CHAPTER -6-

ANALYSIS OF THE WAGE AGREEMENTS

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Analysis of the Wage Agreements.

6.1 Introduction :

Trade Unions strive to fulfill the various demands of the workers. Trade unions, to get their demands sanctioned use various methods of struggle such as gheraos, go-slow, strikes, work to rule, etc. Trade unions pressurise the management through these methods and force the management to negotiate and bring about settlement about their demands. During the bipartite discussions and negotiations unions try to get sanctioned maximum demands. According to the researchr while negotiating for their settlements the aproach of the trade union should be

(i) To achieve some short term gains or immediate gains through such agreements

and

(ii) The union should have at the same time a long term strategy for achieving long term gains for the workers.

Keeping this view in mind, the researcher aims at to analyse the agreements reached during the last decade in the Ghatge Patil Industries Pvt. Ltd., Unchgaon, district Kolhapur. During the period of 10 years from 1977 to 1988, the management of the Ghatge Patil Industries and the trade union Kolhapur Zilla Engineering Mazdoor Sangh have reached three wage-agreements. In the opinion of the researcher - once when the trade union is aware of the fact that Wage Settlements are to take place periodically, then it should have a definite strategy to bring in maximum gains for

the workers. Such a strategy should have two aspects. Immediate short run gains, according to the time of each wage settlement and long term gains which have to be negotiated in the long run and should be accomplished in a phased manner. Trade Unions, while negotiating for wage revisions periodically, should know well in advance that the wage settlement is bound to occur and hence should have phased plans of demands which in the long run bring in maximum gains for the labour class.

While analysing the three wage-agreements we have tried to make a comparative study of all the three wage agreements. The wage agreements are studied in the following method :-

[a] Salary

[b] Deamess Allowance and other Allowances

[c] Incentive Scheme

[d] Leave

[e] Bonus, Gratuity and Provident Fund

[f] Classification and Promotions

[g] Other facilities

[h] Productivity.

6.2. The Process of Wage Agreement :

Generally the period of bipartite settlement in Ghatge Patil Industries is of 3 years. After the completion of the period of the earlier settlement the Union tries to bring about a new settlement. The first thing which the Union do is that the Union gives the termination notice to the Management 2 months before the date of completion of the period of the settlement.

Secondly, the Union gives a second notice on the day on which the period of three years complete. On the same day the Union submits its memorandum of demands to the Management. The Union remains ready to discuss and negotiate with the management. If the Management do not negotiate with the Union, then the Union tries to pressurise the Management. For this purpose the Union uses various forms of struggle. Firstly, the workers token hunger strike. If this do not bear any fruit, then the Union follows work to rule. If this also do not bear any fruit then the Union follows the tactics of go slow and sometimes strike. The Union use strike as a last resort. For example the workmen, in order to press their demands and other issues, resorted to strike with effect from 26th May 1977 at 12 noon. In 1985, also, the workemen resorted strike with effect from 12th March 1985 at 4 p.m. By using these methods the Union forces the Management to negotiate about workers' demands and bring about settlement. Once the agreement is signed by both parties the issues are settled and industrial peace begins as usual. The agreement once accepted by the parties is binding upon both the parties. The Management takes acceptance letters from the individual workers.

6.3. General Conditions and Terms of Settlement :

Certain general conditions and terms, which are binding upon both the parties, are recorded in the settlements. For example the settlement of reached in 1988 contains the following general conditions and terms.:-

(1) This settlement shall remain in force from 1st March 1988 to 31st December, 1991 and will continue to remain in force there after also until terminated on either side, by a statutory notice of two months.

(2) This settlement is arrived at as conciliation agreement under the Section 2(p) and 18(1) of the Industrial Disputes Act, 1947.

(3) While arriving at this settlement all the demands in IDA Reference 11/85[1] as well as the new demands that may arise in future have all been considered. After this settlement no debate exists in both parties from 1st March 1988 onwards ,However no compremise has been reached regarding the workers' demand of difference from 1st October, 1983 onwards according the demand included in Reference 11/85 and the refusal of the Management to pay any difference on account of the demand being unjustifiable. Hence this settlement has been made by without reaching any agreement over this problem. And as both the parties have decided to resolve this issue in the court of law. It has been agreed that the Mazdoor Sangh and the workers will not agitate in any way on this question.

(4) During the pendency of this settlement, the Union and the workmen undertake and agree that they or any one

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1 At the time of this settlement a case regarding general demands of the workers was pending before the Industrial Court. Its number was IDA reference 11/85.

of them shall not raise any demand involving financial implications against the Company, or any other general demands, except bonus.

(5) All the demands of both the parties included in Reference 11/85 are negotiated during the discussion of this settlement. Hence all those demands which are not included in this settlement are supposed to be not pressed.

(6) During the discussion of this settlement all the demands of the workers are fully settled and there is no any disputable issue between the parties for the further period from 1st March 1988. And therefore it is agreed by both the parties that the interim relief, according to 9th November, 1985 is divided into basic, dearness allowance and different allowances. Therefore there will be no interim relief from 1st March, 1988.

(7) All the workers will strictly follow the rules for disciplined work, understanding, and industrial peace and will not misbehave in any way.

It is also agreed by both the parties that in future if any dispute arises then it will be settled through mutual negotiations and with the help of Industrial Disputes Act, 1547 or other related similar laws instead of resorting to strikes, gheraos, go-slow, violence, lock-out or such other activities.

(8) According to this settlement all those rights advantages of both the parties which have not been changed or canceled will be continued thereafter.

(9) The workers in the continuous processing section or essential section must continue their work even if the factory stops functioning on account of any unexpected reasoning.They must obey all the notices and must avoid any loss of the machinery and the products.

(10) The Mazdoor Sangh and the workers will co-operate to increage the production and productivity of the Company and to increase the quality of the production they will co-operate to fully utilise the available manpower and machinery.

(11) As this settlement has been reached during the period when the IDA reference 11/85 is pending before the Industrial Court with regard to general demand of the workers, it is agreed that both the parties by joint application will request the Industrial Court that the Court should declear this settlement as their award.

(12) The settlement will be implemented truthfully by both the parties. The Mazdoor Sangh and the workers have signed on this settlement on behalf of themselves as well as on the behalf of the permanent workers.

Apart from this the workers are to give their acceptance either by signature or thum print that this settlement is agreeable to them and they have accepted all the conditions

in it verbating. Both the parties have agreed to accept these letters as part of this settlement and to accept them along with this settlement as if they were included along with it. The speciman of the acceptance letter has been attached herewith.

Acceptance Letter

I ---------- taken No. ----------
hereby declare that I have read the draft/provisions of this settlement / and the draft / provisions have read out to me and understood by me. And I hereby declare that I accept them and they are binding on me.

Signature/thum print.

6.4.a) Salary :

In the settlement reached in 1977, the salary point was not recorded. According to the settlement dated 21.6.1977, the workers were reclassified. Afterwards the Management had done reclassification wherever it was necessary. At the time of settlement in 1980, the parties concerned had accepted the same classification for the purpose of pay scales and other related benefits. It was also agreed that, in case of some individual workers, if the Management felt it necessary to reclassify them, the management would under its power rethink about it and according to that classification the fixation of new pay-scales of the concerned workers would be done. In the settlement reached in September, 1980, the revised pay scales were approved by both the parties. The revised pay scale was as below :

Table No.6.4.a-1

Sr.No.	Classification	Pay-scales (Rs.)
1	Unskilled	60-3-75-4-95-5-145.
2	Semi-skilled III	65-4-85-5-110-6-170.
3	Semi-skilled II	75-5-100-6-130-7-200.
4	Semi skilled I	85-6-115-7-150-8-230.
5	Skilled III	95-7-130-8-170-9-260.
6	Skilled II	105-8-145-9-190-10-290.
7	Skilled I	120-9-165-10-215-11-325.
8	Highly skilled II	145-11-200-12-250-13-390.
9	Highly skilled I	170-13-235-14-305-15-455.

Source: Wage-Agreement reached in 1980, Page No.5.

Method of Pay fixation :

1. If a worker's basic pay, according to his grade, was less than the initial basic pay as per the above mentioned revised pay scales, then he was entitled to get the initial revised pay-scale and his pay was fixed according to the same pay-scales.
2. In case of a worker if it was not possible to fix his basic pay at the exact stage of the revised pay-scales, then his pay was to be fixed on the next comming stage of the same scales.

Service Increment:

It was agreed that an additional increment would be given to a worker who had completed four years of his service. But it was also agreed by the parties that if an old worker received higher pay scale and he was junior to the other workers in that particular pay scale, then such service increments would not harm others' seniority. The total service tenure in the institution, was to be considered only for the benefits of service increments. But if a worker resigned the post and rejoned his services at the time of settlement, in the institution, his service tenure only after the date of rejoining would be calculated for the purpose of service increments.

It was also agreed that the workers who had completed four years of their services only would be eligible for getting service increments.

While calculating the service tenure, a complete year and a complete month of service was to be taken into consideration. Days more than a complete year and a complete month were not to be considered. In case of a worker , if his service was discontinued, then his brake period was not to be considered.

The workers who had completed Four years of their service and received one service increment, then they would get the second service increment if they completed three years or more. The same method was to be followed for giving further service increments.

The service tenure so calculated was to be considered only for the economic benefits of the service increments and not for any other rights or benefits.

It was agreed by both the parties that if a worker, now and then, discontinued his services on his own then the period of discontinuation was not to be considered.

In the settlement reached in 1988 both the parties agreed upon and accepted the new revised pay scales. The revised pay-scales are as below:-

Table No.6.4.a-2

S.No.	Classification	Pay scales
1	Unskilled	200-5-250-6-310-7-380-8.
2	Semi-skilled III	205-6-265-7-335-8-415-9.
3	Semi-skilled II	215-7-285-8-365-9-455-10.
4	Semi-skilled I	225-8-305-9-395-10-495-11.
5	Skilled III	235-9-325-10-425-11-535-12.
6	Skilled II	245-10-345-11-455-12-575-13.
7	Skilled I	260-11-370-12-490-13-620-14.
8	Highly skilled II	285-13-415-14-455-15-705-16.
9	Highly skilled I	310-15-460-16-620-17-790-18.

Source : Wage-Agreement reached in 1988, Page No.14.

The revised pay scales is implemented from 1st March, 1988, For the permanent workers.

Increments Related to Service Tenure :

In the agreement reached in 1980, the service increment benefit was based on the condition of four complete years of service. But in the agreement reached in 1988, this base is given up and both the parties have agreed to give increments related to service tenure in the following way.

Table No 6.4.a-3

Sr.No.	Service Tenure	Increment in Rs.
1	1 to 5 years	10/-
2	6 to 10 years	15/-
3	11 to 15 years	20/-
4	16 to 20 years	25/-
5	21 and above	30/-

Source : Wage agreement reached in 1988, p.2.

In the agreement of 1988, it is agreed that while giving service increments as above, only the continuous, complete years of service of the permanent workers will be considered.

Fitment:

The fitment of all the permanent workers who are on the company's muster roll as on 1st March,1988, in revised pay scales is done as below:-

(1) All the permanent workers are given an increment of Rs.140 per month in basic pay.

(2) After adding the increment mentioned in No.1 to the basic pay, the increments related to service tenure are added to it.

(3) After giving increments according to No.1 and 2, if a worker's basic pay is not in accordance with any stage in the revised pay scales of his related grade,then his basic pay is fixed on the next comming stage of that

particular pay-scales.

If we compare the provisions regarding pay scales in the settlements reached in 1980 and 1988 , it is clear that the Union has succeeded in increasing the Basic pay, of the workers. This has benefited the workers. But the pay-scales agreed in the settlement reached in 1980 were too small . In case of the settlement reached in 1988, the pay-scales have been revised and an increment of Rs.140 is agreed upon and implemented. But it is not clear in the settlement what is the ground on which the increment is given.The Union had demanded an increment of Rs.200/-., and at the time of negotiations,an amount of Rs.140, as increment in pay scales was agreed upon.Therefore it seems that the management or the Union do not follow any wage norms established by the Government.

6.4.b) Dearness Allowance And Other Allowances :

Dearness Allowance:

The settlement reached in 1977 did not contain any reference to the Dearness Allowance. The Union,with the letter No.BMS-KZEMS-101/80 dated 26.6.1980 had submitted the memorandum of demands to the Management. One of these was the departmentwise fixation of the dearness allowance. At the time of settlement after bipartite negotiations, it was agreed by the parties that they would not follow departmentwise fixation of dearness allowance, but agree with an increment of Rs.95 in existing dearness allowance based on the then existing

classification and pay scales. According to it the total revised fixed dearness allowance was to be as shown . The below table No. 1 The revised fixed dearness allowance was to be implemented from 1st September, 1980.

Table No. 6.4.b-1

The Revised Fixed Dearness Allowance:

Sr. No.	Classification	Existing D.A.	Total Increase	Total Revised Fixed D.A.
1	Unskilled	245	95	340
2	Semi-skilled III	265	95	360
3	Semi-skilled II	265	95	360
4	Semi-skilled I	265	95	360
5	Skilled III	270	95	365
6	Skilled II	270	95	365
7	Skilled I	270	95	365
8	Highly skilled II	280	95	375
9	Highly skilled I	280	95	375

Source : Wage Agreement - reached in 1980, p. 8.

Dearness Allowance Related to Consumer Price Index :

The total pay (Salary) containing basic pay plus fixed, dearness allowance was related to the Solapur Consumers Price Index - 380 (New) (Base year 1960 = 100). This means that the fixed dearness allowance for 380 Solapur Consumer Price Index was Rs.340 to unskilled workers, Rs.360 to Semi-skilled III and so on and so Fourth as shown in the Table. It was agreed by both the parties that beyond 380, the average of Solapur Consumer Price Index for the every three months of a calender year (For example January to March, April to June, July to September, October to December) would be drawn and if the average would come more than 380, for the each exceeding point, the dearness allowance was to be paid at the rate of 1 Re.per point per month. It was agreed that if the average came to 0.5 or more, then the fraction 0.5 or more would be considered as one point and less than 0.5 would not be considered for calculations. The Dearness Allowance for the present three months, was to be paid on the basic of the average of the previous three months (for example dearness allowance for the period from July to September, would be drawn from the average of the previous three months i.e. April to June. It was agreed that if the average of the Solapur consumer price index came to 380 or less than that, the workers would not be paid the dearness allowance related to the Solapur consumer price index. Similarly it was also agreed by both the parties that if the average of Solapur consumer price index came to 380 or less than that, no deductions would be made from the workers' basic pay and fixed dearness allowances during the period of settlement.

In the agreement reached on 31st May, 1988, it is agreed by both the parties that the fixed dearness allowance will be increased from 1st September, 1989. This revised fixed dearness allowance is shown below in Table No.2.

Table No.6.4.b-2.

Revised (1988) Fixed Dearness Allowance :

Sr.No.	Classification	Fixed Dearness Allowance Revised and effecting from 1-9-1989.
1	Un-skilled	365
2	Semi-skilled III	385
3	Semi-skilled II	385
4	Semi-skilled I	385
5	Skilled III	390
6	Skilled II	390
7	Skilled I	390
8	Highly skilled II	400
9	Highly skilled I	400

Source : Wage-Agreement - reached in 1988, p.5.

Comparing the fixed dearness allowance recorded in the settlements reached in 1980 and 1988., the net gain revised by the workers is shown below in table No.3.

Table No.6.4.b-3

The net increase in fixed dearness allowance.

Sr.No.	Classification	Fixed D. A. 1980	Fixed D. A. From 1988	Net increase
1	Unskilled	340	365	25
2	Semi-skilled III	360	385	25
3	Semi-skilled II	360	385	25
4	Semi-skilled I	360	385	25
5	Skilled III	365	390	25
6	Skilled II	365	390	25
7	Skilled I	365	390	25
8	Highly skilled II	375	400	25
9	Highly skilled I	375	400	25

Source: The Wage Agreements reached in 1980 & 1988

Other Allowances:

House Rent Allowance:

In the settlement reached in 1977, there was no reference to House Rent Allowance. In 1980 the Union had demanded the house rent allowance .But in the terms and conditions of settlement reached in 1980, there was no clause about it.Therefore

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clear that the management did not agree to give house rent allowance for the workers in 1980.

In the settlement reached in 1988, the following conditions are observed that regarding the house rent allowance for the workers.

(1) The house rent allowance Rs.70 only per month will be given to all permanent workers who are on the muster roll as on 1st March, 1988.

(2) Provident fund,Bonus,Gratuity,Overtime,Incentive etc. benefits will not be given on the house rent allowance.

(3) With respect to this if a new law is enacted in future, the present amount of house rent allowance will be adjusted to the new amount.

It is clear from the above conditions that the Union has succeeded in obtaining house rent allowance for the workers only in the settlement of 1988. This has resulted in some economic benefit to the workers. But if we consider the house rents in Kolhapur city or even in Unchgaon, the amount agreed upon in the settlement is a very small one.

Attendance Allowance :

There was no reference to Attendance Allowance in the settlement reached in 1977. But in the settlement reached in 1980, it was agreed by the Management to give attendance allowance it all permanent workers. The details of it were as below:-

(1) The attendance allowance of Rs.10 per month was to be given to a worker who had actually worked on all the working days in a month.

(2) If a worker remained absent for one working day or took a leave and worked on all the other working days in the month, he was to be given Rs.7 as attendance allowance.

(3) If a worker remained absent for two working days or took two days' leave and worked on all the other working days in the month, he was given Rs.5 as attendance allowance.

In the settlement, it was decided that the then existing method of calculating attendance would be continued in future.

No doubt, the workers received some economic benefit by way of attendance allowance. But the amount of attendance allowance decided in the settlement is meagre. And hence it fails to create enough incentive in the workers to remain present on all the working days in a month. Another important thing is that it is unfair to deduct the attendance allowance on account of the leave taken by the workers because

In the settlement reached in 1988, it is agreed by both the parties to make change in the attendance allowance. According to it Rs.25 per month is to be given to a permanent worker who has worked on all the working days in a month as attendance allowance from 1st March 1988. To do so, all the working days in a month must be payable. The payable days include the actual working days, casual leaves sanctioned, accident leave, privilege and sick leave. It is decided that no attendance allowance will be given to a worker who does not work for even a single working day in a month. This has been benefitial to the workers. However, benefits like the provident fund, bonus, gratuity, overtime, incentive etc. will not be given on this allowance.

The Management has agreed to give attendance allowance only to the permanent workers. But in fact, the attendance allowance should also be given to temporary workers because of the following reasons:-

[1] Attendance allowance is meant for regular attendance of the workers.

[2] While giving attendance allowance to the workers, the consideration of the nature of the appointment is not justifiable.

[3] The temporary workers are already deprived of many facilities.

Medical Allowance :-

In the settlement reached in 1977 and 1980, no provision was made regarding the medical allowances for the workers. But in the settlement reached in 1988 it is agreed by both parties that the Management will give medical allowance based on the payable days to all the permanent workers. The agreed rate of medical allowance to all the permanent workers is Rs.15 per month coming into effect from 1st March 1988 and Rs.25 per month, from 1st September 1989.

The payable days include actual working days sanctioned casual leave, privilege and sick leave, accident leave. It is also decided that Provident Fund, Bonus,Gratuity,Overtime,Incentive etc. benefits will not be given to the workers on this medical allowance.

In 1988, the union has succeeded for the first time in getting medical allowance benefit for the workers and it has, therefore, led to some economic benefit to the permanent workers.

Allowance for the work Done on Weekly Holiday :

In the settlement reached in 1988, for the first time, the following conditions regarding the allowance for the work done on weekly holiday are agreed upon by both the parties.

[1] Some workers in the maintenance, Watch and Ward , ambulance room establishment and other section doing similar work will have to report to duty, on the weekly holidays to supervise, and maintain the machinary in the Factory to protect the assets of the factory to provide first aid and other necessary facilities to the workers, to make the necessary repair work and to carry out such other duties.

For this work they will be given an alternative weekly holiday according to the provision made in factory law 1988. Apart from this, they also will be paid an extra allowance i.e. 50 % of their pay of that day (basic+ D.A.)

However, they are not entitled to the advantages like P.F., Bonus, Gratuity, Overtime, Incentive on this extra allowance.

[2] If the weekly holiday of the entire company is changed on account of a law regarding load shoding or according a similar Government circular or any other reason beyond the control of the company, then the Factory will work on this

weekly holiday. The workers will be given an intimation regarding such change in advance. However the workers will not be entitled to any extra pay as discussed about in 1

Special Allowance:

In 1980, the Union had demanded a Special Allowance . Accordingly at the time of settlement the management agreed to give special allowance. The settlement reached in 1980 contained the following provisions regarding special allowance. Each worker was to be paid Rs.35 as special allowance per month for his employment according to the details given below.

This special allowance was to be implemented from 1st September 1980. It was to be paid at the time of his payment of monthly salary. This special allowance was to be calculated on the basis of the payable days of each month. (the actual days of attendance + paid leave). However the accident leave was not to be included in the said payable days.

The said special allowance because of its special status, was not to be eligible for provident fund, bonus,employees state insurance contribution,gratuity etc. and was not to be related to it.

No doubt, the special allowance of Rs.35 per month was beneficial to the workers. But there is no reference to the special allowance in the settlement reached in 1988.

Washing Allowance:

The Union, for the first time succeeded in getting washing allowance to the workers in 1988.In the settlement reached in

1988. It is agreed by both the parties to give washing allowance based on the payable days to the workers. The washing allowance is to be given to the workers in the following way :-

1) A washing allowance of Rs.10 per month, is to be paid to the workers since 1st March 1988 and Rs.25, as washing allowance will be paid to the workers from 1st September, 1989.

It is agreed that there will be no provident fund,bonus, gratuity,overtime, incentive etc. benefits on this washing allowance.

All the allowances mentioned above are given to the permanent workers. One important thing in respect of this is that no benefits such Provident Fund, Gratutity,Overtime,Incentive, Bonus etc. related to these allowances are given to the workers. Therefore it seems that the management has taken a very cautious stand in that it has averted the possibility of any permanent and major Financial burden on the company.

C.) Incentive Scheme :

In the agreement reached in 1977, the following conditions regarding incentive scheme were agreed upon by both parties.

The then existing incentive scheme inforce,was to be reviewed by the employers with the help of exports and on scientific basis within a period of six months from the date of this settlement. The employer would furnish a copy of the reviewed incentive scheme to the union for its study and

comments. The management would provide necessary facilities, if and when necessary such as on-the-spot study by the union representatives. The union would however ~~the~~ have to seek permission from the management for such a on-the-sopt study. The appointment of the experts on both the sides would be applicable in respect of incentive scheme also.

Accordingly the management had reviewed the incentive scheme and a copy of the reviewed incentive scheme was furnished to the union.

At the time of the settlement of 1980, the reviewed incentive scheme was ready as decided in the settlement of 1977. In the settlement reached in 1980, it was agreed upon by both the parties to implement the reviewed incentive scheme as early as possible. It was also decided that the reviewed incentive scheme was to be implemented from the first day of the month succeeding to the month in which the final decision about incentive scheme was taken.

In the interim settlement reached in November 1985, it was agreed by the company and the Union that the following ammendments to the incentive scheme should be effected.

(1) The minimum Eligibility limit for incentive scheme was set on 75 % of the productivity index (efficiency) (it was 60 % before)

ii) The rates of Incentive Payments for efficiency percentage were to be improved as under:-

Efficiency		Revised rates
1) 75 % above but less than 85 %	-	40 % additional of existing rates.
2) 85 % above but less than 95%	-	60 % additional of existing rates.
3) 95 % and above upto 130 %	-	80 % additional of existing rates.

iii) Sub clause 7 of conditions 6 of the then existing incentive scheme (commonly known as 48 Hrs.Clause) was deleted from the scheme.

iv) The incentive for all the unmeasured work was to be paid at the rate applicable for auxiliary group i.e. 70 % of the rate of applicable for direct worker, provided the measured work efficiency was above the eligibility limit.

(2) The revised incentive rates were made applicable from 1st November, 1985.

(3) In view of the modifications to the incentive schemes as stated above, the demand put in the joint reference already submitted to the Industrial Tribunal with ref. to incentive was withdrawn (ref.) joint demand clause 1-B,11,12)

(1) In the settlement reached in 1988, the incentive rates related to production efficiency are revised .The revised rates are as below:-

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Production efficiency	Increase in rates of basic incentive scheme from	
	All to Interim Settlement of 85	1-5-1988 Revised
1. 75 and more but less than 80 -	40 %	120 %
2. 80 and more but less than 85 -	40 %	145 %
3. 85 and more but less than 90 -	60 %	170 %
4. 90 and more but less than 95 -	60 %	200 %
5. 95 and more but less than 100 -	80 %	240 %
6. 100 and more but less than 105 -	80 %	280 %
7. 150 and above upto 130 -	80 %	320 %

Source - Wage agreement reached in 1988, p.10.

2) The incentive rates as agreed upon in the settlement of 1988 are shown in the tables below the incentive rates are determined for -

i) Production division

and

ii) Auxiliary Departments

The revised rates for the production division according to grade of the workers are shown in Table No. 6.4.C1 and for the auxiliary department are shown in Table No. 6.4.C-2.

Table No. 6.4. C-2.

INCENTIVE - RATE/DAY FOR AUXILIARY DEPARTMENTS

EFF. %	Multiplying Factor.		UNSK		SSK-III		SSK-II		SSK-I		SK-III		SK-II		SK-I		HSK-II		HSK-I	
	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.
75	1.40	2.20	0.72	1.12	0.83	1.31	0.90	1.42	0.97	1.53	1.07	1.69	1.15	1.80	1.26	1.98	1.52	2.38	1.75	2.74
79.99	1.40	2.20	0.95	1.50	1.11	1.74	1.20	1.89	1.30	2.04	1.43	2.25	1.53	2.40	1.68	2.64	2.02	3.18	2.33	3.66
80	1.40	2.45	0.95	1.67	1.11	1.94	1.20	2.11	1.30	2.27	1.43	2.51	1.53	2.67	1.68	2.94	2.02	3.54	2.33	4.07
84.99	1.40	2.45	1.19	2.09	1.38	2.42	1.50	2.63	1.62	2.84	1.79	3.13	1.91	3.34	2.10	3.67	2.53	4.42	2.91	5.09
85	1.60	2.70	1.36	2.30	1.58	2.67	1.72	2.90	1.85	3.13	2.05	3.45	2.18	3.68	2.40	4.05	2.89	4.88	3.33	5.61
89.99	1.60	2.70	1.64	2.76	1.90	3.20	2.06	3.48	2.22	3.75	2.46	4.14	2.62	4.42	2.88	4.86	3.47	5.85	3.99	6.73
90	1.60	3.00	1.64	3.07	1.90	3.56	2.06	3.87	2.22	4.17	2.46	4.61	2.62	4.91	2.88	5.40	3.47	6.50	3.99	7.48
94.99	1.60	3.00	1.91	3.58	2.21	4.15	2.41	4.51	2.59	4.86	2.86	5.37	3.05	5.72	3.36	6.30	4.04	7.58	4.66	8.73
95	1.80	3.40	2.15	4.06	2.49	4.71	2.71	5.11	2.92	5.51	3.22	6.09	3.44	6.49	3.78	7.14	4.55	8.60	5.24	9.90
99.99	1.80	3.40	2.45	4.64	2.85	5.38	3.09	5.84	3.34	6.30	3.68	6.96	3.93	7.41	4.32	8.16	5.20	9.82	5.99	11.31
100	1.80	3.80	2.45	5.18	2.85	6.01	3.09	6.53	3.34	7.04	3.68	7.78	3.93	8.29	4.32	9.12	5.20	10.98	5.99	12.64
104.99	1.80	3.80	2.76	5.83	3.20	6.76	3.48	7.35	3.75	7.92	4.14	8.75	4.42	9.32	4.86	10.26	5.85	12.35	6.73	14.22
105	1.80	4.20	2.76	6.44	3.20	7.47	3.48	8.12	3.75	8.76	4.14	9.67	4.42	10.31	4.86	11.34	5.85	13.65	6.74	15.72
110	1.80	4.20	3.07	7.16	3.56	8.31	3.87	9.03	4.17	9.73	4.61	10.75	4.91	11.45	5.40	12.60	6.50	15.17	7.48	17.46
120	1.80	4.20	3.68	8.59	4.27	9.97	4.64	10.83	5.00	11.68	5.53	12.89	5.89	13.74	6.48	15.12	7.80	18.20	8.98	20.96
130	1.80	4.20	4.30	10.02	4.98	11.63	5.42	12.64	5.84	13.62	6.45	15.04	6.87	16.03	7.56	17.64	9.10	21.24	10.48	24.45

AUXILIARY DEPTS. INCLUDES :

(1) PATTERNSHOP
(2) P.P.C.(Pl.II)
(3) P.P.C.(Pl.Iv).
(4) TOOL CRIB (Pl.II)
(5) TOOL CRIB (Pl.Iv.)
(6) HEAT TREATMENT.
(7) TOOL ROOM.
(8) TRAINING SECTION.
(9) MAINTENANCE
(10) STORES
(11) SALES
(12) GENERAL ADMN.
(13) ESTABLISHMENT.

NOTE :- (1) Old rates as per interim agreement. (2) New Rates as per agreement W.E.F. 1-5-88.

INCENTIVE RATE/DAY FOR PRODUCT DIVISION

(MACHINESHOP OPERATORS)

EFF %	Multiplying Factor.		UNSK.		SSK-III		SSK-II		SSK-I		SK-III		SK-II		SK-I		HSK-II		HSK-I.	
	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.	OLD.	NEW.
75	1.40	2.20	1.08	1.70	1.25	1.97	1.36	2.14	1.47	2.31	1.62	2.55	1.73	2.71	1.90	2.99	2.29	3.59	2.63	4.14
79.99	1.40	2.20	1.48	2.32	1.71	2.69	1.86	2.93	2.01	3.15	2.22	3.48	2.36	3.71	2.60	4.08	3.13	4.92	3.60	5.66
80	1.40	2.45	1.48	2.59	1.71	3.00	1.86	3.26	2.01	3.51	2.22	3.88	2.36	4.14	2.60	4.55	3.13	5.48	3.60	6.31
84.99	1.40	2.45	1.87	3.28	2.17	3.81	2.36	4.14	2.55	4.46	2.81	4.92	3.00	5.25	3.30	5.77	3.97	6.95	4.57	8.00
85	1.60	2.70	2.14	3.62	2.49	4.20	2.70	4.56	2.91	4.92	3.22	5.43	3.43	5.78	3.77	6.36	4.54	7.66	5.23	8.82
89.99	1.60	2.70	2.60	4.38	3.01	5.08	3.27	5.52	3.53	5.96	3.90	6.58	4.15	7.01	4.57	7.71	5.50	9.28	6.33	10.69
90	1.60	3.00	2.60	4.87	3.01	5.65	3.27	6.14	3.53	6.62	3.90	7.31	4.15	7.79	4.57	8.57	5.50	10.32	6.34	11.88
94.99	1.60	3.00	3.05	5.72	3.54	6.64	3.85	7.21	4.15	7.78	4.58	8.59	4.88	9.15	5.37	10.07	6.47	12.12	7.44	13.95
95	1.80	3.40	3.43	6.49	3.98	7.52	4.33	8.18	4.67	8.82	5.15	9.73	5.49	10.37	6.04	11.41	7.28	13.74	8.38	15.82
99.99	1.80	3.40	3.94	7.45	4.58	8.64	4.97	9.39	5.36	10.13	5.92	11.18	6.31	11.92	6.94	13.11	8.36	15.79	9.62	18.17
100	1.80	3.80	3.94	8.33	4.58	9.66	4.97	10.50	5.36	11.32	5.92	12.50	6.31	13.32	6.94	14.65	8.36	17.65	9.62	20.31
104.99	1.80	3.80	4.46	9.41	5.17	10.91	5.62	11.86	6.06	12.78	6.69	14.12	7.13	15.04	7.84	16.55	9.44	19.93	10.87	22.94
105	1.80	4.20	4.46	10.40	5.17	12.06	5.62	13.11	6.06	14.13	6.69	15.61	7.13	16.63	7.84	18.30	9.44	22.03	10.87	25.36
110	1.80	4.20	4.97	11.59	5.76	13.45	6.26	14.61	6.75	15.76	7.46	17.40	7.95	18.54	8.74	20.40	10.53	24.56	12.12	28.27
120	1.80	4.20	5.99	13.98	6.95	16.22	7.55	17.62	8.14	19.00	8.99	20.98	9.58	22.36	10.54	24.60	12.69	29.62	14.61	34.10
130	1.80	4.20	7.01	16.36	8.14	18.98	8.84	20.63	9.53	22.24	10.53	24.56	11.22	26.17	12.34	28.80	14.86	34.68	17.11	39.92

NOTE :-
(1) THE ABOVE RATES ARE IN RS./DAY FOR DIRECT WORK.
(2) REJECTION % - 10%
(3) OLD RATES AS PER INTERIUM AGREEMENT.
(4) NEW RATES EFFECTIVE FROM 1/5/88 AS PER AGREEMENT DATED 1-3-88.

d) Leave -

(1) Casual leave -

At the time of the settlement reached in 1980, all the permanent workers of the company were to be given six days casual leave per year. In the settlement reached in 1980, the casual leave was increased by one day i.e. seven days per year .It was decided that all the conditions about utilising the casual leave would remain as before.

In the settlement reached in 1988, the Union and the Management agreed upon the following conditions for casual leave.

(i) Total casual leave is increased by one day.Therefore, now,eight days' casual leave shall be given in a year. The increased casual leave can be utilized from 1988.

(ii) Casual leave cannot be accummulated.

(iii) The maximum of two days casual leave can be utilized at a time.

(iv) Casual leave cannot be combined with any other leave.

(2) Sick leave -

At the time of settlement of 1980, the workers were entitled to sick leave for seven days. In the settlement reached in 1980, it was decided that the then existing provisions about sick leave, would remain in force.Therefore, the provision of accumulation of sick leave upto fourteen days was also continued further. Similarly, in the settlement reached in 1980, the condition of producing

medical certificate and other provisions for the benefit of sick leave were kept unchanged. It was agreed by both the parties that the above mentioned benefits related to sick leave would remain unchanged in practice until the workers got the benefits of the Employees State Insurance scheme.

The following conditions about the sick leave are agreed upon by both the parties in the settlement reached in 1988 :-

i) The present system of giving seven days sick leave for a callender year will remain in force in future.

ii) Sick leave can be accumulated upto thirty days (including unutilised sick leave of the previous and that of the next year.)

iii) It is not necessary to produce the medical certificate for the sick leave for two days.

(3) Privilege leave / Earned Leave :

At the time of the settlement of 1980, the workers were being paid the privilege leave according to the factories Act, 1948. In the settlement reached in 1980, it was agreed by both the parties that the earned (privilege) leave was to be calculated on the basis of one day leave for twenty working days on which the worker had worked and beyond 240 working days one day leave for every twelve working days on which the worker had worked. For the purpose of calculating leave the year considered would be from 1st January to 30 December. And the leave

calculated in the previous year could be utilized by the workers in the present year into four parts. It was agreed by both the parties that the then existing conditions about the sanction of leave, accumulation of leave (maximum 30 days) etc. would continue as before . It was decided that the leave calculated as per the above provision was to be utilized by workers from 1981.

In the settlement reached in 1988, the following conditions regarding earned leave (privilege leave) were agreed up on by both the parties.

(i) The present system of calculating earned leave will remain inforce in future.

(ii) The limit of accumulation of earned leave has been increased upto 60 days (including the unutilized leave in the previous year and leave for the next year)

(iii) Only earned leave may taken only for four days at a time.

(iv) Earned leave can be utilised in four parts.

(v) The workers have to get the earned leave sanctioned seven days in advance. But this condition will be relaxed when the worker has exhausted his sick leave and wants to avail himself of the earned leave for the same reason, he will, however, have to produce a medical certificate for the same.

(vi) The sanction of earned leave will depend upon the reason of the leave and the necessity of work.

(vii) If a worker want to extend his sanctioned earned leave, he has to sent the application in such a way that, it reaches the office before the expiry of the previously sanctioned leave.

A comparison of the conditions in the settlements of 1980 and 1988, regarding earned leave reveals that they are unchanged. In the settlement of 1980 the limit for accumulation of earned leave was 30 days. It is increased to the limit of 60 days in the settlement of 1988. And this is a good benefit to the workers.

sale of leave :

The Union had included the demand of the sale of leave in the charter of demands submitted to the management before the settlement of 1980. But the union gave up this demand during the negotiations.

e) Bonus ,Gratuity And Provident -

Fund:

After the study of the settlements reached in 1977, 1980, 1985 (interim agreement) and 1988 it is found that the bonus issue is not an important issue of these agreements. This is so because bonus is paid annually. Therefore the usual practice of the Union is to settle the bonus matter seperately each year before Deepavali . The Union demands the bonus at the rate stated in the Payment of Bonus Act, 1965 i.e. 8.33 % The Union has been successful in getting the bonus at the rate of 8.33 % per year over the period of last ten years 1977 to 1988. The bonus is dependent on the balance sheet of the company. In 1988 the Union had demanded 10.33 % bonus. But the company told the union that the company was bearing a loss of 8 crores during the year 1987-88. Therefore the company agreed to give 8.33 % bonus to the workers.

In this case, the Union has a different view. The Union says that the company's sale for the year 1987-88 is the highest considering the period of last 28 years. Therefore the company's statement of loss is a false claim.

One important point about bonus is that the company agrees to give bonus at the rate of 8.33 % per year, but it gives it in some instalments instead of paying it lump-sum at one time.

Only when the bonus issue becomes a conflicting and unresolved issue then the union at the time of subsequenet settlement taken it up. For example, the bonus issue was not settled in 1975-76. Therefore the bonus for 1975-76 was a issue in the settlement reached in 1977. The settlement reached in 1977 contained the following decision about the bonus issue.

'Without prejudice to the contentions of the employer that these is no profit and / or available surplus entitling the workers any bonus under the Amended Payment of Bonus Act, 1965, it is hereby agreed between the parties that the issue with regard to payment of bonus for the year 1975-76 shall be referred to the industrial court for adjudication under section 10 (2) of the Industrial Disputes Act, 1947. The necessary application for refering the said dispute for adjudication under section 10(2) shall be made within two weeks from the date of this settlement.'

Gratuity :

The settlement reached in 1977 did not contain any reference to Gratuity, But in the settlement reached in 1980, the parties concerned had agreed that the established gratuity system granted by the concerned law was to be followed in future time with consideration of legal provisions made in the payment of Gratuity Act, 1972.

Provident Fund:

The agreements reached in 1977-1980 and 1988 have not included any provisions regarding provident Fund to the workers. But in the settlement reached in 1980 there was a reference to provident fund. It was an issue for the inclusion of the representative of the Mazdoor Sangh on the provident fund trust. The Ghatge Patil has established an independent provident fund trust namely - Ghatge-Patil Industries Provident Fund Trust. The following provision was made in the settlement reached in 1980.

'The institution has principally agreed to make the necessary correction in the existing law regarding this and to recommend it to the government. It also agreed principally that after the government's approval it would appoint the member elected by the workers who are the members of Ghatge Patil Provident Fund Trust, by secret ballot as a trustee on the provident fund trust '.

Accordingly a representative of the workers has been appointed on the provident fund trust by the institution.

F) Classification And Promotions :

In the settlement reached in 1977, it was agreed that the employer would undertake the job of reclassification of all workmen on scientific basis taking into consideration all the relevent factors of job evaluation, job contents, job classification, work done by the workmen etc. The job of reclassification was meant to be implemented preferably within six months. To start with the Management had agreed to furnish to the Union a list of workers showing their then existing classification etc. within one month. Subsiquently after reclassific tion of workmen the employer would furnish copies of the same to the Union for their study,comments etc.Where there was no agreement regarding the reclassification of workmen, the issue was to be discussed first with the management by the Union. It was agreed that the duly authorised representatives of the Union, on prior permission of the management ,would be given facility to carry out on--the-spot study if and when necessary. It was also decided that for the purpose of reclassification of workmen, the management and the union would nominate one expert each on their behalf.Those two experts would try to solve any differences regarding the reclassification of individual workers. In the event of any differences of opinion between two experts they would refer the matter to a third party expert nominated by them and his recommendations would be treated as final and binding on both the sides. The fees and expenses of the experts were to be born by the company. It

was accepted by both the parties that expert's help be sought only if felt necessary

Accordingly the management had completed the job of reclassification of the workers. The management also furnished copies of the then existing classification as well as the copies of reclassification. Workers were classified into the following grades:-

Sr.No.	Classification
1	Unskilled
2	Semi-skilled III
3	Semi skilled II
4	Semi skilled I
5	Skilled III
6	Skilled II
7	Skilled III
8	Highly skilled II
9	Highly skilled I

Source : Wage agreement records, (Wage-agreement 1980).

In the settlement reached in 1980, there was no specific reference to reclassification of the workers.The above mentioned classification was continued and used for the purpose of pay-scales in 1980.

In the settlement reached in 1989, it was agreed that the Management would give letters to the workers regarding the information about their grades . Afterwards, the Management would do the merit rating and would provide a list to the Union. The management has given a list of workers and their grades and designations, to the union. In the settlement reached in 1988, it is agreed that workers who disagree with the classification should give complaint letter to the management. It is agreed that in such cases, there Management will discuss the matter with the Union, and workers and take a decision. The workers have received letter showing their classification and nearly 300 hundred workers have given their complaint letters to the union. The Union has submitted these letters to the management. These complaints will be solved by through discussions between the parties. And in case, the bipartite discussion fail to resolve the matter it will be settled with the help of experts.

Promotions:

The settlements reached in 1977 and 1980 did not contain any conditions about the promotions to the workers. But in case of the settlement reached in 1988, the following conditions are agreed upon and recorded in the agreement.

1. It is decided by both the parties that the management will effect the merit rating of all the permanent workers and after that it will introduce promotions for the existing vacant posts. Because of this merit-rating an appopriate reform will be effected according to classification and pay-scales, of such workers, It is

implemented from 1st July 1988. It is also decided that the written information regarding classifications of the workers will be supplied to each workers.

It is also decided that any worker who wants register a complaint against the classification done by the management, will do so either individually or through the union. It is decided that if the decision leads to changes in classification then its implementation will take place from 1st July 1988. Now it is decided to undertake merit rating after every three years.

2) It is decided by both the parties that the matter of promotion will be in exclusive right of the management. For promotions, qualities, eligibility, eniorily,satisfactory work, good behave and attendance will be considered and after that if the posts are vacant in the concerning departments then only the promotions will be given.

3) Generally, the workers will be allotted the work according to the status and pay scale. But according to the needs of the management in exceptional circumstances the skilled workers if necessary will be given other kinds of work. For example if sometimes the machine is out of order, the operater of the machine should help the maintainance worker in repairing the machine.

g) Other facilities :

1) Uniforms and Shoes :

It was agreed in the settlement made in 1980 that the institution would provide to those workers with boots, Shandals and uniform each year according to the nature of work. Hence the same tradition was decided to be continued. And it was agreed that the decision regarding the distribution of the uniforms was within the jurisdiction of the institution which would consider the nature of the work and the necessity of the distributing the uniform.

According to this tradition the institution was at liberty to provide the workers of any other section with uniforms etc.

In the settlement of 1988 it is agreed that the Comoany with provide all the permanent workers in the Company, with different types of uniforms and safety shoes according to the nature of their work. Two uniforms and one pair shoes to be given each year.

The workers are required to wear the given uniforms and shoes when on duty. As a seperate washing allowance is being paid for washing of the uniform it is the responsibility of the each worker to keep his uniform clean. Those workers who do not wear safety shoes on duty are liable for breach of discipline.

The definite period of the distribution uniforms and safety shoes is decided as below :-

	Department	The Period of distributing of uniforms.
1.	Foundry, Quality Control (foundry)	January to May.
2.	Product division and P.P.O. (Plant No.2 & 4)	May to September
3.	Maintainance, tool-room, dispatch, storages, tall-crib, establishment, pattern-shop, general administration, training etc.	September to December.

2. To make Permanent :

In case of the settlement of reached is 1980, in regard of permanency it was agreed that any worker appointed temporarily or on probation or on trial on any permanent type of work would be made permanent if he had done actual work for more than 240 days within a period of 12 months in the same place. In this regard the statutory law was to be considered and the worker was to be considered eligible for the concessions and provisions to which other permanent workers were entitled.

But at present these are nearly 500 temporary workers in Ghatge Patil Industries. The Management's usual practice is that it gives break to the temporary workers in such a way that it becomes impossible for them to complete the continuous services of 240 days in a year, Therefore they remain as

temporary workers. This shows the management's anti-labour policy. The Union also deos not struggle bitterly in this regard.

h) Productivity :

In the settlements reached in 1977 and 1980, there was not any specific clause about the productivity of workers. But the general conditions of agreement included some provisions regarding the productivity. For example, in the settlement reached in 1980, the Management's opinion was that the production of the Company was reduced due to the go-slow tactics followed by workers in some sections. And therefore Mazdoor Sangh or workers assured the management that they would strive hard to increase the productivity and production of the company. It was also agreed that the Mazdoor Sangh and the workers would co-operate to realise the Management's goal of maximum production and they would also strive for bringing the rejection percentage on the minimum level.

In the settlement reached in 1988 the following conditions regarding productivity are agreed upon and recorded.

(1) The Mazdoor Sangh and workers agree that all the workers will try their level best to reach 100 % or more productivity with respective of all the norms 'E','P' & ' T' .

(2) It was observed on examination of the review regarding the productivity during the period after the interim settlement of 9.11.1985, that around 10 % of the workers are still working below the level of 75 % productivity which was the minimum agreed upon. After a detailed discussion on this the Mazdoor Sangh and the workers agree that all such workers will attain the level of minimum 75 % of productivity within a period of three months from the date of this settlement and all the workers after three months will keep constant the level of average productivity of the period of July 1987 to December 1987 and also will strive to increase it. Those workers whose level of productivity is 80 % and above will keep it constant and also will strive hard to improve it.

(3) Where, even after the sincere effort, the workers were unable to produce according to the norms with reference to 'E' norms, the workers will render full-co-operation for arriving at 'T' norms on the basis of time study conducted according to the established system.

The Management will properly consider the just problems and suggestions of the workers and the problems of both the sides will be overcome. If any problem arises with reference to any particular norms the Management will take the decision after consulting the Mazdoor Sangh / Workers and it will be accepted by both the parties.

(4) The workers who will not reach the productivity index as agreed upon in the settlement or will not co-operate for the time study will be liable for disciplinary action and the workers and Mazdoor Sangh will not agitate in this regard.

From the provisions mentioned about about productivity, it is clear that the Management at the time of settlement remains strictly attached to achieving increase in productivity and production. For example, the settlement reached in 1988, contained a seperate clause relatev to productivity and in that clause the management has taken assurance of full co-operation of Mazdoor Sangh and the workers about striving hard to increase the productivity.

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