

MEMORANDUM OF SETTLEMENT

Under Sec. 12(3) of the Industrial Disputes Act
and Rule 25(1) of the Madras Industrial Disputes
Rules:

Before:

Thiru K.V.parthasarathy
Commissioner of Labour
Government of Tamil Nadu:

Names of Parties : M/s. Ashok Leyland Limited and
its workmen represented by the
Ashok Leyland Employees' Union,
Madras.

Representing Employer : Mr.R.J.Hencock
Managing Director

Mr.C.G.Visvenathan
Personnel Manager

Mr.C.P.Chandradas
Industrial Relations Manager

Representing Employees : Mr.S.M.Narayanan
President

Mr.E.Varadhan
Vice President

Mr.A.Doraiswamy
Vice President

Mr.V.Rangaswamy
Vice President

Mr.T.Bhoovaraghavan
General Secretary

Mr.K.Kittappan
Joint Secretary

Mr.G.Mohanraj
Joint Secretary

Mr.W.R.Bhoopathy
Treasurer

Number and broad description of the categories of workmen X 3647 workmen
X (Monthly Rated and Daily Rated)

SHORT RECITAL OF THE CASE

1. WHEREAS the Ashok Leyland Employees' Union (hereinafter referred to as the Union) which is recognised by Ashok Leyland Limited (herein after referred to as the Company) as the sole representative of the workmen working in the Company, has been demanding revision of wage scales, DA, etc, as per the charter of demands submitted by the Union on 20th March 1974 consequent to the expiry of the settlement dated 18th June 1970 entered into between the parties.
2. WHEREAS the Company also requested the Union to discuss certain issues as per the letter addressed to the Union on 5th April 1974,
3. WHEREAS direct negotiations were held between the parties on various dates from 5th April 1974 onwards in the months of April and May 1974,
4. WHEREAS inspite of the best efforts, the matter could not be settled in its entirety between the parties at bipartite level,
5. WHEREAS at the request of the Union, the Hon'ble Minister of Labour of the Government of Tamil Nādu and the Commissioner of Labour, Tamil Nādu intervened and used their good offices to settle the dispute and persuaded both the parties to arrive at an amicable settlement on the lines suggested by them,
6. WHEREAS the parties again discussed the issue in the light of the suggestions made by the Commissioner of Labour on Saturday, the 25th May 1974 and agreed to settle the issues on the basis of the suggestions made,
7. WHEREAS the parties desire to enter into a settlement with a view to maintaining sound and cordial industrial relations and to promote the interests of the workmen and the efficient operation of the Company's business,

NOW THEREFORE, THIS SETTLEMENT WITNESSETH AS FOLLOWS:

TERMS OF SETTLEMENT:

1. COVERAGE:

The terms and conditions of this Settlement shall apply only to the workmen in the Unionised category covered by Annexure A to this Settlement and who are on the rolls of the Company on and from the date of this Settlement but shall not apply to others including Trainees, Apprentices, Casuals and other employees appointed for specific periods.

2. PERIOD OF SETTLEMENT:

This Settlement will last for three years from 1st July 1974 and shall continue to be binding thereafter, until a new Settlement is executed between the parties. The parties agree that after the 31st December 1976, either party may give six months notice to terminate this Settlement. 77

3. PRODUCTION TARGETS DURING THE CURRENCY OF THE SETTLEMENT:

The Union hereby agree to increase production to the rates detailed hereunder during the currency of the Settlement to implement the Company's expansion programme in the light of the revision of wages and DA as per this Settlement.

<u>From:</u>	<u>Comets per Day:</u>	<u>Engines Per Day:</u>
1st July 1974	26	32
1st October 1974	28	34
1st April 1975	30	37
1st October 1975	32	39
1st October 1976	34	41

4. INCENTIVE BONUS:

The parties agree that disparities in the levels of incentive earnings of the employees in the various departments should be removed in the interests of the Company and the workmen and hereby agree for the rationalisations of the incentive scheme. The talks would resume early June 1974 and would endeavour to settle this issue in 3 months thereafter.

5. SUPPLEMENTARY PAYMENTS:

Any supplementary payments due to errors/omissions in calculation of wages, bonus, etc. will be paid on the 20th of every month if the amount involved is Rs.25/- and above. In other cases payment will be made only with the salary/wages of the following month.

6. LONG SERVICE AWARD:

The Company hereby agrees to present a Watch to all workmen who complete 20 years of continuous service in the Company, in future.

7. REVISED SALARY STRUCTURE:

(a) Monthly Grades: The present Monthly Grades shall be converted into Monthly Grades A (hereinafter referred to as A Grades) by merging the dearness allowance at 1100 points (cost of living index for the working class 1936 base) on the basis of the provisions in the Settlement dated 18th June 1970 with the present monthly salary. The new Grades are as shown in Annexure B.

(b) Daily Rated Grades: The Daily Rated Grades in force shall be converted into Daily Rated Grades (hereinafter referred to as B Grades) by merging the daily dearness allowance at 1100 points (cost of living index for the working class 1936 base) on the basis of the provisions in the existing Settlement dated 18th June 1970 with the existing wages drawn by the workmen. The new Grades are as shown in Annexure C.

(c) The Company agreed to the revision of the scales as referred to above and to meet the other financial commitment arising out of this Settlement on the Union agreeing to meet the production targets as enumerated in para 3 above, with the existing complement of employees in the Company.

8. DEARNESS ALLOWANCE:

It is agreed that the dearness allowance for all workmen covered by this Settlement will be calculated at 30 paise per point only beyond 1100 points of the Madras City industrial workers cost of living index (1936 base) in view of the merger of basic and DA at 1100 points as referred to above.

9. LUMP SUM EX GRATIA PAYMENT:

The Company hereby agrees to pay a lumpsum ex gratia amount of Rs.500/- to each workmen in service on the date of this Settlement for the period of 1st January 1974 to 30th June 1974. Proportionate deductions will be made for unauthorised absence during this period.

10. FIXATION OF PAY OF EMPLOYEES IN THE NEW GRADES & SPECIAL PAY:

(a) The employees will be fitted in the new grade after adding Rs.30/- to the Monthly Rated and Rs.1.35 per day to the Daily Rated. The personal pay drawn by the employees, if any, will be paid as before.

(b) Apart from the increase in the basic salary referred to above, the Company hereby agrees to a special pay from 1st July 1974 to employees who have completed 10 years of service as permanent employee, on 1st July 1974, as under:-

Monthly Rated Employee	... Rs.10/- per month
Daily Rated Employee	... Rs.0.45 per day of 3 Hours subject to a maximum of Rs.10/- per month.

11. CONVEYANCE ALLOWANCE:

All employees currently in receipt of conveyance allowance of Rs.16/- per month will be paid an additional allowance of Rs.9/- per month with effect from 1st July 1974. Those employees who were not getting this allowance will get Rs.9/- per month from 1st July 1974.

12. NIGHT SHIFT ALLOWANCE:

Night Shift Allowance will continue to be paid at the same rate on basic pay for monthly-rated and daily-rated employees. To arrive at the basic pay for this purpose, Rs.136/- will be deducted from the Monthly salary in the case of monthly-rated, and Rs.10.33 per day will be deducted from the daily-rated for 8 hours in the case of daily-rated employees.

13. UNIFORMS:

The Company hereby agree to supply uniforms to the various categories of employees as per the previous practice, during currency of the Settlement. Once the uniforms have been issued, any employee who for any reason whatsoever is unable to commence work in the prescribed uniform shall be required to leave the factory premises and be treated as absent and will not be paid for that shift.

14. STITCHING CHARGES:

The Company hereby agrees to pay Rs.24/- per annum in addition to the stitching charges already paid as per the Settlement dated 18th June 1970, as stitching charges to all the employees covered by the Settlement. In view of the ex gratia payment to the workmen as per this Settlement, the stitching charges will be paid as under during the currency of the Settlement. Those employees who are receiving stitching charges as per the existing Settlement will continue to receive the same as before:-

1974	...	Rs.12/-
1975	...	Rs.24/-
1976	...	Rs.24/-
1977	...	Rs.12/-

(upto 31 May 1977)

*Pay up to
31st Jun 79*

15. SHOES:

The Company hereby agrees to incur an additional expenditure of Rs.36/- per annum towards the purchase of shoes to all the employees covered by the Settlement.

16. TOWELS:

The Company hereby agrees to incur a sum of Rs.12/- per annum towards purchase of towels for all the employees covered by the Settlement.

17. HOUSE RENT ALLOWANCE:

All the employees covered by the Settlement will be paid House Rent Allowance of Rs.35/- per mensem from 1st July 1974.

18. FAMILY RELIEF SCHEME:

To provide monetary help to the dependants of deceased workmen the Union agrees that whenever workman dies while in service in the Company, the Company will be authorised to deduct Re.1/- from wages/salary of each workman and the Company after making equal contribution shall pay the lumpsum to the dependants of the deceased workman. The nominee shall be the same as declared for the purpose of Provident Fund accounts and this amount will be paid by way of crossed cheque to the nominee of the deceased workman.

19. EMPLOYEES BENEFIT SCHEME:

IN the light of the provisions in the Tamil Nadu Labour Welfare Fund Act, the Union hereby agree to amend the Ashok Leyland Employees' Welfare Scheme so as to enable the Company to transfer the necessary contributions payable to the Tamil Nadu Labour Welfare Fund constituted by the Government of Tamil Nadu from the Ashok Leyland Employees' Welfare Fund.

20. INCREMENTS, PROMOTION, CROSSING THE EFFICIENCY BAR:

- (a) Increments will be given to the employees as per the practice in force and as detailed in the Settlement dated 10th June 70. Appointments to a grade, promotions and crossing the efficiency bar will be made by panels appointed by the Management as per the past practice in the Company.
- (b) Determination of pay on normal promotion: An employee on being promoted from one grade to another will be placed at the new grade to ensure that he receives an increase in his salary.

21. STRIKE, GO-SLOW AND RESTRICTIVE PRACTICES:

In the event of any workman or group of workmen becoming involved in a dispute, or feeling they have caused for grievance, they will continue normal working while the matter is dealt with through the agreed procedure. The Union formally undertakes to use their influence to prevent workmen taking part in strikes, go-slow movements or the slowing down of their normal tempo of production or any form of restrictive practice until the negotiation machinery has had an opportunity to operate. In no case will there be a resort to the aforesaid strikes, go-slow or slowing down movements or restrictive practices until after the expiry of fourteen days notice period which must be given to the Company in writing. If in defiance of this Settlement any workmen or group of workmen resort to such practices, the Union President undertakes to visit the Factory forthwith and prevail upon the workmen affected to resume normal working and in spite of this the workers continue the strike or resort to go-slow or adopt other restrictive practices the Company will be at liberty to take appropriate disciplinary action in the matter.

22. ESSENTIAL SERVICE PERSONNEL:

The following categories of employees shall be deemed as essential service personnel:-

- i) All Watch & Ward personnel, ii) Fire service personnel, iii) Conservancy employees including those of sewage disposal plant, iv) Medical department employees, v) All personnel engaged in the maintenance of buildings, plant and equipment,

vi) Power Station and Electrical Sub-station employees, vii) Telephone Operstors and viii) Machine Accounting employees.

The Company recognises the right of personnel employed for essential service as detailed above to be members of the Union. The Union agrees that in view of the nature of their work they will be excluded from participation in any strike, in order to ensure that the safety and well-being of the establishment as well as of the employees are not affected during the strike period. It is also agreed that in the event of any strike, the Union will co-operate with the Company to ensure that any material actually being processed shall be completed before work is abandoned. Any of those employees acting in violation of this provision shall render himself liable to disciplinary action. Employees belonging to these categories will not be required to do any other work which can be construed to imply that the Company seeks to break the strike.

23. BASIS OF SETTLEMENT:

- (i) The parties agree that this Settlement is a compromise settlement in full satisfaction of the charter of demands presented to the Management and no further demand involving financial commitment except bonus shall be made by the employee or the Union, on the Management during the operation of the Settlement. The Union hereby agrees to drop all other issues referred to in the Charter of Demands dated 20th March 1974 and the demands submitted subsequently.
- (ii) In view of the amicable settlement reached and concessions given by the Management the employees will wholeheartedly cooperate with the Management to the achievement of maximum factory efficiency, production, economy and industrial harmony.
- (iii) It is clearly understood that the provisions of this Agreement shall apply only to those workmen as on rolls on the date of this Settlement, and wherever applicable to those employed on the Company's regular rolls thereafter and referred to in para one of this Settlement.

24. OTHER CONDITIONS:

- (i) Employees' Discipline: The Company and the Union agree to abide by the code of Discipline adopted at the 16th session of the Indian Labour Conference held at Nainital in May 1958 and subsequent amendments and clarifications thereto.

It is agreed that the Union and the Company will cooperate to ensure efficient operation of the Factory by maintenance of due discipline, the encouragement of pride in workmanship, the avoidance of loss of manhours due to bad time-keeping or avoidable absenteeism and the development of maximum productivity. The Company agrees to deal with any grievance of any employee expeditiously in accordance with the mutually accepted grievance procedure.

(ii) All other service conditions expressly referred to in the previous settlement will bind the parties in future unless it is repealed in writing or has been altered by this Settlement.

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SIGNED THE SETTLEMENT ON 30TH DAY OF MAY 1974.

ON BEHALF OF THE COMPANY:

SD/- RJ Hancock
SD/- CG Visvanathan
SD/- CP Chandradas

ON BEHALF OF THE UNION:

SD/- SM Narayanan
SD/- T Boovaraghan
SD/- E Varadan
SD/- Z Doraiswamy
SD/- V Rengaswamy
SD/- K Kittappan
SD/- G Mohan Raj
SD/- WR Bhooopathy

EEFC.E ME

SD/-KV Parthasarathy

ANNEXURE - A
MONTHLY RATED EMPLOYEES

Category 1 of Annexure B

Senior Chargehand ✓
Stores Foreman
Senior Rate Fixer ✓
Junior Designer
Asst. Service Engineer ✓
Jr. Sales Representative

31.

Category 2 of Annexure B

Clerk - Grade I ✓
Progress Chaser - Grade I ✓
Store Keeper - Grade I ✓
Compounder/Pharmacist
Draughtsman
Head Watchman ✓
Asst Buyer

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Category 3 of Annexure B

Nurse
Stenographer
Service Mechanic ✓
Junior Chargehand ✓
Junior Rate Fixer ✓
Stores Chargehand
Junior Technical Asst.
Laboratory Asst.
Comptist - Grade I
Punch Operator - Grade I
Adrema Operator
Bradma Operator

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Category 4 of Annexure B

Clerk Grade II ✓
Progress Chaser Grade II ✓
Store Keeper - Grade II ✓
Telephone Operator
Punch Operator - Grade II
Typist - Grade II ✓
Senior Inspector
Comptist - Grade II

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Category 5 of Annexure B

Driver
Despatch Rider

35

Category 6 of Annexure B

Clerk - Grade III ✓
Progress Chaser - Grade III ✓
Store Keeper - Grade III ✓
First Aider
Typist - Grade II
Tracer
Junior Inspector
Blue Print Operator

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Category 7 of Annexure B

Spare Parts Picker & Packer

5

Category 8 of Annexure B

Head Peon
Asst. Head Watchman ✓

11

Category 9 of Annexure B

Peon
Watchman ✓
Mazdoor (Fair Price Shop)
Gate Checker - Fair Price Shop

77

on grade 9 - 2000/11

Daily Rated employees

Unskilled	247	Skilled (Lower)	1152	Setter	110
Semi-skilled (Lower)	244	Skilled (Inspection)	643	Highly Skilled (Lower)	19
Semi-skilled (Higher)	390	Skilled (Higher)	643	Highly Skilled (Higher)	1

<u>Category</u>	<u>Previous Grades</u>	<u>New Grades</u>
① Senior Chargehand & 5 others	Rs.280-15-355-EB-15-415/-	Rs.466-15-541-EB-15-676/- ✓
2 Clerk Grade I & 6 others	Rs.180-10-280-EB-15-355-EB-15-415/-	Rs.366-10-466-EB-15-541-EB-15-676/- ✓
3 Nurse, Stenographer & 9 others	Rs.180-10-310-EB-10-350/-	Rs.366-10-496-EB-10-596/- ✓
4 Clerk Grade II & 7 others	Rs.150-7.50-180-10-240-EB-10-280/-	Rs.336-7.50-366-10-426-EB-10-526/- ✓
5 Driver & Despatch Rider	Rs.130-5-155-EB-10-235-EB-10-275/-	Rs.316-5-341-EB-10-421-EB-10-521/- ✓
6 Clerk Grade III & 3 others	Rs.130-5-150-7.50-210-EB-7.50-240/-	Rs.316-5-336-7.50-396-EB-7.50-478.50 ✓
7 Picker & Packer	Rs. 115-5-175-EB-5-195/-	Rs.301-5-361-EB-5-426/-
8 Head Peon & Asst. Head Watchman	Rs.130-5-170-EB-5-190/-	Rs.316-5-356-EB-5-421/-
⑨ Peon & 3 others	Rs.105-5-155-EE-5-175/-	Rs.291-5-341-EB-5-406/-

291
131
 422 + 62

98

336
250
 186

291
105
 186