

Memorandum of Settlement Regarding the Engineering Industries of Bihar

BIHAR

India

Memorandum of Settlement Regarding the Engineering Industries of Bihar

Rule

MEMORANDUM-OF-SETTLEMENT-REGARDING-THE-ENGINEERING-INDUSTRIES-OF-1986

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Memorandum of Settlement Regarding the Engineering Industries of Bihar Published vide Notification No.S/4/D-2-601-86, dated 26h April, 1986, Bihar Gazette Part 2, at pages 1067-71, dated 15.10.1986

1.

Notification No.SJ4/D-2-601-86, dated 26h April, 1986]. - Memorandum of settlement arrived at in course of conciliation proceedings held by Shri A. K. Choudhary, Commissioner of Labour and Conciliation Officer, Bihar, Patna in the Industrial Dispute between the employers of Engineering Industry of Bihar and their workmen on 12th of April, 1986 at Patna.

Representing Employers	Representing Workmen
1. Shri S.K. Basu, President, Singhbhum Association, Jamshedpur.	1. Shri S. N. Singh Secretary, I. N. Industries T. U. C., Bihar.
2. Shri Ajay Chandra Srivastava, Bihar Industries Association.	2. Shri Ratan Roy, A. I. T. U. C., Vice President, Bihar.
3. Shri C. S. Singh, Telco, Jamshedpur.	3. Shri Shambhu Sharan, Secretary, B. M. S. Bihar.
	4. Shri N. Mishra, President, Industrial Mazdoor Union, Jamshedpur, C.I.T.U.

Short Recital of the CaseWhereas the State Level Tripartite Settlement, dated the 28th January,

1981 regarding wages and D. A. of the workmen employed in Engineering Industries in the State of Bihar expired on 31st December, 1984. And, Whereas the State Government considered it expedient to maintain uniformity in the wage structure and Dearness Allowance of the workmen in interest of Industrial peace, constituted a Tripartite Committee vide its Resolution no. IV/ D2-6026/84-L. & E. - 996, dated, the 28th June, 1985. And, Whereas the said Tripartite Committee could not make unanimous recommendations regarding the wage revision (including D.A.), on 31st December, 1984 and requested the conciliation machinery of the State Government to intervene and help in arriving at a settlement under the provisions of the Industrial Disputes Act, 1947. Therefore, on the request of the Tripartite Committee, the Commissioner of Labour and Conciliation Officer, Bihar held conciliation proceedings on several dates and finally on 12th April 1986 to bring about a settlement, as a result of which the following settlement is arrived at. Terms of Settlement I. Effective Date. It is agreed that the terms of settlement regarding wages D. A. shall be effective from the 1st January, 1985. II. Classification of Factories. - Engineering factories in the State of Bihar as registered under the Factories Act, 1948 would be classified as given below for the purpose of wage revision:-

- Group I. - Those employing upto 25 workmen. However, if investment on plant and machinery in such factories are more than Rs. 10 lakhs but less than Rs. 1.5 crore the factory will be deemed in Group II.
- Group II. - Those employing between 26 and 50 workmen.
- Group III. - Those employing between 51 and 150 workmen.
- Group IV. - Those employing between 151 and 250 workmen.
- Group V. - Those employing between 251 and 500 workmen.
- Group VI. - Those employing 501 and above workmen.

Note. - If investment on plant and machinery in any factory is more than 1.50 crore, such factory will be deemed to fall in Group-VI irrespective of the number of the workmen employed. If, as a result of increase in the number of workmen, a factory moves to higher group the workmen employed in such factory should be eligible for wages and D. A. for the corresponding higher group. Similarly if as a result of reduction in the number of workmen, a factory falls in lower group, workmen employed thereafter as new entrants will be eligible for wages and D. A. of the lower group. Workmen employed in any of the groups enjoying the benefits of higher group should continue to get the benefits of corresponding group. For the purpose of determining of the number of 'workmen employed, the average number of workmen employed in a month during the 12 months immediately preceding 1st January 1985 should be the grading factor. Similarly at the end of each calendar year, the average number of workmen employed during the preceding 12 months would determine the category of the group of the factory. Note. - (a) The term 'workmen' shall have the same meaning as given in Industrial Disputes Act, 1947. (b) The term 'wage' shall have the same meaning as given in the Payment of Wages Act, 1946. III. Minimum Wages-(1) The minimum wages for the lowest category of the workmen employed in a factory to do unskilled nature of job shall be as follows for different categories inclusive of guaranteed minimum increase under this settlement at 617 of all India Consumer Price Index Number for Industrial Workers (1960=100) i.e., on the 1st January, 1986.

Rs.

Group I- 476.00

Group II- 488.00

Group III- 581.00

Group IV- 664.00

Group V- 728.00

Group VI- 763.00

(2) Where no grades or scales of pay are in operation, the workmen will be broadly divided into the following categories according to their nature of work and their minimum wages shall be as follows. However where grades or scales of pay are in operation but if the minimum wages of any category or any group is less than the minimum fixed herein below it will be revised and brought up to the respective minimum level. Categories

Group	Unskilled	Semi-skilled	Skilled	Highly skilled
	Rs.	Rs.	Rs.	Rs.
Group I	476	486	506	556
Group II	488	498	568	578
Group III	581	591	611	651
Group IV	664	674	694	744
Group V	728	738	758	808
Group VI	763	793	843	918

IV. Guaranteed Minimum Increases-Every workman employed in different groups as mentioned above should be allowed a minimum guaranteed increase as under, over that he was drawing on 31st December, 1984.

Rs.

Group I- 28

Group II- 40

Group III- 40

Group IV- 55

Group V- 65

Group VI- 100

With a view to obviating heavy financial liability on account of the retrospective implementation of the guaranteed minimum increase from the 1st January, 1985, the representative of the workmen as a gesture of good will and appreciating the financial hardship accruing to the employer agreed to waive off the arrears to the extent given below for different categories of factories:-Group I to III-37 percent of the arrear till 31st March, 1986. Group IV and V-30 percent of the arrear till 31st March, 1986. There will, however, be no waive off in respect of the arrears for factories falling in Group VI. V. Dearness Allowance. - It is agreed that the rate of per point neutralization in the rise/fall in the All India Consumer Price Index Number after 617 point (1960-100) will be as follows for the different categories of factories:-

Rs.

Group I- 1.00

Group II- 1.00

Group III- 1.05

Group IV- 1.15

Group V- 1.20

Group VI- 1.30

V. D. A. will be calculated with reference to 3 months average of each quarter of the year and will be applicable after 3 months, i.e., average index number of October-December, 1985 will be payable from 1st April, 1986 and likewise in future.(2)For the purpose of calculating V.D.A. and showing it in the pay slips, the units which have a system of showing D. A. and V.D.A. separately will continue to do so and merge the additional V.D.A. with the existing V.D.A. and the units which have been showing D.A. only will merge the additional V.D.A. with the existing D.A.(3)Those factories who are paying wages to their workmen in consolidated term i.e., both basis and V.D.A. together may continue to do so but such wages should not fall short of the minimum wages plus V.D.A. applicable for particular quarter for that particular group of factory.VI. Phasing-For the factories which will go from group I to group II or group II to group III or from group III to group IV or from group IV to group V or from group V to group VI by virtue of increase in their labour strength it is agreed that as their burden would be substantial, they shall be allowed to meet this burden in 2 yearly equal instalments.VII. General. - (1) If any factory has paid by way of interim relief or ad hoc payment or by way of wage increase since 1st January, 1985, the same should be adjusted against the increased accruable under this settlement.(2)Wherever higher wages are given in any of the factories the employer shall continue to pay the higher wages than those fixed under this agreement. Similarly, if the rate of neutralisation of V.D.A. is higher than those mentioned above, the employer shall continue to calculate and pay V.D.A. at the higher rate.(3)The existing Incentive Production Bonus or any other payment of like matters, if any shall not cast any additional financial burden on the company either directly or by implications because of increased wages under this settlement except as provided under the various labour laws.(4)In case any reference is pending before any Tribunal/Conciliation Officer/ Labour Court in respect of wage revision, the parties shall approach such Tribunal/ Conciliation Officer/Labour Court to dispose of the matters in terms of this settlement.(5)The overtime payment, leave with wages, Provident Fund, and E.S.I. Contribution or any other payment, of like nature shall not be payable on the arrears payable as mentioned in this settlement. The above payments shall become payable on the revised wages from the 1st April, 1986 and onwards.(6)As far as the daily-rated or piece-rated workmen are concerned, the quantum of wages prescribed in this settlement relate to work for 26 days in a month. Wages of daily rated and piece-rated workmen shall be so adjusted that no worker gets less than the wages prescribed in this settlement.(7)The term of this settlement shall remain in force for a period of five years with effect from the 1st January, 1985. During the operation of this settlement, Unions and/or the workmen will not raise any demand pertaining to wages increase including dearness allowance. The terms of this settlement thereafter will continue to remain binding on the parties until these are terminated in writing by either side by giving 2 months notice.(8)In case of any dispute or anomaly in the matter of implementation and/or interpretation of the agreed wage structure, the issue will be discussed at the plant level and in case of no settlement the issues will be referred to the Commissioner of Labour, Bihar for decision.(9)The arrears accruing as a result of the implementation of this settlement will be paid in two equal instalments as under:-(i)First instalment by July, 1986.(ii)2nd instalment by December, 1986.(10)The term of this settlement will apply to Engineering units registered as 'Factory' under Section 2 (m) of the Factories act, 1948 except those given in Annexure 'A'.(11)The question relating to the definition and scope of the term 'Engineering

Industry' will be decided in accordance with the recommendations of the Central Wage Board for Engineering Industry as contained in Annexure 'B' of the Level Settlement dated the 14th March, 1979.(12)Both the parties hereby solemnly pledge that during the period of this agreement there shall be industrial peace in the Engineering Factories in Bihar. The difference, if any, arising out of the terms and conditions of employment shall be resolved at the unit level through bi-partite negotiations failing which the parties shall have recourse to constitutional means for a settlement.(13)It is also agreed by and between the parties that they recognise the necessity of making the Engineering units in the State viable and growth oriented and to achieve this end, the parties assure that every endeavour will be made by the workmen to increase and to improve productivity for mutual benefit.(14)As retrospective implementation of the settlement causes unforeseen liabilities of the management and also causes anxieties and aspirations among workmen, it should be the endeavour of the parties and Government to initiate fresh wage revision settlement efforts at least one year before the expiry of this settlement.

Representing Employer Representing Workmen

Annexure 'A'

- 1. Heavy Engineering Corporation Limited, Ranchi.**
- 2. Tata Engineering and Locomotive Company Limited, Jamshedpur.**
- 3. Bharat Wagon and Engineering Company Limited.**
- 4. Tinsplate Company of India Limited, Golmuri, Jamshedpur,,**
- 5. Indian Cable Company Limited, Jamshedpur.**
- 6. Indian Steel and Wire Products Limited, Jamshedpur.**
- 7. Jamshedpur Engineering and Machine Manufacturing Company Limited, Jamshedpur.**
- 8. Tata Robins Frazer Limited, Jamshedpur.**
- 9. Indian Copper Corporation Limited, Ghatshila.**
- 10. Usha Martine Black Limited, Tatisilwai, Ranchi.**