Appendix VII

MEMORANDUM OF SETTLEMENT REACHED BETWEEN
THE EMPLOYERS OF ENGINEERING UNITS
BEING MEMBERS AND REPRESENTATIVES.

by

A. 1) All India Manufacturers' Organisation, Assam State
    Board, Tinsukia

    their workmen represented by their trade unions
    affiliated to

B. 1) Indian National Trade Union Congress, Assam Branch
    Guwahati

    2) Industrial Workers' Union Tinsukia.

reached in joint meetings held 15-2-91 & 16-2-91 at
Tinsukia.

SHORT RECITAL OF THE CASE

The last tripartite agreement on wages in the Engineering
Industry in Assam dated 27-6-86 expired on 31st March, 1990.
As mentioned therein the INTUC (Assam Branch) submitted a
memorandum vide their letter No.EGN/110/90-216 dated 30th
April, 1990 to the State Government in the Labour Dept. to
commence joint meeting for revision of wages in the
Engineering Industry in Assam under copy to employer
Organisations. But to fruitful results were forthcoming, the
above named parties have after protracted discussions on the
issues involved have reached the following terms of
settlement in the joint sittings held on 15-2-91 & 16-2-91 at
Tinsukia.

Agreed between and by the parties that :

1) The agreement shall cover establishments registered under
the Factories Act and employing not less than 10 workers.

2) The Engineering establishments shall be divided into three groups as under:

(a) Group - I - Employing - Upto 50 persons
(b) Group - II - Employing - 51 to 200 persons
(c) Group - III - Employing - 201 and above

(The working strength for the purpose of Grouping will be taken to be that on 1-4-90).

3) In case where more than one unit/branch belonging to the same establishment functioned in the state the aggregate number of workers of all such units shall be taken into account for deciding the group in which they fall.

4) The agreement shall cover engineering units engaged in the production and/or shaping of ferrous and non-ferrous metals, turning, fabrication, processing, moulding, joining, etc.

5) The workshops attached to non-engineering establishments engaged in the manufacture of engineering products for sale (and not merely for service and maintenance) shall come within the purview of the agreement.

6) The automobile repairing establishments, if registered as 'Factories' under the Factories Act, 1948 shall be within the ambit of this agreement subject to clause 2 above.

7) Any financial difficulty or stringency shall not stand as a bar giving effect to this agreement.

8) (a) All workmen coming within the purview of the definition of 'Workmen' as defined in the Industrial Disputes Act, 1947 shall be entitled to the benefits of this agreement.

(b) This agreement shall cover workers employed by or under contractors.
(9) The existing categorisation of workers will not be disturbed, but this clause shall not prejudice workers' upgradation of deserving workers and giving them the appropriate scale of pay. A system of annual merit rating may be introduced at unit level to encourage workmen to improve their skills. Any difficulties in this respect to be looked into at unit level.

(10) In the case of new appointments as Peons, Chapparals, Watchmen, Chowkidars, Sweepers the wages will be identical with those prescribed for the unskilled workers.

(11) A flat increase as below shall be granted to all workers at all stages in all categories and groups with effect from the 1st April, 1990 and shall be added to their basic wages. This shall be reflected in the new scale worked out and allowed to the workmen:

- Group - I- Rs. 75/- per month
- Group - II- Rs. 85/- per month
- Group -III- Rs. 110/- per month

The interim relief already being paid to the workmen w.e.f. 1.4.90 shall stand adjusted against the above flat increases in all categories and in all groups and balance to be paid.

Whenever workmen were receiving higher amount of Interim Relief than the flat increases as above, such balance amount will not be adjusted and will be added to their basic wages.

(12) An amount consisting of V.D.A. of Rs. 265.20 per month as on 31-3-90 shall be merged with basic wages in all scales in all groups and new scales drawn up accordingly. The fixed D.A. if any, shall continue to be payable to the concerned workmen.

(13) The following shall be the revised pay scales for Group I, II & III after the merger as above at all stages of the existing scales.
### Group - I

<table>
<thead>
<tr>
<th>Category</th>
<th>Base Salary</th>
<th>Annual Increment</th>
<th>Total Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Un-skilled</td>
<td>750</td>
<td>15</td>
<td>930</td>
</tr>
<tr>
<td>Semi-skilled</td>
<td>765</td>
<td>15.50</td>
<td>955</td>
</tr>
<tr>
<td>Skilled - A</td>
<td>795</td>
<td>16</td>
<td>987</td>
</tr>
<tr>
<td>Skilled - B</td>
<td>810</td>
<td>16</td>
<td>906</td>
</tr>
<tr>
<td>Skilled - C</td>
<td>850</td>
<td>17</td>
<td>1054</td>
</tr>
<tr>
<td>Skilled - D</td>
<td>900</td>
<td>18</td>
<td>1116</td>
</tr>
</tbody>
</table>

### Group - II

<table>
<thead>
<tr>
<th>Category</th>
<th>Base Salary</th>
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<th>Total Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Un-Skilled</td>
<td>785</td>
<td>15.75</td>
<td>974</td>
</tr>
<tr>
<td>Semi-skilled</td>
<td>802</td>
<td>16</td>
<td>898</td>
</tr>
<tr>
<td>Skilled - A</td>
<td>840</td>
<td>17</td>
<td>1044</td>
</tr>
<tr>
<td>Skilled - B</td>
<td>856</td>
<td>17</td>
<td>958</td>
</tr>
<tr>
<td>Skilled - C</td>
<td>904</td>
<td>18</td>
<td>1120</td>
</tr>
<tr>
<td>Skilled - D</td>
<td>965</td>
<td>19</td>
<td>1193</td>
</tr>
</tbody>
</table>

### Group - III

<table>
<thead>
<tr>
<th>Category</th>
<th>Base Salary</th>
<th>Annual Increment</th>
<th>Total Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Un-skilled</td>
<td>825</td>
<td>16.50</td>
<td>1023</td>
</tr>
<tr>
<td>Semi-skilled</td>
<td>845</td>
<td>17</td>
<td>974</td>
</tr>
<tr>
<td>Skilled - A</td>
<td>883</td>
<td>18</td>
<td>1099</td>
</tr>
<tr>
<td>Skilled - B</td>
<td>902</td>
<td>18</td>
<td>1010</td>
</tr>
<tr>
<td>Skilled - C</td>
<td>955</td>
<td>19</td>
<td>1183</td>
</tr>
<tr>
<td>Skilled - D</td>
<td>1020</td>
<td>20</td>
<td>1260</td>
</tr>
</tbody>
</table>

Fixation of pay on the new scales should be on point to point basis in such a manner that no workmen loses in any way and if the wages of any workmen after fixation fall at a level between two stages of annual increment on the scale, will continue to get the excess amount which shall be merged in his pay at the time of allowing him the next annual increments.

14) (a) The new rates of variable Dearness Allowance (VDA) which will be based on all India average Consumer Price Index for industrial workers of 1960 and will be effective from 1-4-90 is as below :-
(i) Rs.1.60 paise per point per month for all workers in all categories.

(b) The V.D.A. shall be adjusted at the above rates with the rise or fall of All India Average Consumer Price Index for Industrial Workers (Base 1960 = 100). The maximum of 55 points per annum, the floor being taken to be for year 1988 for the purpose. Any neutralised point will be carried forward to the next year but subject to maximum of 55 points. The adjustment will be made every six months.

(15) On the request of the union such units not paying their workmen are requested to consider for introduction of facility of HRA @10% to such workmen not provided with any accommodation.

(16) For the workers who are daily rated ones at present the above monthly wages shall be divided by 26 to arrive at the daily rate.

(17) If the existing emoluments on the basis of pay scales and other allowances taken together are deemed to be more favourable than the pay scales and other allowances taken together as agreed upon above, the workmen adversely affected shall have the right to opt out.

(18) The terms of this new agreement shall be operative from 1-4-90 and that the same shall continue to remain in force for a period of four years upto 31st March, 1991 after which it may be revised. Steps to do so will be initiated six months before expiry of the agreement.

(19) If any dispute arises on the scope and interpretation of the terms of the above settlement the decision of the labour Commissioner, Assam, Guwahati, shall be final.

(20) All amounts payable to the workmen under this settlement shall be cleared off by the 15th March, 1991.
Signed this day the 16th of February, 1991 at Tinsukia.

Sd/-

(S.K. BHATTACHARJEE)
Secretary, Dist. INTUC
Tinsukia Dist. Branch

Sd/-

(B.P. BAKSHI)
Assam State Board
All India Manufacturers Organisation, Tinsukia

Sd/-

(JITEN DOWERAH)
Secretary, INTUC (Assam Branch)
Guwahati

Sd/-

(J.C. KAR)
President,
Industrial Workers' Union
Tinsukia

Source : General Secretary, Steelworth Workers' Union, Tinsukia