,000 (₹20,000) equal to 20 months' (15 months') salary (Basic + DA) or 25% (25%) of the total cost, whichever is less, recoverable in 130 (120) instalments.</td>
</tr>
<tr>
<td>(b) Bulk Money</td>
<td>₹90,000 (₹75,000) or 60 months' (50) salary or 90% (90%) of the cost of construction, whichever is less, recoverable in 215 (200) instalments.</td>
</tr>
</tbody>
</table>

*Note: The figures in brackets indicate the corresponding figures agreed upon in the previous settlement. The other terms and conditions for the grant of loan under the 'O.Y.O.H.Scheme' were not changed.

(e) It was mutually clarified that the number of instalments for recovery of all the advances was to be so scheduled that the entire advance was recovered by the date of retirement of the concerned employee.
(5) Shift Allowance:
(a) All the permanent employees required to work in full shifts were to be paid Shift Allowance at the revised rates w.e.f. 1-1-1979, as under:

<table>
<thead>
<tr>
<th>Shift Level</th>
<th>Revised Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st shift</td>
<td>Rs.0.75 (0.50)* per shift attended</td>
</tr>
<tr>
<td>2nd shift</td>
<td>Rs.0.75 (0.50) per shift attended</td>
</tr>
<tr>
<td>3rd shift</td>
<td>Rs.1.50 (1.00) per shift attended</td>
</tr>
</tbody>
</table>

* The figures in brackets denote rates under the previous settlement.

(b) Shift Allowance was not to form a part of the employee's wages, for the purpose of leave pay, D.A., Bonus, Overtime, Provident fund, Gratuity and other benefits.

(6) City Compensatory Allowance:
(a) This demand was withdrawn by the Union. However, due to the lumpsum increase and the D.A. merger of Rs.250/- in the Basic Pay, the revised pattern of eligibility for City Compensatory Allowance, effective from the date of the settlement, was agreed upon as under:

<table>
<thead>
<tr>
<th>Class</th>
<th>Revised Pattern for City Compensatory Allowance*</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td></td>
</tr>
<tr>
<td>(i)</td>
<td>Below Rs 540 (250) basic 6.5% (6.5%) of basic pay, subject to minimum of Rs.12 (12)</td>
</tr>
<tr>
<td>(ii)</td>
<td>Rs.540 (250) basic and above 6% (6%) of basic pay, subject to a maximum of Rs.75 (75).</td>
</tr>
<tr>
<td>B-1</td>
<td></td>
</tr>
<tr>
<td>(i)</td>
<td>Below Rs.625 (350) basic 5% (5%) of basic pay</td>
</tr>
<tr>
<td>(ii)</td>
<td>Rs.625 (350) basic and above 4.5% (4.5%) of basic pay, subject to a maximum of Rs.50 (50).</td>
</tr>
<tr>
<td>B-2</td>
<td></td>
</tr>
<tr>
<td>(i)</td>
<td>Below Rs.1065 (750) basic 3.5% (3.5%) of basic pay, subject to a maximum of Rs.10 (10).</td>
</tr>
<tr>
<td>(ii)</td>
<td>Rs.1065 (750) basic and above Amount by which basic pay fell short of Rs.1074 (Rs.759).</td>
</tr>
</tbody>
</table>
Class : Revised Pattern for City Compensatory Allowance*

| C | No allowance |

* Note: The figures in brackets indicate the corresponding figures agreed in previous settlement.

(b) The rates as in (a) above were to be subject to a revision by the company at its discretion.

(7) Travelling Allowance, Halting/Daily Allowance (TA, HA/DA):

(a) The payment of T.A. at the old rates, as under, was to continue but the HA/DA rates were revised as follows:

(i) Travelling Allowance:

<table>
<thead>
<tr>
<th>Basic pay (Rs.)</th>
<th>Rail</th>
<th>Boat</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 569</td>
<td>II Class</td>
<td>III Class</td>
</tr>
<tr>
<td>570 and above</td>
<td>I Class</td>
<td>II Class</td>
</tr>
</tbody>
</table>

(ii) Halting Allowance/Daily allowance:

<table>
<thead>
<tr>
<th>Basic Pay (Rs.)</th>
<th>Rate of Allowance per day (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 455</td>
<td>15</td>
</tr>
<tr>
<td>456 - 705</td>
<td>20</td>
</tr>
<tr>
<td>706 - 969</td>
<td>30</td>
</tr>
<tr>
<td>970 &amp; above</td>
<td>40</td>
</tr>
</tbody>
</table>

(b) Truck, Bus, Tractor and Road Roller Drivers: All the existing employees in Group III-B were to be upgraded to Group III-D and their basic pays were to be fixed:

(a) by adding (i) Rs.250 (ii) - lumpsum wage increase of Rs.40 and (iii) Rs.10/- personal pay and special pay, if any,
(b) by fitting the total as in (a) in the immediate lower stage of the revised scale, and
(c) by considering the difference, if any, as the personal pay of the employee concerned.

(9) Leave Travel Concession: The old Leave Travel Concession scheme was to be simplified and, under the revised procedure, expenditure was to be paid by the company as per the eligibility under the rules of the scheme on the basis of a declaration. (All the other rules of the scheme were to remain unchanged).

(10) Medical Facilities & Reimbursement: The then annual limit and the rules and regulations for the payment of medical reimbursement were to continue unchanged except the eligibility slabs of basic pay which, in view of the revision of scales of pay, were to be revised as under:

<table>
<thead>
<tr>
<th>Revised slabs of Basic Pay (Rs.)</th>
<th>Medical Reimbursement Limit (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 374</td>
<td>300 per annum</td>
</tr>
<tr>
<td>375 - 739</td>
<td>500 &quot; &quot;</td>
</tr>
<tr>
<td>740 &amp; above</td>
<td>600 &quot; &quot;</td>
</tr>
</tbody>
</table>

(11) Parade Allowance: The company agreed that the parade would be arranged during the duty hours and, hence, the union agreed to drop its demand for higher parade allowance.

(12) General:

(1) The Union agreed to follow the orderly procedure for settling all disputes and grievances and also ensured that, once the agreement was reached, there would be no strikes, demonstrations, slow-downs, gheraos or any other activities against the interest of the company. Both the parties agreed
to abide by the spirit of collective bargaining in settling all disputes.

(2) (i) The signatory office-bearers of the Union assured that the terms and conditions of the settlement would be binding upon the future office-bearers, even if different, and upon the workmen.

(ii) The Union also agreed not to raise any new demand during the period of the settlement.

(iii) The Union agreed that there would be no union activities by any employee during the working hours on the company's premises unless specifically permitted in writing by the company.

(iv) To regulate the process of Industrial Relations, the President and/or Secretary and other two members of the Executive of the Union were to be entitled to meet the management-Industrial Relations Manager/Chief Personnel Manager—for one hour from 12 noon to 1 p.m. on two days a week (to be fixed), for which they were to be specially allowed.

Further, the Union Executive Committee, if necessary, will be entitled to meet Chief Personnel Manager twice a month on dates and time fixed in advance.

(3) Overtime and other allowances including D.A., H.R.A., C.C.A., etc., were to be calculated from 1-1-1979 as per the revised pay-scales and the revision was to be effected from that date.

(4) The benefits under the settlement were not to accrue and be payable to any workman who was not in the company's service on the date it was signed.
(5) It was also agreed that terms and conditions of service of workmen covered by the settlement had been duly considered after studying comparable industries of nearby areas and other Fertilizers units and would not be subject to any change due to any change in service conditions of such industries, and/or recommendations of a Wage Board, if any, for Fertilizers or Chemicals or any other similar industries.

(13) Expansion and Rationalisation Plans: The Union undertook to cooperate fully with, and to support, the management's efforts in rationalising the manpower to the extent of 10% reduction of the total staff employed by the company in its plants and offices. It was accepted by the parties that the employees so withdrawn would be transferred and deployed in the new projects/schemes under implementation and the resultant vacancies would not be filled. The company, however, undertook to protect the salary, grade, other benefits and terms of appointment of such affected workmen. The parties further agreed that, due to rationalisation, exercise on job specifica-tion and description would not be undertaken and the same issue would not be reopened by the Union during the pendency of the settlement.

(14) Charges for services like canteen, bus, etc., would be reviewed from time to time without affecting the company's financial burden. However, the charges for bus passes were agreed upon at a uniform rate of Rs. 10 p.m. per head for all bus trips w.e.f. 1-10-1979.
(15) It was agreed that the matter of Joint Management Councils would be taken up afresh after the report of the Review Committee appointed by the Central Government was received.

(16) The arrears payable as a result of this settlement were to be paid within a month from the date of the settlement.

(17) The Charter of Demands and Supplementary served by the Unions were to be treated as settled in toto and in full and final settlement of all demands.

The Settlement was signed by (a) the Managing Director, Executive Director (Finance), General Manager, and Chief Personnel Manager, for and on behalf of the Management, (b) the President, Vice-President, General Secretary, and Joint Secretary, for and on behalf of the Union, and (c) the Conciliation Officer.

A Memorandum of Settlement was agreed upon, on 29-10-1974, between the representatives of Management and the Employees' Union, under Sec.12(3) of the Industrial Disputes Act, 1947, during the conciliation proceedings.

Short Recital: The Secretary of the Employees Union had raised certain demands regarding pay-scales, conveyance allowance, working hours, medical reimbursement, etc. Failing mutual agreement, the union requested the Conciliation Officer to intervene. After the first hearing on 21-10-1974, the matter was admitted in conciliation on 22-10-1974. During the discussion certain other points were raised and discussed by and
between the parties. Thereafter the following settlement was signed on 29-10-1974, during the conciliation proceedings, on the following objective and terms:

(1) **Objective:** The purpose of the settlement was to improve industrial relations and economic relations between the management and the workmen and to achieve the highest level of performance.

(2) **Applicability:** The settlement was to apply to all categories of workmen as defined in Industrial Disputes Act already in the employment. The period of the settlement was from 1-1-1973 to 30-6-1977, i.e. 4 years. The parties agreed that the settlement was in full and final settlement of all demands. The Union also agreed that it would not raise any demand with reference to points raised in the Charter of Demands, during the pendency of the settlement.

(3) **Revision of Pay-scales:**

The Unit had been following the Central Government's actions in their case so far. Substantial charges introduced by the recommendations of the Third Pay Commission had necessitated a fresh look at the basic pay structure and allowances. The revised scales agreed upon were as under:

<table>
<thead>
<tr>
<th>Old scales</th>
<th>Proposed (and revised)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(N) 80-5-130</td>
<td>210-8-314 (except for security guards, conveyor attendents, fire guards, paintsmen, bag stitchers, samples collectors, bag fillers, and storemen.</td>
</tr>
</tbody>
</table>

* Particulars about demands made but not agreed upon, and of their fate are also given in the text-matter.
The revised scales were to come in force from 1-1-1973.

(4) Pay Fixation:

The pay of a workman in the revised scales was to be fixed in accordance with the rules/procedures adopted by GOI, in connection with Third Pay Commission. The benefit of 5% (minimum Rs 15, and maximum Rs. 50) was also to be given to those workmen, who had joined on or after 1-1-1973. (Their pay was to be fixed in the same manner as would be done for workmen on the rolls prior to 1-1-1973.). A minimum net benefit of Rs.30/- after deduction of HR was to be ensured to each workman; if the actual benefit fell short of Rs.30/-, the difference was to be granted as ad-hoc D.A. to be merged/adjusted later at the time of promotion or adoption of new wage structure, if any.

The basic pay of vehicle drivers (v.d.) was to be arrived at in the manner as above and, in addition, they were to be granted three extra increments. In future a v.d. was to be recruited in the grade of Rs 290-480 (i.e. L grade), with two advanced increments i.e. on an initial pay of Rs 310.
It was agreed that the question of payment of overtime for the period prior to the settlement was not to be reopened, notwithstanding the revision of pay-scales retrospectively from 1-1-1973.

(5) Variable D.A.: Variable D.A. was to be paid from time to time, as per the rules applicable to the employees of Central Government.

(6) The following demands were not agreed to by the management and the union agreed to drop them:

(i) Identical working hours for ministerial staff at Kalol, Kandla, Delhi and Ahmedabad.

(ii) Employees working for more than 30 hours per week be given Duty Allowance at 20% of basic pay per month.

(iii) Payment of overtime to the employees up to the grade of ₹500 (old grade).

(v) Increase in the rate of conveyance allowance.

Note: The demand for rise in the amount of Conveyance Advance was excluded from the discussion and settlement.

(7) Project Allowance (PA) or Local Allowance (LA):

Management stated that the P.A./L.A. had been sanctioned only for persons living in project area and for the duration of the project stage, and that, since the project stage was over, it must be withdrawn and discontinued completely for existing and future employees. The Union, however, insisted on the continuance of the allowance. After discussions, it
was finally decided that:

(a) PA would not be granted to new employees.

(b) Payment of PA would be frozen at the rates prevailing then and would not be increased with revision/increase in the basic salary.

(c) PA would be reduced by an amount equivalent to the difference in the basic salary drawn by an employee in the lower scale and basic pay allowed to him/her on pay fixation in the higher scale as and when employee is promoted. The balance would continue to be drawn by him/her till he/she was promoted again and adjustment would continue to be made as mentioned above, until PA gets so merged totally.

(8) Personal Advance: The demand for personal advance up to Rs 3,000/- was not agreed to by the management and was dropped by the union. However, workmen were to be entitled to an advance, free of interest, once in a year. The advance was not to exceed the basic pay plus D.A. of one month, recoverable in not more than ten equal monthly instalments. No second advance was to be granted unless one is fully repaid.

(9) Shift Allowance (S.A.): Management did not agree to S.A. for the workmen in I: and II: shifts and the union agreed to drop the demand. The management agreed that after the date of signing the settlement, all permanent employees in the III: shift (i.e., 10.00 p.m. to 6.00 a.m.) be paid S.A. at the rate of Rs. 2 per night.

(10) Washing Allowance (W.A.): The demand for W.A. to employees, who were given protective clothes/equipments, etc., was not agreed to by the management, and the union agreed to drop it.
However, management agreed to raise the W.A. for all others from Rs. 5 to Rs. 7.50 p.m. w.e.f. the first day of month during which the agreement was signed.

(11) Heavy Vehicle Driving Allowance (HVDA):
(a) HVDA of Rs. 5 per day was not agreed to by the management. The union agreed to drop it.
(b) The demand for 'bill to be arranged by the Unit for vehicle driving in respect of losses arising out of accident, etc.,' was not agreed to by the management. The union agreed to drop it.
(c) The management agreed to pay drivers a reasonable legal assistance or expenses incurred by them, when they met with an accident and were charged for traffic rules violation while on duty, provided they were found not guilty in court proceedings.

(12) Parade Allowance: It was agreed by both the parties to discuss this matter separately.

(13) Medical Reimbursement (M.R.) and Leave Travel Concession (L.T.C.)*:

The demands regarding the following aspects of L.T.C. and M.R. were not agreed to by the management and the union agreed to drop them:

(i) Expenses incurred in procuring medicines, etc..
(ii) For the purpose of M.R. and L.T.C., the terms 'dependents' to include father, mother, spouse, minor brother and minor/widowed sister of the employee.
(iii) M.R. for the dependents not normally living with the employees.

* The other details about L.T.C. are discussed later in (16).
However, with effect from the date of this settlement, the old ceiling of Rs. 250/ for routine medical treatment was raised to Rs. 750/- p.m.

(14) Housing Facilities and House Rent Allowance (HRA):

(a) The demand for housing facilities to employees not being the subject matter of the Industrial Disputes Act was not discussed.

(b) The demands for dispensing with immediately (i) the allotment of quarters in township and entitlement of the type of house, etc., (ii) free electricity supply up to 50 units, and (iii) the allotment of temporary guest-house to bachelors and for providing accommodation to other employees, etc., were not agreed to by the management and the union agreed to drop the same.

(c) Regarding HRA, the management agreed as follows:

(i) HRA be payable on the revised pay-scales at the (then) existing rate (i.e., 15% of the basic pay) retrospectively w.e.f. 1-1-'73.

(ii) In view of the special difficult housing situation at Kandla, the Management agreed to grant, w.e.f. 1st of the month of the settlement, an additional ex-gratia HRA at 5% on the basic pay for the employees posted and living at Kandla. This ex-gratia grant of HRA was, however, to be only for the period of such difficult housing situation. The parties agreed that the said ex-gratia grant would be withdrawn if, at any time, in the sole judgement of the management, the housing situation was found to have sufficiently improved.
(d) The old limit of Rs.600/- or above for the production of HR receipt was to be increased to Rs.950/- p.m. from 1-1-'75.

(e) All other old conditions for the grant/payment of HRA remained unchanged.

(E5) Earned Leave (E.L.), Casual Leave (C.L.), Sick Leave (S.L.), etc.:

(A) E.L.: (i) With effect from the settlement, the limit (provision) of E.L. of 3 weeks was raised to 26 working days in a year. Sundays, holidays, and off-days falling before, during and after the E.L. were not to be counted as part of the leave, provided prior permission was taken for such days before and after the E.L.

(ii) The E.L. was to be earned by the workmen to the extent of 26 days on prorata basis at the rate of one day for 14 days of service. For such calculation, the period of absence and leave without pay was to be excluded.

(iii) The limit of accumulation of E.L. was raised from 9 weeks to 120 days. All E.L. beyond 120 days was to lapse automatically.

(iv) The workman could encash the E.L. subject to the following conditions:

(a) Minimum of 10 days E.L. to be applied for and sanctioned for encashment.

(b) Subject to (a) above, the number of days of E.L. to be encashed must not be more than the number of days of E.L. actually granted and subsequently availed of. Encashment could be done before proceeding on leave.
(c) A minimum balance of 10 days' E.I. must be left behind to the credit of a workman after deducting the leave encashed and leave availed of. However, no minimum balance was required if leave was not encashed.

(B) C.I.: The number of C.I. was to remain unchanged.

(C) S.I.: With effect from the signing of the settlement, the existing provision for S.I. of 30 days on half pay (or, 15 days in a year on full pay) was to be reduced to 20 days on half pay (commutable to 10 days on full pay) for every completed year of service. (S.I. to be also reduced on pro rata basis for any period of absence or leave without pay). Sundays, holidays and off-days falling before, during and after the leave were not to be counted as part of S.I..

The previous limit for accumulation of S.I. upto 60 days on half pay (or, 30 days on full pay) was, however, increased to 180 days on half pay (commutable to 90 days on full pay). Any S.I. in excess of this limit was to lapse automatically. For the period prior to the settlement, the S.I. to be worked out on pro rata basis at the previous rate and credited to the workman's account concerned. Such leave, as in the past, was to be available only on the completion of a full year of service.

(D) The following four demands raised by the union were not agreed to by the management and the union agreed to drop them:

(i) Special leave to be sanctioned under unavoidable circumstances, e.g., long illness, riots, floods or any other natural or unforseen causes.
(ii) Late attendance up to 15 minutes on a single occasion and up to a total of one hour in a month.

(iii) Short leave for two hours at a time and four hours in a month.

(iv) Fortnight holiday every alternate year.

(16) Leave Travel Concession (LTC):

The previous rules for LTC were modified as under:

(i) A workman, who has his family living in hometown away from his place of work, may avail of LTC for himself alone every year for visiting his hometown instead of having a concession for both self and family once in a block of two years. In such a case, the first LTC was to be available after completion of one year's service.

(ii) A workman and his/her family could, at his/her option, travel once in first block of two years (but after completion of one year's service), in lieu of his/her LTC to hometown, to any other place(s) in India upto maximum distance of 2000 kms. for journey both ways. Such a travel could be availed of in subsequent 3rd, 5th, 7th, etc., blocks of two years.

(iii) A workman and his/her family could, at his/her option, travel once in the second block of two years in lieu of his/her LTC for hometown to any other place in India up to a maximum distance of 5000 kms. for journey both ways. Such a travel could be availed of in subsequent 4th, 6th, 8th, etc., blocks etc. of two years.

(iv) LTC as stated above could be availed of during the C.L., E.L., etc.
(v) The blocks of 2 years were to be counted from the date of appointment of the workman.

(vi) Reimbursement were to be limited to the actual fare by the class and mode of travel applicable to the workman.

Note: The demand raised by the Union for allowing 1st class travel to employees in the old grade starting from Rs.200, was not agreed by the management and the former agreed to drop it.

(17) Committees:

(i) The management agreed to form Joint Committees comprising representatives of management and union, wherever practicable, in accordance with law, code of discipline, etc., except where the matters were purely of management's jurisdiction.

(ii) The demand for workmen's representation on the Promotion Committee, not being the subject matter of Industrial Disputes Act, was not discussed by the management.

(18) The following two demands, not being the subject matter of Industrial Disputes Act, were not discussed by the parties:

(i) Facilities to Trade Unions.

(ii) Promotion Policy.

(19) The demand for Job Classification as raised by the union, being not practicable and workable, was not agreed to by the management and was agreed to be dropped by the union.

(20) The demand for free education to the children of the employees was not agreed to by the management and the union agreed to drop it. However, the demand for bus facilities to children was agreed to be discussed separately.
(21) **City Compensatory Allowance (C.C.A.):** It was made payable on the revised pay-scales at the rates as sanctioned by GOI for their employees from 1-11-'73 and on similar terms and conditions as might be sanctioned by GOI from time to time.

(22) **Harmonious Industrial Relations:** It was agreed that the management and the union would cooperate in creating a healthy climate of Industrial Relations and in promoting efficiency and productivity.

(23) The differences between the union and the management would be settled through mutual discussions and negotiations or, failing settlement, through the machinery as provided by Industrial Disputes Act, 1947.

(24) Notwithstanding the termination of the period of validity of the settlement, it would continue in effect thereafter until amended by mutual agreement or terminated by the union or management by a written notice of at least two months to the other party.

(25) Payment of arrears would be made within one month of signing of the settlement.

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(I) A bipartite settlement was entered into on 25-12-1979, between Management of the unit and the Union of its workmen under Sec. 2(p) of the Industrial Disputes Act, 1947.

**Short Recital of the Case:** The Union, on behalf of the workmen, served a notice on the company demanding additional pay to workmen required to attend duty on holidays and weekly off.
Both the parties negotiated and an amicable settlement was arrived at as under:

**Terms of Settlement:**

1. (a) A daily-rated workman (other than a staff member) called for work on a paid festival holiday was to be allowed additionally, one day's wages including dearness allowance, for so working. Also, if the paid holiday happened to be his normal off day, he was to be allowed another off-day in lieu thereof.

   (b) A monthly-rated workman (including workman known as a staff-member) called for work on a paid festival holiday was to be given one day's additional wage/salary and dearness allowance, etc., for so working. If the paid holiday happened to be his normal off day, he was to be allowed another off-day in lieu thereof.

2. The settlement regarding work on paid festival holidays was to be given effect to from 1-10-1979.

   The settlement was signed by the Head (Production) on behalf of company and the President of the Union on behalf of the workmen.

(II) An award in terms of settlement was given by Industrial Tribunal, Gujarat, in the matter of pay scales, D.A., High-cost Allowance, Leave, etc., which was referred to it for adjudication under Sec.10(1)(d) of the Industrial Disputes Act, 1947, by the Government of Gujarat. After the matter was fixed for hearing, a number of documents were filed by the parties
on various dates of hearing and some draft agreements urged by
the parties were also heard. The matter then stood adjourned
to 8-2-‘80. In the meanwhile on 28-1-‘80, the parties appeared
before the Court and stated that they had arrived at an amicable
settlement and that the final award be made in terms of their
mutual settlement. Going through the terms of settlement in
the context of demands, the adjudicator found that those were
fair and reasonable in the interest of the workmen and indu-
trial peace. He, therefore, took the settlement on record and
made that Award, which was annexed thereto. (Vide: Appendix
VII.1).

Unit D

There were three important settlements reached in the
Unit as follows:

(I) Settlement, on 2-3-1974, under Sec.2(p) of the
Industrial Disputes Act, 1947.

(II) Settlement, on 25-11-1976, under Sec.12(3) of the
Industrial Disputes Act, 1947.

(III) Settlement, on 1-7-1978, under Sec.12(3) of the
Industrial Disputes Act, 1947.

(I) : The settlement was reached exclusively for the purpose
of Promotion Policy. The Karmachari Sangh (Union) had demanded,
in January 1973 and March 1973, a promotion policy for internal
staff of the unit. The matter was discussed at length on
various dates by both the parties. The union agreed in prin-
ciple that the promotion aspect was a management function.
However, with a view to considering hard cases and maintaining
harmonious relations and industrial peace, it was mutually agreed by and between the parties, without creating any precedent in this behalf in future, that the promotion policy should be as mentioned in the Terms of the Settlement.

Terms of Settlement:
(1)(a): Those employees included in item 1(b) below who had put in more than 10 years of continuous service on 1-1-1974 in the graded scale were to be promoted to the next higher grade. Thereafter, such cases were to be reviewed on 1-7-1974 and, thereafter, every year on 1st January and 1st July.

(b): The aforesaid benefit was to be available only to employees (i) employed in 'B' grade of Rs. 81-128, 'D' grade of Rs. 87-172, 'C' grade of Rs. 107-215, 'B' grade of Rs. 140-331, and 'A' grade of Rs. 185-440, and (ii) working in the Dairy and office premises at Anand.

(c): Those employees who had already received any promotion before were not to get the benefit mentioned in item 1(a) above.

(2)(a): Clerks, Dairy Supervisors, Society Supervisors, etc., employed (i) in 'B' grade of Rs. 140-331, and (ii) working in dairy and office premises, or as field staff doing extension work of dairy, were each to be entitled to a first promotion to the next higher grade of Rs. 185-440 if they had put in more than seven years of continuous service in the graded scale, provided that in the case of a graduate, double graduate or postgraduate, on the date of joining, he was to be entitled to promotion to the next higher grade of Rs. 185-440 if he had put in more than six years of continuous service in the graded scale.
After putting in more than seven years of continuous service in the promoted grade of ₹.185-440, the employees covered by clause 2(a) were also to be entitled to a second promotion to the grade of ₹.240-715. 'A' grade Engineering staff members who were diploma holders in Engineering and others were also to be promoted to the grade of ₹.240-715 if they had put in more than seven years of continuous service in ₹.185-440 grade or in ₹.185-520 grade.

Even if the first promotion mentioned in item 2(a) was received before or after seven years service, in case of a non-graduate, a second promotion to ₹.240-715 grade was to be given after completing fourteen years of continuous service in the graded scale. Similarly, in the case of a graduate, double graduate or postgraduate, the second promotion to ₹.240-715 grade was to be given after completing 13 years of continuous service in the graded scale, irrespective of the fact whether the first promotion was received before or after six years of service or not.

The cases mentioned in clause 2(a), 2(b) and 2(c) were to be first reviewed as on 1-1-1974 and, thereafter, on 1-7-1974, and then every year on 1st January and 1st July.

(3) GENERAL:
(a) The employees punished by way of warning, suspension or withholding of increment for misdeeds involving moral turpitude, insubordination, assault, theft, gross negligence and dishonesty were not to be entitled to any promotion under item (1) and (2) mentioned above.
(b): The basic salary in the promoted grade was to be fixed as mentioned below in the aforesaid cases:

The normal yearly increment earned on 1st January or 1st July, as the case may be, was to be added to the basic salary in the existing grade. Thereafter his basic salary was to be adjusted to the nearest step in the next higher grade to which he was promoted as per the settlement. If, by way of the adjustment in basic salary in the higher grade after automatic promotion, he was in receipt of an amount which was equal to or higher than the amount of increment to which he would after the promotion be entitled to in normal course, in the promoted grade, he was not to be given one increment in the higher grade; otherwise, he was also to be given one increment in the higher grade to which he was promoted as per the settlement.

(c): In exceptional cases, management were entitled to give promotions on merit, qualifications, initiative, experience, suitability, loyalty, etc.,

(d): When the posts requiring specialised qualifications, training and experience were advertised, a copy of the advertisement was to be displayed on Notice Board so that internal staff could also apply for them.

(e): The settlement reached in this behalf was to be binding for 5 years and no demand was to be raised by the employees or the union pertaining to promotion when it was in force.

(f): The review of cases as indicated above was to be done within 3 months from the date of settlement. Thereafter, such cases were generally to be reviewed in two months after
1st January and 1st July every year.

(g): Promotions indicated above were meant only for employees employed in 'E' to 'A' grades. For the rest of the employees, the promotions were to be on merit-cum-seniority and such other factors which contribute in making an employee suitable for promotion.

(h): After the aforesaid automatic promotion was given, the management were to be entitled to change or not to change the nature of the job assigned to an employee before promotion; the nature of an existing job might be even partly modified after such automatic promotion. Also, they may or may not be transferred to other section or place after the promotion.

(i): The sanctioned posts were to remain in the existing grades although there were changes in the grades of individuals by automatic promotion as per the settlement.

(II): On 11-11-1976, the General Secretary of the Union, on behalf of the workmen, served a notice of strike on management for their various demands including the introduction of the Superannuation Scheme, Home and Leave Travel facilities, increase in House Rent Allowances, grade revisions, increase in basic wages, increase in daily wages of temporary, badli and casual workers, and automatic leave encashment of privilege leave. A copy of the said notice was forwarded to the Conciliation Officer. The management and the union carried out deliberations and discussions on these demands themselves.

The Conciliation proceedings were also started under Sec.20(1) of the Industrial Disputes Act, 1947, on 12-11-1976.
The Conciliation Officer called the parties on 25-11-1976 at the office of the Government Labour Officer at Nadiad, when, the parties arrived at an amicable settlement under Sec.12(3) of the Industrial Disputes Act, 1947, on the following terms and conditions, described in brief:

(1)(a): The basic wages of confirmed workmen of different categories as on 31-12-1975 were to be taken as base for the purpose of the settlement. Only those workmen who stood confirmed on that date were to be entitled to the below-mentioned benefits:

(b): 25% of the basic wage p.m. was to be added to the basic wage p.m. of the concerned workman as on 31-12-1975, and the total so arrived at was to be treated as his basic wage p.m.

(2): From the 1-1-1976, the previous pay-scales of the workmen, inclusive of Rs.50/- p.m. merged from the D.A. into the basic pay, were to be revised as shown hereunder:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Previous Pay-scales (Rs.)</th>
<th>Revised Pay-scales from 1-1-1976 (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>E</td>
<td>81-2-93-3-108-4-128</td>
<td>81-2-93-3-108-4-132-5-152</td>
</tr>
<tr>
<td>D</td>
<td>87-2-93-3-108-4-132-5-172</td>
<td>96-3-108-4-128-5-168-6-198</td>
</tr>
<tr>
<td>C</td>
<td>107-4-127-EB-5-167-6-215</td>
<td>115-4-127-EB-5-167-7-244</td>
</tr>
<tr>
<td>B</td>
<td>140-5-165-EB-7-235-12-331</td>
<td>140-5-165-EB-7-207-10-237-12-321-15-396</td>
</tr>
</tbody>
</table>
(3) Fixation:

(a) If after adding 25% in the respective basic wages as on 31-12-1975, the basic wage of the concerned workman got automatically adjusted in one of the steps of his corresponding revised pay-scales, it was to be his revised basic salary in the revised pay-scale w.e.f. 1-1-1976. In cases where the basic wage so arrived did not fit in any of the steps of the worker's corresponding revised pay-scale, it was to be adjusted to the nearest subsequent step in his revised pay-scale and that adjusted basic wage was to be his basic wage, w.e.f. 1-1-1976, in the corresponding revised pay-scale.

(b) While fixing the basic wage of a worker as above, if the total amount exceeded the maximum limit of his revised pay-scale, such excess amount was to be treated as his personal pay, as a special case, without creating any precedent for the future.

(c) The revised pay-scale and the revised basic wage as fixed under the settlement were inclusive of Rs.50/- p.m. from the D.A., which amount was to be continued to be deducted from D.A. as per the (then) prevailing rules.

(4) (i): After fixing the revised basic wage of a workman in the revised pay-scale as above, one increment in the revised pay-scale was to be given to each one of those who had completed five years' continuous service in the new pay-scales effective from 1-1-1976.

(ii): In the case of a workman, who crossed the maximum limit of the revised grade in consequence of (i) above, the excess amount payable was to be considered as his personal
pay, as special case, without creating any precedent for the future.

(iii): The normal increment in the revised pay-scale was to be given from 1-1-1976 or 1-7-1976, subject to EB, if applicable.

(iv): Those who, after getting the special and normal increments as above, got automatic promotion, as per the promotion agreements, were to be adjusted in the revised higher pay-scales as per the prevailing practice.

(v): All the workmen were to be adjusted in the revised pay-scale from 1-1-1976. This provision was to be applicable also to workmen who were confirmed on or after 1-1-1976 in the revised pay-scales.

(5) House Rent Allowance: The prevailing HRA was to be revised as follows w.e.f. 1-1-1976:

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Basic Salary</th>
<th>HRA payable P.M.</th>
<th>Sr. No.</th>
<th>Basic Salary</th>
<th>HRA payable P.M.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Up to Rs. 99</td>
<td>Rs. 20/-</td>
<td>5.</td>
<td>Rs.250 to Rs.299</td>
<td>Rs. 40/-</td>
</tr>
<tr>
<td>2.</td>
<td>Rs.100 to Rs.149</td>
<td>Rs. 25/-</td>
<td>6.</td>
<td>Rs.300 to Rs.349</td>
<td>Rs. 45/-</td>
</tr>
<tr>
<td>3.</td>
<td>Rs.150 to Rs.199</td>
<td>Rs. 30/-</td>
<td>7.</td>
<td>Rs.350 to Rs.399</td>
<td>Rs. 50/-</td>
</tr>
<tr>
<td>4.</td>
<td>Rs.200 to Rs.249</td>
<td>Rs. 35/-</td>
<td>8.</td>
<td>Rs.400 &amp; above</td>
<td>Rs. 55/-</td>
</tr>
</tbody>
</table>

The HRA would not be given to those who were allotted quarters, and such workmen were to be charged 10% of their basic wage every month, as H.R.

(6) Home and Leave Travel Allowance: These were made available to the confirmed workmen as under:

(a) Home Travel Concession (HTC):

(i) Entitlement: After the completion of two years of service,
including the probation period, in the revised pay-scales of the settlement.

(ii) First class railway fare to those drawing Rs.440 or above as basic wage; second class railway fare to the rest. The workmen were to be free to travel by public transport bus by the shortest route.

This concession was to be available to only those employees whose home town was away by more than 100 kms., from their headquarters.

For reimbursement of the fare, only the actual train or bus fare by shortest distance was to be admissible. No other expenses could be claimed.

The workmen could also undertake journey to home town by private vehicle, ship, aeroplane, etc.. However, the maximum amount that was to be reimbursed was not to exceed the rail fare by the class to which the workman was entitled by the shortest distance, on submission of bills.

(b) General Leave Travel Concession (GLTC):

On completion of the first four years of service in the revised pay-scales of the Settlement, including probationary period, the confirmed workmen were to be entitled to this benefit. Those who had already completed more than four years' service were entitled to avail of this facility immediately after the settlement was signed.

Workmen were to be entitled to an ad-hoc reimbursement of expenses in terms of adhoc general leave travel assistance, depending upon different grades.
For G-LTC, maximum distances were agreed upon depending upon grades, being maximum 1600 kms for the workmen in the revised Assistants' grade and minimum 1000 kms for those in D & E grades.

The other general rules for these two leave travel facilities included the matters as under:

- Eligible dependents: Number and Nature.
- Advance payment of LTC.
- Submission of travel bills.
- Procedure for allowing workmen to proceed on LTC, when the applicants were more.

(7) Increase in Daily Rates:
(a) The old wage and D.A. pattern for daily-rated categories of Badli and Temporary workmen was given up.
(b) The concerned daily-rated workmen were to be given only consolidated daily wages as under:

<table>
<thead>
<tr>
<th>Category</th>
<th>Consolidated total daily wages w.e.f. 1-11-1976</th>
</tr>
</thead>
<tbody>
<tr>
<td>Casual</td>
<td></td>
</tr>
<tr>
<td>Badli</td>
<td>₹ 7.50 per day worked</td>
</tr>
<tr>
<td>Temporary (upto ₹ 6/- per day worked)</td>
<td></td>
</tr>
</tbody>
</table>

The daily-rated workmen were to be deemed to have been given by the management ₹ 7.50 per day worked from 1-4-1976. The difference earned per day from 1-4-76 till 31-10-76 was to be paid by the management to such workmen after the settlement.

The management was to confirm such workmen on merit-cum-seniority once in a year on 1st of July against actual vacancies in the sanctioned strength in 'E' grade.
(8) **Superannuation Scheme Benefit:** It was agreed that the L.I.C. would be approached to frame an appropriate contributory superannuation scheme on the lines of such scheme in operation for the Jr. officers of the Unit with contribution as under:

(i) Management would contribute 8.33% of the annual basic wages of the permanent workmen.

(ii) Concerned permanent workmen would contribute one-half of the management's contribution as stated in (i).

Total annual contribution of employees would be deducted in 12 monthly instalments and paid to the LIC as per rules.

(9) **Automatic Leave Encashment Benefits:** The permanent office staff employed in Assistant A and B grades would be permitted to accumulate leave upto 120 days.

The leave in excess of 120 days would be converted into cash and paid to the workmen. For this purpose, only the basic wage and D.A. was to be taken into account and no other allowance or bonus was to be payable. Further, to establish uniformity, it was agreed that there would be one date for leave encashment, i.e., 1st September.

(10) **Demands for**

(i) 2 kg. ghee at half-rate of the market price,
(ii) full fees and cost of books of the 'studying' children,
and (iii) the continuance of grant of regular increments even to employees who were blocked in the last point of the grades, were given up by the union.

(11) **General:**

- No wages (including D.A. and other allowances) were to be paid for unauthorised absence, LWP (leave without
pay), or accident leave.

- Those workmen who had ceased to be in the employment of the unit on or before the settlement were not to be entitled to claim any benefit under it.

- The settlement was to remain in force up to 31-10-1979.

- While paying arrears, under the settlement, arrears of O.T., L.E., T.A., D.A. bills and other fringe benefits already paid, except P.F. contribution, were not to be paid.

- The union assured that it would maintain high standards of productivity, industrial harmony and industrial peace.

- The Union's proposal of deducting union membership fee from the salary, if so authorised by the workmen in writing, was agreed to by the Management.

- The Union agreed to the Management's suggestion of payment of the workmen's salaries through bank and of opening of their individual saving accounts with suitable branches of the District Co-operative Bank. The Union agreed to convince the workers for this arrangement.

(III): The Settlement was signed on 1-2-1978 between the Management and the President of the Sangh (Union). The main item was regarding increase in D.A. which was agreed upon as follows:

D.A. was to be paid at the rate of (i) 100 percent minus Rs 15 per month from 1-1-1978 to 31-12-1978, and (ii) 100 percent per month from 1-1-1979, where 100% meant 100% of D.A. payable to the workers of Cotton Textile Industry at Ahmedabad.

The benefit was to be available only to the permanent employees.
The settlement was to be effective for a period of three years from 1-1-1978.

The Union and the workmen waived the demand of variable D.A. on the lines of the workers of Cotton Textile Industry of Ahmedabad. Further, they also waived the demands for Customary Bonus and High Cost Allowance. Many other petty demands were either withdrawn or waived by the Union.

The Union assured management of industrial peace and higher productivity in the organization. And both the parties agreed "to try to resolve their future differences across the table."

Unit D2

(I) An award in terms of settlement between the parties as follows was given in May 1973 by the Industrial Tribunal in the matter of D.A. as per the index applicable to the Cotton Textile Workers of Ahmedabad.

(1) The permanent workmen were to be entitled (a) from 1-1-73, to the sum of D.A. equal to 80% and (b) from 1-1-74, to the sum of D.A. equal to 85% of the D.A. payable to the workmen of the Cotton Textile Industries of Ahmedabad in proportion to the number of working days in a month for full attendance, less Rs. 30/- p.m. to be deducted every month from the D.A. payable to each workman as it was merged in the basic salary of the workmen concerned.

(2) The unions agreed that the demands made under the strike notice were not to be raised by the workmen either directly or indirectly or through the unions for a period of two years.
(3) The settlement was to remain in force up to 31-12-1974.

The settlement was signed by the General Manager on behalf of Management and the Presidents of the Unions.

(II) Several meetings were held between the representatives of the Management and the Union for the solution of demands of workers and for continuing the peaceful and amicable atmosphere that existed before. An agreement was arrived at on 19-5-1975.

The highlights of the demands of the workmen and the settlement were:

(1) Regarding Grades and Increments:

(A) Demands:  (a) Increase in the grades.

(b) Additional increments as follows:

(i) 3 increments to workmen who had completed 6 years or more of service.

(ii) 2 increments to workmen who had completed 4 years or more of service.

(iii) 1 increment to workmen who had completed 2 years or more of service.

(B) Settlement:

(a) Grades B, C and D were extended and one new grade, viz., E was introduced as follows: (No change was made in Grade A):

<table>
<thead>
<tr>
<th>Grade</th>
<th>Increment</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>Rs. 90-5-115-EB-7-185-8-249.</td>
</tr>
<tr>
<td>C</td>
<td>Rs. 75-4-95-EB-5-135-6-183.</td>
</tr>
<tr>
<td>D</td>
<td>Rs. 60-2-66-3-102-EB-4-122-5-152.</td>
</tr>
<tr>
<td>E</td>
<td>Rs. 45-2-53-3-104</td>
</tr>
</tbody>
</table>

(b) The workers in the grade of Rs. 190-565 or below were to be entitled to increments as under:

(i) Employees, who had not received two increments from 1-1-70, or if promoted, had not received two increments
at the time of promotion, were to be given 2 increments.

(ii) Employees who had not received one increment after 1-1-72 or had not received any increment even after promotion, were to be given one increment.

(2) Regarding Medical Allowance:
(a) Demand: Rs. 15/- p.m.
(b) Settlement: Agreed at Rs.10/- p.m.

(3) Regarding accumulation of Sick Leave:
(a) Demand up to 180 days.
(b) Settlement: Up to 90 days.

(4) Regarding accumulation of Privilege Leave:
(a) Demand: Up to 180 days.
(b) Settlement: Up to 150 days.

(5) Regarding preparation of the Seniority and Promotion List:
(a) Demand: Up to the date of entry, and grant of promotion on this date.
(b) Settlement: Seniority list to be prepared with effect from the date of confirmation and the promotion to be given on seniority-cum-merit basis.

(6) Apart from the above, the demand regarding D.A. lying with Conciliation Officer, Ahmedabad was also settled as under:

D.A. was to be paid at 85% from 1-1-1975, at 90% from 1-1-1976, at 95% from 1-1-1977, and at 100% from 1-1-1978 on the basis of D.A. payable to the workers of Cotton Textile Industry at Ahmedabad. Further, an amount of Rs. 30/- which was being deducted from the total D.A. payable at that time was decided to be discontinued.
(7) It was also agreed that the Union would help the preparation of Conduct and Discipline Rules and Service Rules, and the rules were then to binding on all the workers.

The agreement was signed by the Chairman, General Manager and the Manager (Administration) of the Unit and the President, Secretary and one more of the Committee members.

Unit D

This unit was owned and managed by the Municipal Corporation. In January 1976, a very important and comprehensive Award was given by the Arbitrator, a retired judge of the Industrial Tribunal, Gujarat. It was entitled as "Award and Recommendations" of Arbitrator and One Man Pay Commission for Revision of Wage-scales, H.R.A., C.C.A. and other allowances, etc., of the employees including officers of Municipal Corporation (including Dairy)" ran into over 467 cyclostyled pages. (As per the rules, before this, an Arbitration Agreement was entered into to refer the dispute to the above-referred arbitrator).

The major terms of reference (demands) of this arbitration apart from allowances, were as follows:

(i) What should be the mode and manner in which the pay-scales and grades of the various categories of the staff including the daily-wagers of the Municipal Corporation should be fixed, keeping in view of the

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4. This award was made under Sec.10-A of Industrial Disputes Act and was binding upon the parties, whereas the Recommendations made by the One Man Pay Commission were recommendatory in nature.

financial resources of the Corporation. While considering above, the Arbitrator may so fix the pay-scales as to include HRA and CCA but not the conveyance allowance.

(ii) Whether the increment should become due not on different dates but on a common date and, if so, which should be this date.

(iii) Whether the provisional D.A. given by Municipal Corporation in the past from 1-1-1971 should be considered on the lines of the interim relief given by the Central Government.

(iv) Whether there is any case for giving accelerated increments in the revised grades, if any, that may be awarded by the Arbitrator in respect of those who have stagnated for a period exceeding a year and if so what should be the basis thereof.

Before the declaration of the award, several meetings were held between the parties in the presence of the arbitrator in an amicable atmosphere and the parties had filed their statements of claims. After hearing and considering the oral and written statements of the parties concerned, the arbitrator gave his award. The main items that concerned the Dairy workmen, viz., Revised Pay-scales, H.R.A., C.C.A., Washing Allowance, Retrospective Effect and Fixation, payment of amount of difference, wages for daily-rated workers, etc., are discussed in brief hereafter:

(1) Revised Pay-scales:

The revised pay-scales and categories were determined as
<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Revised Pay-scales</th>
<th>Category of the workmen</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.</td>
<td>210-4-250-EB-5-270</td>
<td>Head Mali, Relieving Delivery Boy, Electrical Assistant, Wireman.</td>
</tr>
<tr>
<td>4.</td>
<td>260-6-308-EB-6-326-8-350</td>
<td>Fitter, Welder, Carpenter, Mechanic.</td>
</tr>
<tr>
<td>5.</td>
<td>260-6-308-EB-6-326-8-350-EB-8-390-10-400</td>
<td>Junior Clerk, Riksha-driver.</td>
</tr>
<tr>
<td>6.</td>
<td>260-8-308-EB-8-340-10-360-EB-10-430</td>
<td>Senior Fitter-cum-Plant Attendant, Electrical Attendant, Lab. Tester-cum-Sampler, Drivers (Heavy Vehicles) and Boiler Attendants.</td>
</tr>
<tr>
<td>8.</td>
<td>290-8-346-EB-8-370-10-410-EB-10-480</td>
<td>Head Drivers.</td>
</tr>
<tr>
<td>Sr. No.</td>
<td>Revised Pay-scales</td>
<td>Category of the workmen</td>
</tr>
<tr>
<td>---------</td>
<td>-------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>14.</td>
<td>550-20-700-EB-25-750-30-900</td>
<td>Jr. Engineer (B.E.), Sectional Officer</td>
</tr>
<tr>
<td>16.</td>
<td>700-40-1020-EB-45-1200-EB-50-1400</td>
<td>Plant Engineer, Plant Manager</td>
</tr>
<tr>
<td>17.</td>
<td>1100-50-1300-EB-60-1600</td>
<td>Deputy General Manager</td>
</tr>
<tr>
<td>18.</td>
<td>1600-80-2000</td>
<td>General Manager</td>
</tr>
</tbody>
</table>

**Explanation:** Sup. = Supervisor. Supdt.= Superintendents. Q.C.= Quality Control.

(2) **House Rent Allowance (HRA):**

Justice Thakore awarded the HRA to the employees of this Unit at par with their counter parts in Central and State Governments. While awarding HRA, he stated: 'Since I have taken the view that the Corporation's employees should be put, as far as possible, on par with the Central and State Governments, it necessarily follows that they should also get HRA on the same line.'

Accordingly, the HRA was awarded at 15% of pay subject to a maximum of Rs. 400/- per month. Prior to this award, the

the employees getting basic salary over Rs. 299/- were not
getting any HRA and thus were suffering from a great loss in
wages. This anomaly was removed by the Arbitrator when he
declared that the payment of HRA in the Corporation would also
be as per the other rules in this respect of the State Govern-
ment.7

(3) City Compensatory Allowance (CCA):

Before the award, the employees were receiving CCA, on
the lines of State Government, which slightly differed from
that of the Central Government. The Unions sought CCA on the
lines of the Central Government, i.e., as per the recommenda-
tions of the Desai Pay Commission. On this, the learned
arbiter observed: "The difference now between the Central
Government and State Government has disappeared as the State
Government has adopted the recommendations of the Central Pay
Commission in this respect. This is also a constituent element
of wages and adoption of the same is necessary to bring about
parity."8

The CCA was, therefore, directed as under:

<table>
<thead>
<tr>
<th>Range</th>
<th>CCA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic salary below Rs.250</td>
<td>6½% of pay</td>
</tr>
<tr>
<td>Basic salary Rs.250 and above</td>
<td>6% of pay; subject to</td>
</tr>
<tr>
<td></td>
<td>maximum of Rs.75 per</td>
</tr>
<tr>
<td></td>
<td>month</td>
</tr>
</tbody>
</table>

(4) Washing Allowance:

A large number of workmen were provided with uniforms by

7. Ibid  p.441.
8. Ibid  p.441.
the Unit with Rs. 150/- as Washing Allowance per month. The Unions had demanded a substantial increase in this allowance. In view of great rises in the prices of soaps and allied washing materials, the arbitrator directed that this allowance be increased to Rs. 5/- per month.  

(5) Retrospective Effect and Fixation:

This being an old case referred in 1971, the representatives of the union had pressed for a long retrospective effect, while the advocate of the Corporation had strongly opposed the demand due to a huge deficit budget to the tune of Rs. 226 lakhs for the year 1974-75. Moreover, he argued nine instalments of D.A. totalling to Rs. 252 lakhs were to be paid to the employees of the Corporation. After considering the viewpoints of both the parties the arbitrator directed finally that the 'revised wage scales should come into effect from 1st January 1976.'

(6) Fixation:

The initial pay of the employees was directed to be fixed in the revised grade as per the following guidelines:

1. Basic Pay + Ad-hoc + Special Ad-hoc, if any + D.A. + Provisional D.A.

2. If the initial pay fell below the minimum of the revised grade for the category, it was to be brought up to the minimum of the grade.

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3. If the initial pay was not below the minimum and fell within the graded step of the revised scale, it was to be adjusted there.

4. If the initial pay was not below the minimum of the grade prescribed but did not fall in any of the graded step of the revised scales, it was to be stepped up to the next step in the grade.

5. After the initial pay was so fixed or adjusted, the following additional increments were to be added:

(A) To persons in the grade the minimum of which was Rs.425/- or less:

(i) one increment for every three completed years of service in the existing grade or the grade from which he was last promoted subject to a maximum of 3 increments.

(ii) One additional increment for those who were staggered for two years and more but less than five years; and, two additional increments for those who were staggered for five years or more.

(B) To persons in the grade the minimum of which exceeded Rs.425/- but did not exceed Rs.700/-:

(i) One increment for every 3 completed years of service in the existing grade or the grade from which he was last promoted, subject to a maximum of 2 increments.

(ii) One additional increment for those who were staggered for 3 years or more.

(C) To persons in the grade the minimum of which exceeded Rs.700/- but did not exceed Rs.1300/-:

(i) One increment provided he had completed 4 years service either in his existing grade or the grade from which he was promoted.
(ii) One additional increment for those, who were staggered for 3 years or more.

(D) To persons in the grade the minimum of which exceeded Rs. 1300/-, one increment provided he had completed 3 years in the grade.

(7) Other directions regarding increments and fixation:

- For the purpose of granting increment referred to in A, B, C and D above, Efficiency Bar, if any was to be ignored.
- If, as a result of the grant of increments as above, a person got more than the maximum of the revised scale, the pay was to be fixed at the maximum of that scale.
- If, as a result of the fixation of pay in the revised grade as above, an employee did not get a minimum benefit of Rs. 30/- in his total emoluments including DA, HRA and GDA, he was to be placed in the next higher step of the grade so as to receive at least a total minimum benefit of Rs. 30/- per month.
- If, as a result of the fixation in the revised scale as above, a person in the grade the minimum of which was Rs. 425/- or less received a total benefit of Rs. 75/- or more — and, Rs. 125/- or more in other cases — in his total emoluments including J.A., H.R.A. and C.C.A. but excluding special pay, etc., and other allowances, by reason of his being brought up to the minimum of the scale, he was to be entitled to receive only an amount of Rs. 75/- or Rs. 125/-, as the case may be, in respect
of such increase from 1-1-1976 till 31-12-1976 but was to receive the balance of the benefit from 1-1-1977 onwards. This direction however, was not to debar him from receiving his annual increments in the year 1976 or onwards as well as other incidental benefits arising therefrom.

- The additional increment granted was not to debar any employee from receiving their normal increments in the year 1976, when due.12

- For the purpose of reducing accounting difficulties, some changes in the manner of granting increments were discussed during the hearing. It appeared to be desirable that the employees should receive their annual increments only four times in a year, i.e., either in January, April, July or October. It was directed that the employees would get annual increments as indicated under:13

<table>
<thead>
<tr>
<th>Annual increments falling due on any day in the month of:</th>
<th>Increment to be granted on:</th>
</tr>
</thead>
<tbody>
<tr>
<td>December, January or February</td>
<td>1st January</td>
</tr>
<tr>
<td>March, April or May</td>
<td>1st April</td>
</tr>
<tr>
<td>June, July or August</td>
<td>1st July</td>
</tr>
<tr>
<td>September, October or November</td>
<td>1st October</td>
</tr>
</tbody>
</table>

* Payment of the amount of difference:

The difference between what was payable in respect of the basic wage, D.A., H.R.A., C.C.A., etc., and what had become

12. Ibid. p.458.
13. Ibid. p.459.
payable subject to the maximum indicated earlier was to be paid from 1st January 1975. (However, only \(\frac{2}{3}\)rd of this difference was to be paid for the earlier period from 1-1-1974 to 31-12-1974, half of which was decided to be paid to the employees in cash on or before 31-5-1976, and the remaining half of which was decided to be credited to his P.F. account, with interest at prevailing rate of the P.F. on or before 31st May, 1978. The interest was to run from 1-4-1976.)

In case of persons, who had no P.F. account on or before last date indicated, the other half of the amount was to be paid in cash with interest, as indicated, on or before 31-5-1978.

In case an employee ceased to be in employment of the Corporation, before the second payment was made, either by death, retirement, resignation or termination of his service for whatever reason, the whole of such amount was to become payable to him or his heirs on the occurrence of that event.

Further, in case a person ceased to be an employee of the Corporation on or before 1-1-1976 but was entitled to the benefit of these directions, the whole of the amount was to be paid to him or his heirs on or before 31-5-1976.

* Wages for Daily-rated workers:

The overwhelming majority of daily-rated employees was unskilled and for whom there was no scale. Their maximum total wages came to Rs. 9.80 per day and Rs. 250.80 paise (Rs. 9.80 x 26) per month. This was lower than the total of the minimum basic wage of Rs. 196/- plus D.A. of Rs. 105.56, totalling Rs. 301.56. They were all therefore, put at the
minimum revised scale for daily-rated workers. The senior of them were to get part of HRA, etc., as per the arbitrator's directions (not detailed out here).

A few of the daily-rated employees, however, were skilled and in the grades. The grades differed from category to category. In case of those whose total wages were less than the revised basic rates and the revised D.A., the directions as above in respect of the unskilled workers were to apply to them. In the case of others, it was found difficult to give general directions. The parties were advised to try to settle their question of adjustment in the light of the arbitrator’s directions for daily-rated employees coupled with his directions for adjustment of monthly rated employees. The directions regarding retrospective effect were equally to apply to them and the new rates for them were also to come into effect from 1-1-1976. 14

* Some Special Remarks:

To provide maximum gain of the increased pay-scales etc., the learned Arbitrator also gave two special remarks: 15 "It is a sad experience that the worker and his family remain as poor, ill-fed and ill-clothed because a good part of the increase goes down the familiar drain (drinking of wine, etc.). We are lucky in having in our State total prohibition but unless the Government is fully on the vigil and the leaders of the workers whole-heartedly join in proper propaganda in support thereof amongst their members, the gain will be lost."

Secondly, the more dangerous is the rise in the size of

15. Ibid p. 461.
a family, which erodes the standard of living despite considerable increase in income. The arbitrator issued a specific direction as an integral part of the wage-structure, in his award.\textsuperscript{16} "If a worker, who has three children living — male or female — through one or more wife/husbands on 1st October, 1977, gives birth to any further child he/she shall lose his/her right to the annual increment next falling due." He added:

"If a worker, who has three children living — male or female — through one or more wife/husbands on 1st October, 1977, or thereafter commits a second breach of the above direction, he/she shall not be entitled to any future increment or promotion till he/she satisfies the authorities that he/she has taken suitable steps by performing necessary operation to prevent the birth of any further child." He also hoped that the Corporation would be the first in enforcing these directions and the leaders of the workers would enthusiastically cooperate with the authorities in enforcing these directions.

The proceedings of this award were held in the most amicable atmosphere and desirable manner. Both the parties provided as much material as they could before the arbitrator to assist him to arrive at just conclusions. According to the honourable arbitrator, "the proceedings were an object lesson in good relations, a model of the manner in which such proceedings should be conducted."\textsuperscript{17} He also praised the employees and their leaders for they had steadfastly stuck to their post and loyally discharged their duties and not allowed themselves to be swerved from their path when their

\textsuperscript{16} Ibid, p. 461.
\textsuperscript{17} Ibid, p. 466.
counter-parts in Central Government and the State Government chose other ways. He thereafter admired the Corporation's farsightedness for adopting the Central scale of D.A. since a decade.\textsuperscript{18}

In the end, the learned justice trusted that the proposals he made would cement the harmonious relations that had prevailed in the past.

\textsuperscript{18} Ibid, p. 467.
APPENDIX VII.1

**Award in terms of settlement**

Pay scales and other conditions of service mentioned herein, of the company's workmen of Plant including staff at Vadodara, shall be as under:

(1) Pay-scales and Classification with effect from 1st October, 1978:

A: Workmen (other than those known as staff):

(a) Daily-rated scales:

<table>
<thead>
<tr>
<th>Group</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Rs. 1.25-0.10(10)-2.25-0.12(5)-2.85</td>
</tr>
<tr>
<td>II</td>
<td>Rs. 1.45-0.12(5)-2.05-0.15(10)-3.55</td>
</tr>
<tr>
<td>III</td>
<td>Rs. 1.70-0.15(7)-2.75-0.20(8)-4.35</td>
</tr>
<tr>
<td>IV</td>
<td>Rs. 2.00-0.20(7)-3.40-0.25(8)-5.40</td>
</tr>
<tr>
<td>V</td>
<td>Rs. 2.40-0.25(7)-4.15-0.30(8)-6.55</td>
</tr>
<tr>
<td>VI</td>
<td>Rs. 3.00-0.30(5)-4.50-0.35(5)-6.25-9.40(5)-9.25</td>
</tr>
<tr>
<td>VII</td>
<td>Rs. 4.00-0.35(5)-5.75-0.40(5)-7.75-0.45(5)-10.00</td>
</tr>
</tbody>
</table>

(b) Monthly rated: Tractor Driver:

Rs. 60-4-80-5-130.

(c) Groupwise classification:

<table>
<thead>
<tr>
<th>Group</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>1. Labour, 2. Sweeper, 3. Laboratory Boy</td>
</tr>
</tbody>
</table>

" VI :


This groupwise classification, including that of a Tractor Driver, is not final. There will be further negotiations between the company and the Union to finalise the duty lists of various categories, prepared by the company and to lay down a finally agreed classification. In case there remains any dispute, the parties shall make a joint application under the provisions of the Industrial Disputes Act for a reference of the same to the Industrial Tribunal for adjudication.

B: Categories & Scales of Staff members per month:

1. Clerk, Typist:
   Rs.80-7.5-110-10-160-12.5-235-15-340
   (i) Graduate to start at Rs. 95 (Two increments)
   (ii) Typist to start at Rs.87.50 (One increment)

2. Supervisor:
   Rs.80-7.5-110-10-160-12.5-235-15.00-370

3. Senior Clerk, Stenographer:
   Rs. 150-12.5-200-15.00-320-20.00-400

4. Assistant:
   Rs. 200-20.00-300-25.00-500

5. Senior Assistant:
   Rs. 325-25.00-450-50.00-600

6. Chemist (B.Sc.), Farm Asst.
   Rs.145-15.00-190-20.00-310-25.00-535
   (Farm Asst. to start at Rs. 175/-)
7. Assistant Engineer (Diploma-holder):
Rs.170-20.00-290-25.00-515-30.00-575

(i) Double diploma-holder to start at Rs.190/-.

8. Senior Chemist (M.Sc. or experienced B.Sc.) & Engineer (B.E.):
Rs.225-25.00-500-30.00-710

(2) Fixation in revised scales:

The basic pay of all workmen, including staff members, who are on the muster roll on the 1st January, 1980, or who are entitled on the said date to be called back for Temporary appointment but were relieved on account of lack of work for them, will be fixed in the revised scales on the 1st October, 1978, or from the date of joining service, if later, as stated hereinafter in this clause.

[The workmen who are entitled on 1-1-80 to be called back for temporary appointment means the following workmen only, who were relieved after the 30th September 1979, but were not on the muster roll on 1-1-1980:

(a) Those who had first joined in 1977 or 1978

(b) Those who had first joined in 1979 and had put up 150 days attendance in 1979.]

(i) No workmen of the company, whether permanent, probationary, temporary or described otherwise shall get less than the minimum basic pay in the revised scale for his category.

(ii) If a workman is not entitled to any increment in the revised scale, as provided hereinafter, on the date of fixation
of his pay in the revised scale, (a) his basic pay shall be the minimum of the revised scale for his category in case his existing basic pay is below that minimum and (b) in case his existing basic pay is above the minimum of the revised scale for his category but does not coincide with a step in the revised scale, it shall be fixed at the next higher stage in the revised scale. If the existing basic pay of a workman not entitled to any increment as provided hereinafter on the date of fixation coincides with the minimum or with a step in the revised scale for his category, his basic pay in the revised scale shall be the same.

(iii) In the case of workman entitled to increments in the revised scales as follows, the first stage of fixation of basic pay in the revised scale shall be the same as per sub-clause (ii) above. Basic pay of a workman in the revised scale for his category shall be fixed by adding increments thereafter as follows:

(a) For temporary service in 1973, 1974, 1975 and 1976, if confirmed on or before the 31st, October 1978 and if the workman concerned has been present for two hundred days or more in any of these years, at the rate of one increment if he qualifies for any one or two years and two increments if he qualifies for any three or all the four years.

(b) For permanent service as on the 1st October 1978 at the rate of one increment for one or more than one but up to three years, two increments for more than three but up to four years and three increments for more than four years.
Clarifications: (a) If a workman qualifies for maximum two increments for temporary service, he cannot be expected to qualify for more than one increment for permanent service as on 1-10-78. If by chance he does, he shall not be given more than three increments in all, because even those who are permanent since 1973 shall not get more than three increments.

(b) There are a few workmen who were in a non-staff category for some period before they were promoted to a staff category in view of the jobs they were doing. Their services in the non-staff category shall be taken into account for the purpose of fixing their basic pay in the revised scale for their category.

(iv) Treatment of increments given on 1-1-79 in the existing scales with or without upgradation:

(a) If a workman has been given any increment or increments on 1-1-79 without upgradation and his existing pay on 1-1-79 is less than the revised pay on 1-10-78, the increment or increments given on 1-1-79 in the existing scale merges in the revised pay. If the existing pay on 1-1-79 is higher than the revised pay, the difference shall be treated as his personal pay till it merges in the future annual increments in the revised scale.

(b) If a workman has been upgraded on 1-1-79 without increments in the higher scale, the procedure shall be as follows:

Raise the basic pay fixed in the revised scale on 1-10-78 to the minimum of the revised higher scale and add one increment in the revised higher scale. The sum thus arrived at shall
be the revised basic pay on 1-1-'79. If the existing basic pay on 1-1-'79 is more than the basic pay thus arrived at on 1-1-'79, the difference shall be treated as personal pay till it merges into the future annual increments in the revised higher scale.

If there arise any anomalies in basic pay as per above rules, the Company and the Union will discuss and remove the same by agreement.

(3) The date of annual increments:

(a) Workmen whose basic pay has been fixed in a revised scale on 1-10-'78 and who were permanent on that date or have been confirmed thereafter on or before 1-1-'80 or as per clause 7 hereinafter shall be entitled to get future annual increments on the 1st of October every year beginning from 1979.

(b) Workmen who have joined service after 1-10-'78 shall be entitled to get their first annual increment on being confirmed if they have been on the roll for more than a year and in other case on completion of one year after confirmation. Future annual increments shall be given every year thereafter on the date the first increment was given.

(c) Workmen who have been upgraded on 1-1-'79 shall get their annual increments in their revised higher scale on the 1st January every year, beginning from 1980.

(d) Workmen who are upgraded hereafter shall get annual increments in the higher scale on the date of upgradation every year. Their basic pay on upgradation shall coincide with a step in the higher scale and they shall be given a memo of upgradation, stating the date of upgradation and the basic pay
fixed in the higher scale. (The basic pay on up gradation shall be fixed in the higher scale by stepping up the basic pay in the lower scale, if necessary, and adding one increment in the higher scale).

(e) Those who are getting special pay in addition to their basic pay since their appointment or according to their terms of service shall continue to get the same as special personal pay and it shall not be adjusted against annual increments or other benefits under this settlement.

(4) Dearness Allowance:

All workmen including staff members shall be paid dearness allowance at the percentage of the existing rate of dearness allowance in A.C.W. Ltd.* at Vadodara, mentioned in column (B) from the date mentioned in column (A) hereunder:

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. From 1-1-1978</td>
<td>85% of A.C.W. rate</td>
</tr>
<tr>
<td>2. From 1-1-1979</td>
<td>90% of A.C.W. rate</td>
</tr>
<tr>
<td>3. From 1-7-1980</td>
<td>92% of A.C.W. rate</td>
</tr>
<tr>
<td>4. From 1-7-1981</td>
<td>95% of A.C.W. rate</td>
</tr>
</tbody>
</table>

A.C.W. rate: Herein-above means the existing rate of and the method of calculating dearness allowance in Alembic Chemical Works at Vadodara. Any change in the said rate of and the method of calculating dearness allowance shall not affect the rate or method of calculating dearness allowance payable under this settlement.

* One of the major sister concerns.
(5) High Cost Allowance:

(a) Workmen known as staff members shall be paid High Cost Allowance at the following rates with effect from the 1st January 1980.

<table>
<thead>
<tr>
<th>Basic pay p.m.</th>
<th>Amount of H.C.A.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Up to Rs. 150/-</td>
<td>Rs. 10.00 p.m.</td>
</tr>
<tr>
<td>2. Above Rs. 150/- but</td>
<td>Rs. 14.00 p.m.</td>
</tr>
<tr>
<td>up to Rs. 250/-</td>
<td></td>
</tr>
<tr>
<td>3. Above Rs. 250/-</td>
<td>Rs. 18.00 p.m.</td>
</tr>
</tbody>
</table>

(b) A decision regarding payment of high cost allowance to workmen other than those belonging to staff categories will be taken by discussion between the company and the union and if necessary by a joint reference by them after the decision of the question in reference (IT) No.434 of 1978 between A.C.W. Ltd. and the workmen employed under it, pending before the Industrial Tribunal of Shri R.C. Israni at Ahmedabad.

(6) Annual Leave with pay:

(a) Workmen other than staff members will be entitled to Annual Leave with pay (Privilege Leave) with effect from the calendar year 1979, that is in respect of the days worked in the calendar year 1979 and thereafter in subsequent years, according to the direction in the award of Shri M.U. Shah, Industrial Tribunal, Ahmedabad in Reference (IT) No.41 of 1975 between A.C.W. Ltd. and its workmen, published in the Gujarat Government Gazette, Part-I-L dt. 25-11-76 at page 5792 (particular pages being 5803 to 5805) modifying the provisions of annual leave with pay under the Factories Act in so far as the workmen of the said company are concerned.
(b) Workmen known as staff members shall be entitled to privilege leave with full pay as under with effect from the calendar year 1979 that is privilege leave shall be earned for the service in 1979 and thereafter:

<table>
<thead>
<tr>
<th>Service</th>
<th>P.L. per year</th>
<th>Maximum accumulation</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) Below 5 years from the date of joining</td>
<td>18 days</td>
<td>54 days</td>
</tr>
<tr>
<td>(ii) 5 years or above from the date of joining</td>
<td>22 days</td>
<td>66 days</td>
</tr>
</tbody>
</table>

**NOTE:**
(a) Privilege leave shall be enjoyed in maximum four instalments in the calendar year.
(b) Application for privilege leave shall be made in advance ordinarily before 15 days.

(7) Temporary Workers:

(a) All temporary workers, first appointed before 1-1-1977 and on muster roll on 1-1-1980 or entitled to be called for appointment in the temporary capacity, but relieved on account of lack of work shall be confirmed on 1-1-1980 or from the date of last joining if reappointed after 1-1-1980.

(b) The question of confirming temporary workers will be discussed by the company and the union every year in the month of January, from 1981 and the parties will decide by mutual agreement the names of workmen to be confirmed from the 1st January or later as may be appropriate in each case. The union shall submit in advance in December every year, a list of temporary workmen, it desires to be confirmed next year. If the company considers it necessary to confirm temporary workers during the course of a year, it can do so.
(c) Many temporary workers of the insecticide section had to be out of job abruptly in October 1979 and a number of them are out of job even at present as the company considered it essential thereafter to shift the insecticide plant to Panelav. As many temporary workers of this section as possible so far have been provided jobs in the Alpha Nephrol Section and the remaining also will be provided temporary jobs in the above section or other sections. The Union has agreed with the decision to shift the insecticide section to Panelav in the interest of preventing pollution of the environment of the Complex situated in the city of Vadodara.

It has not been possible under these circumstances to reabsorb all temporary hands rendered idle since October 1979. The company agrees with the Union that all temporary workers relieved after 30-9-’79 who have first joined service in 1977 or in 1978 or who first joined in 1979 and have put up 150 days attendance in 1979, are entitled to be called back for re-appointment as temporary workmen.

(6) Miscellaneous:

(a) Arrears of the difference in basic pay, dearness allowance and high cost allowance, if any due, under this settlement, shall be paid on or before the 31st May 1980.

(b) Bonus for 1978, overtime payment for 1978 and 1979 and payment as agreed under the settlement dated 25-12-’79 between the parties for working on festival and national holidays in 1979 shall not be paid in the arrears of the difference of basic pay and dearness allowance.
(c) Interim relief paid at the rate of Rs.14/- p.m. shall be adjusted against the arrears of difference in basic pay and dearness allowance on account of this settlement.

(d) Workmen including staff members, who are not on the muster roll of the company on 1-1-1980 and are not entitled on 1-1-1980 as per clause (2) to be called for re-appointment as temporary workers shall not be paid any arrears on account of difference of basic pay and dearness allowance and high cost allowance under this settlement.

(e) Temporary workers who are not on the muster roll on 1-1-‘80 but are entitled to be called back for temporary appointment as stated in clause (2) should apply for payment of arrears of difference of basic pay and dearness allowance before 31-5-1980 and they shall be paid the same on or before 30-6-1980.

(f) The workmen who are blocked at the maximum of their scale shall be given an increment every alternate year at the rate of the increment last drawn, but such increments shall not exceed four in all.

(9) This settlement disposes of all demands under reference and shall remain in force upto the 31st December, 1981 and shall not affect any one adversely if his service conditions are better in any respect.

(10) The parties record with appreciation that they have succeeded in arriving at this amicable settlement, despite initial difficulties, because of the initiative and interest
taken by the hon'ble Tribunal. The parties will cooperate with each other in maintaining and improving production and productivity and in fostering healthy industrial relations.

Note: This Settlement was signed on 28-1-1980, (A) by a Director of the Unit on behalf of the Management, and (B) by the President of the Union.