

# **THE NATIONAL APEX BODY**

*Proceedings and Conclusions*

**AITUC PUBLICATION**

## PREFACE

In the wake of national emergency mutual consultations between the AITUC and INTUC (later joined by HMS) led to the formation of the National Apex Body (NAB) and the national Industrial Committees. These bodies unlike the Indian Labour Conference, are bipartite in their composition although their meetings are attended by the Labour Minister and Labour Ministry officials. Besides, State Apex Bodies also have been set up so far in 14 States and 2 union territories. Composition of workers' representatives in the NAB, Industrial Committees and State Apex Bodies was agreed upon between the AITUC, INTUC and HMS.

The National Emergency brought closer the two main trends of the trade union movement in India represented by the AITUC and INTUC.

The question of unity of the democratic forces in the TU movement has acquired a new political content and importance in the context of the struggle against reactionary forces, both internal and external, and implementation of the 20-point economic programme. Despite hesitations and hangovers of the past hostility at different levels, the AITUC and INTUC have been able in the present situation, to take agreed positions on many of the current problems that the working class faces. The phenomenon of NAB reveals itself as a new form in the zig zag course of trade union unity, and a new opportunity for forging closer unity and understanding between the AITUC and INTUC unions and workers at various levels, in different industries.

In this volume, are given all the up-to-date decisions and conclusions of the NAB and the Industrial Committees which have so far been constituted and met.

The most important question that repeatedly figured in successive meetings of the NAB is the question of lay-offs, retrenchment and closures which the employers continued to resort to despite appeals by the Government and in defiance of decisions taken by the NAB.

According to the Union Labour Minister's statement in the Rajya Sabha on 19 March 1976 about half a million workers were laid off after declaration of Emergency during the period of June 1975 to December 1975. Besides, more than thirteen thousand workers were retrenched and 76 establishments were closed down rendering about ten thousands workers job less.

Ultimately, the legislation for prevention of lay-off, retrenchment and closure by way of amendment to the Industrial Disputes Act, 1947, was introduced in Parliament in January end; it has already been enacted and has come into force which however cover establishments employing 300 and more workers. The amendment as enacted is reproduced in this volume as Appendix II.

In Appendix I is reproduced the Scheme of Workers' Participation in industry as circulated by the Government of India, Ministry of Labour.

We hope this volume will be a useful handbook for ready reference for the trade unions and to those concerned with the question of industrial relations.

New Delhi  
May 1976

*AITUC Secretariat*

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## NATIONAL APEX BODY FORMED IN JULY 1975

The Composition of the National Apex Body is under:

### WORKERS' ORGANISATIONS

<i>Members</i>	<i>Alternate Members</i>
<b>1. INTUC</b>	
1. Shri B. Bhagavati	1. Shri J. C. Dikshit, M.P.
2. „ G. Ramanujam	2. „ Kanti Mehta
3. „ V. V. Dravid	3. „ V. R. Hoshing, MLA
4. „ Bishnu Bannerji	4. „ N. K. Bhatt, M.P.
5. „ C. M. Stephen, M.P.	5. „ G. Sanjeeva Reddy
<b>2. AITUC</b>	
1. „ Dr. Ranen Sen, M.P.	1. „ Indrajit Gupta, M.P.
2. „ S. A. Dange	2. „ Raj Bahadur Gour
3. „ K. G. Sriwastava	3. „ Chaturanan Mishra, MLA
4. „ M. S. Krishnan, M.L.A.	4. Smt. Parvathi Krishnan, M.P.
5. „ N. K. Krishnan	5. „ Homi Daji, M.L.A.
<b>3. H.M.S.</b>	
1. „ Makhan Chatterjee	1. „ Vimal Mehrotra

### EMPLOYERS' ORGANISATIONS

#### I. Employers' Federation of India

1. Shri Naval H. Tata	
2. „ I. P. Anand	Names to be intimated later.
3. „ P. C. Lal	
4. „ K. Hartley	

II. *All India Organisation of Employers*

1. Shri K. R. Podar
2. „ K. N. Modi                      Names to be intimated
3. „ G. K. Devarajulu                later.
4. „ H. S. Singhania

III. *All India Manufacturers' Organisation*

1. Shri B. V. Mehta                    Names to be intimated
2. „ B. D. Somani                    later.



## FIRST MEETING OF THE APEX BODY

National Apex Body (NAB) had its first meeting in Delhi on 29 July 75 under the presidentship of Shri Raghunatha Reddy, Minister for Labour.

It was generally agreed that this Body will discuss and give guidelines on all issues affecting production capacity and production in different industries and plants, sort out bottle-necks and suggest changes wherever necessary in layout and plans including question of policy and of pricing and supplies. Workers' issues are also concerned in this.

In this meeting it was agreed to add one representative of Small Scale Industries from the employers' side. The character of the Apex Body will be essentially bipartite. But the Union Labour Minister should be on it to facilitate its functioning in the varied spheres, both in private and public sectors. Hence, the Union Labour Minister will be a member of the Committee. The Secretarial assistant will be provided by the Labour Minister and so also expenses.

The Union Labour Minister will make efforts to set up such Apex Committees at State level also. On behalf of AITUC it was stressed that the composition of State level bodies should be on the same lines as in the Centre i.e. parity between INTUC and AITUC and one seat to HMS.

The issue of forming such Apex industrial committees will be taken up later where necessary.

Immediately the following two issues have been taken up by this Body:

1. Problem of closure, lay-off and retrenchment, and utilisation of full capacity of plants and units.
2. Kerala Government Ordinance regarding payment of bonus as last year.

Next Meeting—13 August.



## SECOND MEETING OF THE NAB

The National Apex Body meeting in Delhi on 13 August, 1975, Shri G. Ramanujam, General Secretary, INTUC, presiding, decided to appeal to both employers and workers in the country to keep up the spirit of emergency and continue to take all positive steps to increase production and productivity and to avoid wastage. The NAB appealed to the employers and trade union organisations to avoid lay-off, retrenchment, lock-outs and closures on the one hand and go-slow, work-to-rule, gherao and strikes on the other.

The meeting was attended by:

### *INTUC*

1. Shri G. Ramanujam
2. „ V. V. Dravid
3. „ Bishnu Banerji
4. „ C. M. Stephen, MP
5. „ V. R. Hoshing, MLA

### *AITUC*

1. „ Dr. Ranen Sen, M.P.
2. „ K. G. Sriwastava
3. „ M. S. Krishnan, M.L.A.
4. „ Chaturanan Mishra, M.L.A.

### *HMS*

1. „ Makhan Chatterjee
2. „ Vimal Mehrotra

### *EFI*

1. „ Naval H. Tata
2. „ I. P. Anand

3. „ P. C. Lal
4. „ K. Hartley

#### *AIOE*

1. „ K. R. Podar
2. „ K. N. Modi
3. „ Dr. Bharat Ram
4. „ G. K. Devarajulu

#### *AIMO*

1. „ B. V. Mehta
2. „ B. D. Somani

#### *FSSI*

1. „ H. S. Bhattu

The Union Labour Minister, Shri K. V. Raghunatha Reddy, Dr. Gopaldas Nag, West Bengal Labour Minister, and Shri Shankar Rao Patil, Maharashtra Labour Minister also attended the meeting.

The NAB after detailed discussions arrived at the following conclusions:

### *SUMMARY OF THE CONCLUSIONS*

1. Regarding the employers' complaint that the Kerala Government has issued a directive requiring all employers in the State to pay the same rate of bonus for the year 1974-75 as that paid for the previous year i.e. 1973-74, the Union Labour Minister, Shri K. V. Raghunatha Reddy read out a letter from the Labour Minister of Kerala State to the effect that the Kerala Government has not issued any circular on the question of bonus as alleged. In view of this written clarification by the Kerala Labour Minister, the NAB decided to drop the matter.

Some members raised the question of bonus and said that Government should not go on extending year by year the minimum bonus of 8.33 per cent and that they should take a decision not only on the minimum bonus but on the recommendations of the Bonus Review Committee. This

would help maintain better industrial relations. The Labour Minister said that government are already seized of the matter.

2. It was agreed that the NAB will be largely concerned with laying down principles, policies and guidelines in respect of matters not only affecting industrial relations but other allied subjects as well for the efficient working of various industries and service. In view of this role of NAB, it will not always be possible for the NAB to go into cases of lay-off, retrenchment, lockout or closure; or go-slow, gherao or strikes in individual units or industries.

3. The NAB is of the view that National Industrial Committees should be set up for each major industry without delay and these committees should look into all problems including lay-off, retrenchment, closure or go-slow, gherao or strikes and advise the units appropriately.

4. With reference to the specific question of lay-off, the NAB felt that while the guidelines it is laying down may help to avoid future lay-offs, units which are already under lay-off should be considered by the National Industrial Committees and appropriate remedial steps should be applied within a specified time limit. It was further agreed that when the National Industrial Committees discuss lay-off and related problems in any particular industry or unit, the concerned Minister/s of the Government of India along with Labour Minister should be present so that there could be better appreciation of the problems faced by the industry as well as the workers and necessary correctives applied in time.

5. The NAB urges that there shall not be any unilateral lay off in any unit or industry and that any proposal for lay-off should first be discussed at the plant level bipartite meetings and if there is agreement at that level, lay-off may be introduced subject to the terms of such agreement. If, however, there is no agreement at the plant level bilateral discussion, the matter shall be taken up either by the state or by the national committee for the industry within a specified time limit. Where the lay-off

is confined to units in an industry within one state only, the state shall be competent to deal with it. Where, however, units in the industry in more than one state are affected by lay-off, the matter shall be decided by the National Industrial Committee.

6. While bonafide lay-offs for reasons beyond the control of managements have to be dealt with sympathetically, other kinds of lay-off including lay-off on account of economic reasons may have to be dealt with differently. In order that the workers may appreciate the economic difficulties of the managements it was agreed by the management representatives that there shall be continuous sharing of information regarding economy of the industry with the workers' representatives.

Where the employer has been making profits or has built up substantial reserves, all efforts should be made to avoid lay-off and to bear the burden out of its accumulated resources.

7. Lay-off as a phenomenon was pronounced in textile, engineering, chemical, sugar, etc. The NAB requests the Labour Ministry to immediately set up National Industrial Committee for each of major industries so that they can go into current cases of lay-off and ensure early full employment and production, among other things.

8. The small scale industry also wanted representation in the State bodies.

9. The representatives of the workers complained that the national level agreement for wage revision for cement workers in the country is not being properly implemented. There seem to be differences in the interpretation of the agreement and the NAB requested the Labour Minister to call the parties to ensure implementation.

10. The employers raised the question of seven-day working and NAB agreed that this being an important subject by itself should be considered as a separate subject in the next meeting of the body.

11. The labour representatives felt that the procedure and machinery agreed to in respect of lay-off should also

govern retrenchment and closure. In fact they said that whenever they referred to lay-off, they used it as an abbreviation for lay-off, retrenchment and closure and that retrenchment and closure were also on the agenda and the papers circulated covered not only lay-off but retrenchment and closure also. But the employers' representatives felt that the procedure and machinery had been agreed to specifically for lay-off and the procedure and machinery governing retrenchment and closure will have to be finalised at the next meeting of the National Apex Body.

12. The next meeting of the National Apex Body will be held at 10.00 A.M. on 9th or 10th of September 1975 at New Delhi to discuss the following subjects:—

- (1) Retrenchment, closures and lock-outs
- (2) Lay-off insurance
- (3) Absenteeism
- (4) Workers' participation in management
- (5) Expansion of production in textiles, cement and sugar industries.

NEW DELHI

13th August, 1975.



## THIRD MEETING OF THE NAB

*September 18, 1975*

Shri Naval H. Tata, President, Employers' Federation of India, presided over the Third National Apex Body Meeting held in New Delhi on September 18, 1975.

The National Apex Body, after detailed discussions, arrived at the following conclusions:

### SUMMARY OF CONCLUSIONS

At the opening of the meeting, the Labour Minister appealed to employers and workers to make generous contributions to Prime Minister's Flood Relief Fund. He then announced that the industry-wise committees are being set up for the textile industry, National Textile Corporation and the Banking Industry. He requested the employers to nominate 7 members for the National Industrial Committee for the textile industry by 20th September, 1975. The date of the first meeting of that Committee was fixed tentatively on 29-9-1975 (A.N.). The meeting would take up, inter-alia, matters relating to the textile industry in Kanpur. The Labour Minister also announced the decision to set up National Industrial Committees for Sugar, Chemical, Cement and Engineering Industries according to the decision already arrived at by the National Apex Body.

The National Apex Body, after detailed discussions, arrived at the following decisions:

#### *Bonus*

1. Both workers and employers felt the urgency of an immediate decision on bonus since in absence of a definite

policy decision, this one factor alone may cause industrial discord which this Apex Body is endeavouring to avoid through bipartite approach.

*Retrenchment, closures, lock-outs and strikes, etc.*

2. As a general policy the National Apex Body reiterated that there should not be any retrenchment, closure, lock-out, victimisation, strikes, go-slow and work-to-rule as far as possible. The National Apex Body has already recommended the setting up of industry-wise national committees. National Industrial Committees (NIC) shall monitor the state of industrial relations in the industry concerned and would take such preventive action as may be necessary to avoid strikes, go-slow, work-to-rule, gherao, lockouts and victimisation. In case at the plant level negotiations a dispute could not be settled, it should be taken up at the State level Apex Body for settlement or at the National Industrial Committee before either party resorts to any of these actions. In case where an Apex Body at State level has not been established or the State level Apex Body does not take up the dispute, the matter would be referred to the respective National Industrial Committee. It has been brought to the notice of this Body that units in several industries have either already closed or have threatened to close. This Body recommends that NIC should set up Standing Compact Committees which would go into all cases of actual closures or apprehended closures and suggest appropriate remedial measure. The NICs will be competent to go into the general health of a particular industry as a whole or a group of units in the industry for improving its efficiency, performance and viability. In cases where parties have come to definite agreements either at the State level or the industry level or the unit level, such commitments must be implemented by all the parties according to the terms of the agreement. In the event of non-fulfilment, such cases will come-up before the National Apex Body. Such cases will be brought by the parties concerned

### *Lay-off Insurance*

3. The Chairman informed the meeting that at a preliminary meeting of employers yesterday there was a feeling amongst the employers that they had no opportunity to make an in-depth study on lay-off Insurance and therefore they should be given an opportunity to do so after which the matter may be brought up again for discussion in the light of their study. All the same the Chairman requested the workers to express their reactions to this question. Mr. Ramanujam, on behalf of the employees, stated that like in the case of workmen compensation which was the liability of the employers the practice was for some employers to pay this compensation out of their own pockets whereas others paid through an insurance policy. Similarly in this case since the lay off liability is that of employer, they feel that under no circumstances the worker should be called upon to pay any part of such insurance.

4. The Labour Minister informed the meeting that he was not in a position to express any opinion but will express his views after he had time to study the scheme and the final reactions of all concerned.

### *Absenteeism*

5. The subject of absenteeism was discussed in the meeting and it was agreed that absenteeism should be discouraged and trade unions offered their good offices to see that absenteeism is reduced to the minimum.

### *Procedure of implementation*

6. A question was raised how to ensure that the decisions taken at this meeting are implemented. It was suggested, therefore, that the State level committees and the Industrial Committees should report to the Central Labour Ministry actions taken arising out of the cases placed before them. On the basis of this one of the items for agenda



will be prepared reporting such cases so that Apex Body can satisfy themselves whether appropriate action has been taken at all levels.

*Date and Agenda for the Next Meeting.*

4. The Agenda of the next meeting, to be held on the 18th October, 1975 at 10.00 A.M., will be :

1. Action taken on the decisions arrived at in the third meeting.
2. Workers' Participation in Management.
3. Seven day working.



## FOURTH MEETING OF NAB

(New Delhi: 18 October 1975)

### SUMMARY OF THE CONCLUSIONS

#### *Case of M/s. Warners Hindusthan Ltd., Hyderabad*

1. The National Apex Body discussed the case of M/s. Warners Hindustan Limited, Hyderabad where about 20 workers have been dismissed. In the absence of the State Apex Body, this National Apex Body decides to send a delegation of two representatives, one each from employers' side and workers' side, namely, Shri S. K. Parthasarthy and Shri G. Ramanujam to visit Hyderabad, hear parties and promote a settlement. If no settlement is possible within 14 days from this date, the said two representatives, nominated by the National Apex Body, will appoint a person mutually acceptable to these two members as the sole arbitrator and his decision shall be final and binding on the parties concerned. The parties have agreed that the two members nominated by the National Apex Body having been duly authorised by the management and the workmen in this regard and whosoever is appointed by the said two representatives as the sole arbitrator as having been appointed by themselves, and they undertake to implement his decision fully without question. The entire proceedings including the award of the arbitrator should be time bound and should be completed within two months.

#### *Lay-off, Closure, Retrenchment, etc.*

2.1. The labour side regrets that unilateral lay-off is still continuing in several industries, including textiles, cement, sugar, engineering and jute, and the earlier agree-

ment in the NAB that there shall be no unilateral lay-off is not being implemented by employers. This subject, alongwith retrenchment and closures, has been discussed in the NAB at three of its earlier meetings. The labour members feel that it is high time that the Government implements the agreement of the NAB that there will be no unilateral lay-off, retrenchment or closure. Labour is not able to understand that while on the one hand Government wants labour to cooperate in increasing production and at the same time it is a helpless spectator when large scale lay-off is being resorted to in several industries. Labour likewise is not able to understand the employers' position who continue lay-off and at the same time demand seven day working. Labour unanimously appeals to the Government to come forward with an ordinance to prohibit all existing lay-off and closures; and if any move for lay-off or closure or retrenchment is to be initiated hereafter it should be made statutorily obligatory on the part of the employers to give one month's notice in the case of lay-off and 3 months' notice in the case of closure so that the notice period could be utilised to identify the real problems and prescribe the necessary solution in time so as to avoid lay-off, retrenchment and closures.

2.2. On the employers' side it was pointed out that the deterioration in lay-off and lock-out, as alleged by workers was not substantiated by statistics—official or unofficial. Before taking any drastic action, as suggested by the workers, they were of the opinion that they are prepared to submit to the Labour Ministry, within 15 days, detailed statistics to show that since the establishment of the Apex Body there has not been any deterioration in the matter of lay-off and lock-out. They were further of the opinion that if in order to discourage lay-off and lock-out an Ordinance has to be issued then like wise, correspondingly, there should have to be an Ordinance against strikes, gheraos and go-slows and work to rule, since both are reciprocal and one cannot subsist without the other.

## *Bonus*

3.1. While the Labour members expressed their dissatisfaction and disappointment on the other hand the employers understood and appreciated the reasoning of the Government on this issue as stated in the Press Note.

3.2. The National Apex Body regrets that Government had not consulted this Body which is charged with the responsibility of promoting industrial peace before finalising the Bonus Ordinance.

## *State Apex Bodies*

4.1. The Labour Minister informed that nine States have already set up State level Apex Bodies so far and that another 9 States have said that they do not find it necessary to set up such an Apex Body in view of the fact that they are already having State Labour Advisory Boards/Committees.

4.2. The National Apex Body is unanimously of the opinion that State Apex Body is necessary in order to deal with the new situation, which has arisen after the declaration of emergency. The NAB is convinced that State Level Apex Body should, therefore, be set up on the pattern of the National Apex Body in all the States. This will be necessary to deal with industrial relations and other connected problems promptly. The NAB, therefore, appeals to the State Governments to take steps for immediately setting up State Level Apex Bodies on the pattern of the National Apex Body. The NAB further desired that the representatives of the State Level Body shall be nominated by respective recognised organisations.

## *National Industrial Committees for Plantation & other industries*

5.1. It was decided that a National Industrial Committee should be set up for the plantation industry.

5.2. It was also decided that the National Industrial Committees in the remaining industries shall be set up by

the end of the month on receipt of nominations from different organisations.

### *Workers' Participation in Management*

6. The National Apex Body notes that one of the 20-point programme announced by the Prime Minister relates to "Schemes for workers' participation in the industries particularly at the shop floor level and production programmes". The National Apex Body attaches great importance to participation of labour in management. This Body understands that Government has already done some exercise on this subject and would, therefore, request that the Government before finalising the proposals in this regard, should await the discussions in the National Apex Body. The National Apex Body feels that it would benefit the discussions in this Body if Government were to indicate their mind on the subject so that a comprehensive approach to this problem would be possible and a constructive workable formula can be recommended by this Body to the Government.

### *Seven Day Working*

7.1. Regarding the Seven day working this Body accepts the proposals in principle as it would increase production and employment opportunities particularly when it is to be introduced in agreement with workers/Union(s). Even so this National Apex Body feels that there should be some guidelines laid down to govern negotiations and settlements on the subject. The National Apex Body accordingly lays down the following guidelines:—

(i) Before any unit or industry wants to introduce seven day working, it must have worked all the three shifts for sufficiently long time and proved that its existing installed capacity has been utilised to the full.

(ii) Introduction of Seven day working and recruitment of new labour under that scheme should be on a permanent basis so that workers are not thrown out after a short period.

(iii) They shall not be any retrenchment or lay-off consequent upon increased production on account of Seven day working.

(iv) Any increase in the gains arising out of seven day working shall be shared in the manner agreed to between the union and the management.

(v) This seven day working is being resorted to provide additional employment opportunities and not for absorbing any labour rendered surplus due to rationalisation.

7.2. The All India Trade Union Congress has reservation about this formula of seven day working and is opposed to this scheme.

### *Agenda for the Next Meeting*

8. Workers' representatives desired to have adequate information regarding number of units which are closed throughout India. They wanted to know how many of them will be revived and what will be done with the rest. They further desired to have full details of the State Governments' reaction and any scheme regarding the opening of such closed units. They also wanted the circulation of the report on the functioning of the State level Apex Bodies—whether they have met and if so, what they have discussed. A report should be placed before the NAB.

9. The next meeting of NAB was fixed at 10-30 A.M. on 29th November, 1975.



## 5TH MEETING—NEW DELHI—NOVEMBER 29, 1975

### SUMMARY OF CONCLUSIONS

Shri K. R. Podar of All India Organisation of Employers presided over the Fifth National Apex Body meeting held at New Delhi in November 29, 1975.

The meeting was attended by:

#### *INTUC*

1. Shri G. Ramanujam
2. Shri V. V. Dravid
3. Shri Bishnu Banerjee
4. Shri V. R. Hoshing,  
M.L.A.
5. Shri C. M. Stephen  
M.P.

#### *Employers Federation of India*

1. Shri Naval H. Tata
2. Shri S. K. Parthasarthy
3. Shri B. P. Gupta

#### *AITUC*

1. Dr. Ranen Sen, M.P.
2. Shri K. G. Sriwastava
3. Shri M. S. Krishnan
4. Smt. Parvathi Krishnan  
M.P.
5. Shri Inderjit Gupta  
M.P.

#### *All India Organisation of Employers*

1. Shri K. R. Podar
2. Shri G. K. Devarajulu

#### *H.M.S.*

1. Shri Vimal Mehrotra
2. Shri Makhan Chatterjee

#### *A.I.M.O.*

1. Shri B. V. Mehta

#### *FSSI*

1. Shri H. S. Bhaty

S/S N. M. Vakil, K. N. Sarcar, B. M. Sethi, S. Singh, H. D. Mukherjee, S. M. Banerjee (M.P.), R. N. Pathak (MLA) also attended the meeting. The Union Labour Minister K. V. Raghunatha Reddy, Deputy Labour Minister, Shri Balgovind Verma and Senior Officers of the Labour Ministry were also present. Dr. K. C. Seal from Planning Commission, also attended the meeting. The meeting observed silence for a minute, with all participants standing, in memory of late Mr. K. Hartley who was a member of the National Apex Body. The Union Labour Minister announced the setting up of bipartite National Industrial Committee for the Cement, Chemicals and Engineering industries.

The National Apex Body, after detailed discussions arrived at the following conclusions:—

I. Complaints have been received by the National Apex Body that several State Governments have not so far set up a State level Apex Body in spite of repeated requests from the Union Labour Minister. Complaints have also been received that even where the State level Apex Bodies have been set up, many of them have not been meeting regularly or functioning effectively.

The new Bipartite system of preserving and promoting industrial peace, with the National Apex Body at the top, depends for its efficient functioning on the efficient working of the State level Apex Bodies. In order to make the State level Apex Bodies function effectively, it is necessary that the State Government be actively involved in the system. The National Apex Body, therefore, requests the Union Labour Minister to invite all the State Labour Ministers to the next meeting of the National Apex Body so that they can also be involved in working of the scheme effectively.

II. The Central Ministry of Labour is requested to ask all the State Labour Departments to send a comprehensive note on each case of lay-off, retrenchment, closure, lock-out, strike, gherao, go-slow, work to rule etc. It is also requested that the State Governments should inform



what action has been taken on these either by the State Apex Body or the State Government. These reports should reach the Central Labour Ministry at least 10 days before every meeting of the National Apex Body. The central Labour Ministry is requested to circulate the information to all the members of the National Apex Body so as to reach them at least one week before the National Apex Body meetings.

III. The National Apex Body takes note of the continuation of the prolonged closure of Laxmi Rattan Cotton Mills and Atherten West Mills in Kanpur, in spite of the efforts of the State Government, the State Apex Body and the National Industrial Committee for Textiles. In the circumstances, the National Apex Body considered that this case is an appropriate one for its serious consideration. Accordingly it discussed the matter and recommended to the Union Labour Ministry to take up this matter with the concerned Ministries for resumption of work by these mills without further delay.

IV. The National Apex Body heard the report from the two members deputed by it to promote a settlement in the industrial dispute in Warner Hindustan Ltd., Hyderabad. After hearing them, the National Apex Body decided to extend the time limit by another 14 days from today within which period they may make further efforts to bring about a settlement and if they still do not succeed, they should appoint an arbitrator, mutually acceptable to them. There would be no further extension of time.

V. The National Apex Body recommends the formation of National Industrial Committees for jute and paper industries. It further recommends that formation of a National Industrial Committee for Construction industry may also be considered.

VI. The scheme for workers' participation in the industry particularly at the shop floor level and plant level was discussed and it was decided to further continue the discussions at the next meeting of National Apex Body.

An exclusive day should be allotted only for discussing this scheme.

VII. The next meeting of the National Apex Body was fixed for 10-30 a.m. on 10th January, 1976 in Vigyan Bhawan. In this meeting the question of setting up of State Apex Bodies in different States would be discussed with the State Labour Ministers. This meeting shall continue on 11th January, 1976 at 10-30 a.m. in Committee Room 'C' Wing when the scheme of workers' participation would be discussed.

The other items of agenda would be 'one union for one industry', as suggested by AIOE and action taken on the decisions arrived at in the Fifth Meeting.



## 6TH MEETING OF THE NATIONAL APEX BODY (New Delhi—10th January, 1976)

### *Summary of Conclusions*

Shri K. V. Raghunatha Reddy, Union Minister for Labour presided over the 6th meeting of the National Apex Body meeting held at New Delhi on January 10, 1976 at the request of members of the Apex Body representing the employers and workers. At the outset he expressed deep concern and sympathy regarding the Chasnala Coalmine tragedy. The meeting was addressed by the Prime Minister.

The meeting was attended by the following members of the Apex Body:

#### *Workers' Representatives:*

##### *INTNC*

1. Shri B. Bhagavati
2. „ G. Ramanujam
3. „ V. V. Dravid
4. „ Bishnu Banerjee
5. „ C. M. Stephen

##### *AITUC*

6. Shri Ranen Sen
7. „ S. A. Dange
8. „ K. G. Srivastava
9. „ M. S. Krishnan
10. „ N. K. Krishnan

##### *HMS*

11. Shri Makhan Chatterjee
  12. „ Vimal Mehrotra
- Employers' Representatives*

##### *E.F.I.*

1. Shri Naval H. Tata
2. „ I. P. Anand
3. „ S. K. Parthasarathi
4. „ S. B. Aibara

##### *A.I.O.E.*

5. Shri K. N. Modi
6. „ Bharat Ram
7. „ H. S. Singhania

##### *A.I.M.O.*

8. Shri Bipin V. Mehta
9. „ B. D. Somani

##### *F.A.S.I.I.*

10. Shri Swaraj Basu

Following Ministers from States/Union Territories also attended the meeting:

- |                                       |  |
|---------------------------------------|--|
| 1. Shri T. Anjaiah, A.P.              | 10. „ S. B. Patil,<br>Maharashtra                  |
| 2. „ Gajen Tanti,<br>Assam            | 11. Dr. B. B. Singh,<br>Orissa                     |
| 3. Smt. Ram Dulari<br>Sinha, Bihar    | 12. Shri H. R. Sharma,<br>Punjab                   |
| 4. Shri N. C. Barot,<br>Gujarat       | 13. „ M. L. Chhangani,<br>Rajasthan                |
| 5. „ K. L. Poswal,<br>Haryana         | 14. „ K. Rajaram,<br>Tamil Nadu                    |
| 6. „ L. C. Prarthi,<br>H.P.           | 15. „ Gopal Das Nag,<br>West Bengal                |
| 7. Smt. Zainab Begam,<br>J&K          | 16. „ O. P. Bahl, Delhi                            |
| 8. Shri V. Purushotta-<br>man, Kerala | 17. „ G. P. Pandey,<br>U.P. (Secretary,<br>Labour) |
| 9. „ S. M. Yahya,<br>Karnataka        | 18. „ P. S. Rane, Goa,<br>Daman & Diu              |
|                                       | 19. „ V. A. V. Raju,<br>Pandicherry                |

Addressing the members of the National Apex Body, the Prime Minister Smt. Indira Gandhi said:

I have occasionally met delegations from workers, public sector representatives, representatives from employers and management, but I think this is the first time I am meeting everybody together and I have no doubt that such meetings are useful forums.

Yesterday in the Lok Sabha when I said that the Apex Body had solved some problems, there were protests from the Opposition side saying "not one single problem". I do not know what the facts are. But, it is obvious that if you do not succeed in solving these problems, then there is hardly any point in having an Apex Body.

The major problem is that each section tries to get something for itself and it is true that employers have some times taken a very narrow view and we all know that in an effort for greater profits—and as quickly as possible—adequate attention has not been given to maintaining the efficiency of the plant and keeping it up-to-date. There have, of course, also been unions which have

some times acted irresponsibly and with their eye on trying to get some immediate advantage. Now the time has come when we cannot afford to have this type of sectional confrontation. It is not only because of the need for greater production but a genuine realisation that this country, along with most countries of the world, is passing through an extremely difficult economic crisis. The fact that we have been able to curb inflation, that our production has gone up in certain sectors should not lull us into any sense of complacency. The competition outside is going to increase, not lessen. Other difficulties in the international field are going to become worse and worse. So we have to prepare for that and we have to present a far more united front and effort at each section trying to see the difficulties of other sections.

Although, as I said, there have been cases when labour leaders have been able to persuade various unions to go on strike, on the whole, and specially since the Emergency, the working classes have been extremely cooperative. Wherever I have gone in this period, I have heard of production going up and their not resorting to strikes even though they may have felt there was some provocation. On the other hand, we do have the story of lay-offs, of retrenchment and so on and as my colleague the Labour Minister, announced yesterday or the day before, we are thinking of bringing in a legislation about this very soon. But legislations do not really solve the problem. I mean that is the last sort of attitude of confrontation that you cannot do this peacefully and you have to be forced into doing something. This is a body in which everybody can sit together and try to find ways of solving these problems.

I am not minimising the difficulties of industry and I know that sometimes because of taxes or lack of demand, some genuine problems have arisen and we must try to solve those and find proper answers. But we know also that sometimes the same—I mean not the same concern but the same group makes enormous profits in one area

but they do not like to lose in another area. To a lay person like myself, it seems there must be some adjustment on this. If you are making money, as you made in the textile industry a couple of years ago, people in the textile themselves said that they had made enormous profits, but immediately the year after if the profits are less, then there is a hue and cry. This is bound to happen, I mean, profits are not always going to be at a high level and perhaps it is not also good that it should go beyond a certain point. So these problems, I think, have to be looked at in two stages, one is the immediate problems which are arising. Some Opposition Members have sent me various letters and said that 'you must raise these points at the meeting', but I have no intention of going into these details or specific instances there. The Minister is aware of them and if the opportunity arises, I think he will take them up with the people concerned. But one is the question of the immediate problem of unemployment and other difficulties that are arising because of lay-offs and so on. If Government can help in any way, we shall certainly look into it. And the other is the long-term problem of creating the sort of atmosphere in which there is the fullest cooperation between all those concerned. Today's attitude is that 'it does not matter, let a mill go down and Government will come to the rescue. When it is sick, the Government will now set it back into health and hand it back when it is healthy'. Now, what does this mean? We spend enormous effort of resources that others is merely trying to maintain the health of a unit, which resources, if used, if we freely use them as we like, could go towards creating greater employment instead of just maintaining the present level of employment.

So these are some of the points which strike me. I don't know whether State Governments are giving full support to the decisions of the Apex Body because it is their responsibility also to see that these decisions are implemented. Firstly, decisions have to be taken quickly

and secondly, they have to be implemented equally quickly. Otherwise there is no point. If there is delay in implementation, then that problem becomes more complicated.

Now, just this morning I have been told about the National Textiles Corporation. I was told that it will lose about Rs. 70 crores this year which comes to nearly Rs. 5000 per worker in a year and this is a burden which the general tax-payer has to bear. And Government having to come into modernise plants throws an extraordinary burden that many new worthwhile projects elsewhere have to be given up. What is important is to prevent such things from happening. I don't think that temporary slackness in demand need lead to such a situation. If the basic health is strong, then one should be able to tide over such a period. It is only a prolonged neglect and indifference which leads to such a crisis and as the stronger of the two parties, the responsibility on the management is greater.

We have spoken of workers' participation because it is essential to create in the worker a genuine interest in the growth and well-being of the industry in which he is employed and this cannot be done if he continues to be treated as a mere seller of labour for some wages. His active participation and his keen interest should be enlisted. We have just begun on our programme of workers' participation in production programme. I hope this will be worked sincerely by all concerned so that this participation can be extended. I think it is better to do it in this way rather than to go in for a scheme which reads well on paper but does not get off the ground and we remain where we are.

The problems which have been agitating Members of Parliament, to which I also referred, are the major closures in Kanpur and elsewhere and these also are due to the problems of the type to which I have referred. I have asked the Ministries of Industry, Commerce and Finance to get together for an early decision. But there

are many cases in which things could be sorted out with understanding on both sides. State Governments should try to intervene more quickly instead of allowing things to drift. Timely action could prevent many of these serious situations.

I think that is all that I want to say to you at this stage. But, the health of industry is of paramount importance to the growth of the country as a whole, to the growth of our agriculture and the general well-being of our people. It is with this end in view that you must tackle all the specific problems that crop up here. I am glad to have this opportunity of being with you and I wish success to your deliberations, which means success in solving these obstructions that may arise to production, to giving a better deal to our workers."

National Apex Body took the following decisions:—

"The National Apex Body requests such of those State Governments as have not set up State level Apex Bodies so far to set up such Committees immediately. The composition of the State level Apex Bodies shall be generally on the same pattern as that of the National Apex Body. Where, however, due to special conditions in any state, any variation from the national pattern becomes necessary, including the making of the state level bodies tripartite, could be made by agreement with the representatives of the organisations represented in the National Apex Body".

The problem of lay-off, closure, retrenchment, go-slow, work to rule and strikes etc. was reviewed. The Committee felt that the progress was not wholly satisfactory in certain areas. Shri S. A. Dange expressed his concern over continued lay-off and closures of certain mills and proposed that a Resolution\* be adopted.

The matter was discussed in detail and the following Resolution moved by Shri Ramanujam was adopted:—

"The National Apex Body at its very first meeting expressed its anxiety over the wide-spread lay-off, retrenchment, closure, lockout, strike, go-slow, work to rule, etc.



in the country. The N.A.B. decided that there shall be no unilateral lay-off or retrenchment or closure. It was decided that bonafide lay-offs, retrenchments, closures, will have to be treated differently from other kinds of lay-off or retrenchment or closure.

2. At the 6th meeting of the National Apex Body when the position relating to lay-off, retrenchment or closure was reviewed, the body felt that the progress was not wholly satisfactory in certain areas. The N.A.B., therefore, decided to set up a compact bipartite committee consisting of 3 representatives from each side to go into the cases of lay-off, retrenchment and closure and to recommend appropriate action where it is convinced after proper enquiry that such lay-off, retrenchment, closure is not bonafide.

3. The specific cases brought up before this body at its meeting today (10-1-1976) will be taken up by the committee in the first instance.

4. In future the Sub Committee will take up such cases as may be referred to it by National Apex Body from time to time."

Shri Dange, however, wanted that it may be placed on

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\* The Minutes prepared by the Labour Ministry did not give the text of the resolution moved by Shri S. A. Dange. Following is that resolution:

"This Apex Body recommends that employers like the Jaipurias of Kanpur, Jalan of Bombay (Bharat Barrels) and the employers of Western India Spinning and Kapa-dias of Kohinoors be arrested under the MISA for persistent failure to open their concerns or threatening to close down their concerns for whose affairs they are responsible despite the opinions expressed in the Apex Body in several meetings. This is one of the effective steps that should be taken to save the national economy from the threats of increasing closures, unemployment and fall in production causing great hardship to workers and all people in general."

record that the proposed legislation on the question of lay-off, retrenchment etc. should not be put off because of this Resolution and the Sub Committee envisaged in it. He also said that he would keep his resolution in abeyance for one month in view of Shri Ramanujam's resolution being executed by the employers. If nothing tangible comes out of the adopted Resolution, he would propagate his resolution among the workers.

The Committee also recommended setting up of an Industrial Committee for automobile, allied and ancillary industries.

It was brought to the notice of members that the Sub Committee set up on October 18, 1975 to settle the matter of dispute in M/s Warner Hindustan Ltd., Hyderabad has been able to bring about a settlement concerning 20 dismissed workmen with the assistance of State Labour Minister.

The State Labour Ministers gave a resume about the industrial relations in their respective States. On the whole it was noticed that there has been industrial peace and number of mandays lost due to work stoppages have been considerably reduced. However, concern was expressed about certain units which have closed down or the workers are under continued layoff.

Shri K. V. Raghunatha Reddy, Union Minister for Labour advised the Labour Ministers from various States that the scheme for workers' participation in management at shop floor level and plant level should be introduced both in the private sector and the public sector. A number of public sector undertakings have already adopted this scheme. The private sector has not shown enough enthusiasm. It is a very flexible scheme. The private sector should take advantage of Workers' Participation which has shown magnificent results in the public sector. Durgapur Steel Plant as a result of workers' participation has turned a new chapter and the way in which production is going up is very encouraging.

As regards the constitution of State Apex Bodies States

where so far these Committee have not been formed, Shri Reddy advised the Labour Ministers from such States to constitute Apex Bodies. However, for special reasons, if it is desirable that the State Apex Bodies may be tripartite in character, if there is general agreement, there would be no objection to it. While constituting State Apex Bodies the three National Trade Union Organisations should be consulted in the formation of such Apex Bodies.

Expressing concern over continued lay-off and closure of certain concerns, he requested the employers that they should exercise their moral influence and see that mala-fide lay-offs and closures do not continue.

### NATIONAL APEX BODY—7TH MEETING

Conclusions of the 7th Meeting of the National Apex Body held at New Delhi on March 10, 1976 at 10 a.m.

The meeting was attended by the following:—

#### INTUC

1. Shri B. Bhagwati
2. Shri G. Ramanujam
3. Shri V. V. Dravid
4. Shri Bishnu Banerjee

2. Shri I. P. Anand
3. Shri P. C. Lal
4. S. K. Parthasarathy

#### *All-India Manufacturers' Organisation*

- #### AITUC
1. Dr. Ranen Sen
  2. Shri Indrajit Gupta
  3. Smt. Parvathi Krishnan

1. Shri B. D. Somani
2. Shri B. V. Mehta

#### *All-India Organisation of Employers*

- #### HMS
1. Shri Makhan Chatterjee
  2. Shri Vimal Mehrotra
- Employers' Federation of India*

1. Shri M. K. Mohta
  2. Shri P. Chentsal Rao
  3. Shri B. M. Sethi
- F.A.S.I.I.*

1. Shri Naval H. Tata

1. Shri S. S. Aggarwal

S. S. L. Passey, Y. D. Sharma, R. L. Moitra, M. Ghose, N. M. Vakil, B. P. Gupta and S. G. Gupte attended the meeting as observers.

The Union Labour Minister, Shri K. V. Raghunatha Reddy, the Union Dy. Labour Minister, Shri Balgovind Verma, senior officers of the Ministry of Labour and Shri B. S. R. Iengar of Ministry of Energy were also present.

2. Shri Makhan Chatterjee (HMS) was elected Chairman of the Meeting.

3. The NAB reviewed the progress made in regard to the setting up of Apex Bodies in the States and Union Territories and reiterated their earlier resolution that States/Union Territories which have not yet set up such bodies should do so without any further delay on the lines already suggested and requested the Union Labour Minister to pursue the matter further with the State Governments and the Union Territories concerned.

4. The latest position regarding setting up of National Industrial Committees and other sub-committees of the NAB was reviewed. The NAB authorised its Secretariat to initiate appropriate action for holding of regular meetings of these committees. The Labour Minister pointed out that the NIC on Jute and Paper could not be set up due to the lack of nomination from the employers' organisations and some workers' organisations. A point was raised regarding utility of having the NIC on Jute in view of the similar body being set up in West Bengal where the industry is mainly concentrated. It was decided that notwithstanding such state bodies being formed at the State level the NIC on Jute will be constituted at national level. The representatives of employers and workers' organisations agreed to send their nominations early.

5.1 The scheme for workers' participation in industry, as circulated by the Government, was discussed. The NAB noted that the employers' organisations and the trade union organisations in the country have taken this programme seriously and have deliberated in detail in their respective bodies ways and means to implement the scheme. In the process certain suggestions for improving the scheme also emerged. The NAB felt that the NICs for different industries and the State Apex Bodies should take initiative

in ensuring that the scheme for labour participation in industry is introduced in all the units as early as possible. If certain units experienced any practical difficulty in implementation of the scheme, the NIC for the industry or the State Apex Body concerned shall extend their good offices to see that the difficulties are removed and the scheme is implemented.

5.2 The NAB would request the NICs and the State Apex Bodies to report to NAB the progress made in this regard from time to time.

5.3 The Labour Minister clarified that the scheme contained in the resolution is of a minimal nature. If both the parties agreed to improve the scheme, the Government will welcome such suggestions.

6. The issue of one union for one industry was discussed. The NAB felt that while one union for one industry is a desirable object, there are obstacles in the way. The major trade unions in the country are already seized of this problem and are working towards unity and solidarity of the working class movement.

7. Representatives of the workers pointed out that the employers who were paying bonus in the past linked with production and productivity had now discontinued this practice, taking advantage of the amended Payment of Bonus Act. The employers said that if the labour side could give them such cases, they would cause investigation to set the matters right.

8. It was decided to hold the 8th meeting of the National Apex Body on 24th April, 1976 at 10.30 A.M. at New Delhi. One of the agenda items for this meeting would be production/productivity bonus. Working papers would be supplied by both the sides. The meeting ended with a vote of thanks to the Chair.

## EIGHTH MEETING OF NATIONAL APEX BODY

(New Delhi: 24 April 1976)

### CONCLUSIONS

#### *PRESENT:*

##### *Workers' Organisations*

1. Shri B. Bhagwati (INTUC)
2. Shri G. Ramanujam (INTUC)
3. Shri Bishnu Banerjee (INTUC)
4. Shri V. V. Dravid (INTUC)
5. Shri G. Sanjiva Reddy (INTUC) (in place of Shri Stephens)
6. Shri K. G. Srivastava (AITUC)
7. Dr. Renen Sen (AITUC)
8. Shri Y. D. Sharma (AITUC)
9. Shri Vimal Mehrotra (HMS)

##### *Employers' Organisations:*

10. Shri Naval H. Tata
11. Shri I. P. Anand
12. Shri K. R. Podar
13. Shri K. N. Modi
14. Dr. Bharat Ram
15. Shri B. V. Mehta
16. Shri B. D. Somani
17. Shri S. S. Aggarwal (FASII)

Sarvashri S. L. Passey (INTUC), M. Ghose (EFI), C. S. Krishnaswamy (EFI), B. P. Gupta (EFI), N. M. Vakil (EFI), P. Sethuram (EFI), B. M. Sethi (AIOE) and M. K. Mohta (AIOE) attended as observers.

The Union Labour Minister, Shri K. V. Raghunatha Reddy, the Union Deputy Labour Minister, Shri Balgovind

Verma and the senior officers of the Ministry of Labour also attended the meeting. The Labour Minister of Madhya Pradesh, Shri M. P. Dube and the Labour Commissioner of Madhya Pradesh, Shri K. S. Bhatnagar attended as special invitees. The Planning Commission was represented by Dr. K. C. Seal, Adviser and Shri K. V. Iyer, Director, Labour and Employment Division, the Ministry of Industrial and Civil Supplies (Department of Industrial Development) was represented by Shri I. Mahadevan, Joint Secretary, and the Ministry of Finance (Department of Economic Affairs) was represented by Dr. R. P. Sinha, Senior Research Officer.

Shri B. V. Mehta was elected as the Chairman of the meeting.

2. At the outset the Union Labour Minister introduced the Labour Minister of Madhya Pradesh, Shri Mathura Prasad Dube and welcomed the members to proceed with the business of the meeting.

3. On a point raised from the employers' side over the conclusions of the first meeting of the Compact Committee held on 20th April, 1976 for investigation of the cases of 15 units, this item which was sixth in the agenda was first taken up. After some discussion regarding the actual number of cases which the National Apex Body had intended to be dealt with by the Committee and after taking into account the views expressed by the workers' side that Government was expected to take some decision regarding two units in Kanpur as also the observations made by the Union Labour Minister that such spot investigation of the representatives of leading trade unions and employers' organisations would not only create psychologically better atmosphere of industrial relations but would also help in obtaining better information by contacting employers, trade unions, State Governments and others concerned, the following decision was taken:—

“Referring to the conclusions of the first meeting of the Compact Committee of the National Apex Body held on

the 20th April, 1976 whereby three groups have been constituted for studying the cases of the 15 units by visiting four centres it is decided that instead of groups of two members of the Committee visiting different centres for study and report to the Committee, all the six members of the Compact Committee should visit each of the centres to undertake the study and submit the committee's report to the National Apex Body within a month. The deliberations of the Committee should not come in the way of any remedial action that may be taken by the Government in the meantime in respect of any of these 15 units.

In respect of future cases, the National Apex Body while reiterating its earlier decisions accepts the recommendations of the Compact Committee that initially the cases will be dealt with by the respective State Apex Bodies and/or National Industrial Committees and in the event of their non-settlement by those bodies, the cases will be referred to the National Apex Body which in turn may refer such cases to the Compact Committee for dealing with them."

4. On the item relating to Production/Productivity bonus the employers' representatives expressed that they had no time to study the note submitted by the INTUC. It was explained from the workers' side that a system of payment of bonus on the basis of performance could be introduced. The employers' side pointed out that the amended provisions of the Payment of Bonus Act already lays down the system of payment of production bonus by agreement between managements and workers. The workers, however, wanted the employers' representatives to advise their units to encourage such agreements. It was pointed out by the workers' side that units which had the schemes of production and productivity bonus even prior to enforcement of the amended provisions of the Bonus Act should continue the same and the units which did not have such schemes should be encouraged to evolve such



schemes by agreement. It was stated from the employers' side that the Payment of Bonus Act provided for bonus being paid either on the basis of production and productivity or on the basis of profits. The matter of choice of any of these two systems should be left to the employees and employers of individual units. The Union Labour Minister observed that while it was a matter for the employers and workers to settle, in his opinion it would be better if the employers would see that in every unit the workers are more production and productivity minded so that the whole psychology is changed and scope is provided for production/productivity agreements. If however, the parties seek the guidelines from National Apex Body, the same could be considered.

5. On the item relating to the participation of the National Productivity Council as observer at the meeting of the National Apex Body, no objection was found from either side to invite him to participate as observer whenever required while the workers' side said that such participation should be at the level of the Chairman or Director and they hoped that this would help in encouraging systems of payment of bonus for production/productivity.

6. On the item relating to suggestion from the Ambatur Industrial Estate Manufacturers Association for special legislation for small scale industries it was decided that the Association be advised to take up the matter through the Federation of Association of Small Industries of India.

7. On the item relating to the workers of Mulberry Aquatic Products Ltd., Ullal, Mangalore, it was decided to refer the case to the State Apex Body for dealing with the case and report.

8. On the item relating to the reference of the National Industrial Committee on Chemicals about its scope to deal with public sector, it was decided to refer this matter to the Union Minister of Labour for giving his decision.

9. The item relating to recognition of trade unions

under Code of Discipline was deferred for discussion at the next meeting.

It was decided to hold the next meeting of the National Apex Body on the 3rd July, 1976 at 10.30 a.m. in Committee Room, 'C' Wing, Shram Sakti Bhawan, Rafi Marg, New Delhi.

The meeting concluded with a vote of thanks to the Chair.



FIRST MEETING OF THE COMPACT COMMITTEE  
(New Delhi: 20 April 1976)

*PRESENT*

*Workers' Organisations*

1. Shri Surya Prasad Awasthy (I.N.T.U.C)
2. Shri K. G. Srivastava (A.I.T.U.C.)
3. Shri Vimal Mehrotra (H.M.S.)

*Employers' Organisations*

4. Shri I. P. Anand
5. Shri B. V. Mehta
6. Shri M. K. Mohta

Shri J. P. Dixit (INTUC), Shri B. P. Gupta (EFI) and Shri B. M. Sethi (AIOE) attended as observers.

Shri Balgovind Verma, Union Deputy Labour Minister and senior officers of the Ministry of Labour also attended the meeting. The Ministry of Industry and Civil Supplies (Department of Industrial Development) was represented by Shri I. Mahadevan, Joint Secretary, and the Ministry of Finance (Department of Economic Affairs) was represented by Dr. R. P. Sinha.

Shri Surya Prasad Awasthy was elected as Chairman of the meeting.

2. At the outset the Union Deputy Labour Minister welcomed the members of the Committee to its first meeting. He explained that the functions of this Committee would be to go into the cases of lay-off, retrenchment and closure and to recommend appropriate action where it is convinced after proper enquiry that such lay-off, retrenchment, closure is not bonafide. The Committee in the first instance would look into the specific cases which were brought up before the National Apex Body at its meeting held on 10th January, 1976. In future it will take up such cases as may be referred to it by the National Apex Body.

3. A point was raised from both sides regarding the scope of this Committee in dealing with cases of closures.

apprehended closures, lay-off, retrenchments etc., while the State Apex Bodies as also the respective National Industrial Committees may be dealing with those cases simultaneously. It was decided that this committee will deal with the 15 cases which have been listed in the agenda for this meeting. About the future cases, the Committee decided to request the National Apex Body to provide guidelines for dealing with the individual cases of closures, apprehended closures, lay-off, etc vis-a-vis State Apex Bodies and National Industrial Committees. It was felt that initially the cases would be dealt with by the respective State Apex Bodies and the National Industrial Committees. In the event of their non-settlement by those bodies the cases will be referred to the National Apex Body which in turn may refer such cases to this committee for dealing with them in accordance with the guidelines laid down by the National Apex Body.

4.1 For dealing with these 15 cases, the Committee grouped them State-wise, viz., Maharashtra, Gujarat, West Bengal and Uttar Pradesh. In order to effectively deal with these cases, the committee decided to constitute 3 small groups\* comprising a representative each from the employers' and workers' side, one group for the States of Maharashtra and Gujarat, one for the State of West Bengal and the other for the State of Uttar Pradesh. The groups concerned will make spot visits to Bombay, Ahmedabad, Calcutta and Kanpur, as the case may be, along with the Deputy Chief Labour Commissioner (NAB) and with the assistance of the State Governments concerned who should be addressed, enquire into each case to explore the possibilities for solution of the problems confronting the units concerned and submit their reports to this committee for approval at its next meeting.

4.2 The composition of the groups is indicated below:—

(1) Maharashtra  
and Gujarat

Shri Vimal Mehrotra  
and  
Shri I. P. Anand



**NATIONAL INDUSTRIAL COMMITTEES**

## BIPARTITE NATIONAL INDUSTRIAL COMMITTEES

### ON CEMENT INDUSTRY

#### (1) Workers' Organisations

##### INTUC

1. Shri H. N. Trivedi
2. " I. M. Moinuddin
3. " Brij Sunder  
Sharma
4. " P. K. Dubey

##### Alternate Members

1. Shri C. L. Dudhia
2. " D. M. Tulpule
3. " P. R. Narayanan
4. " Parshottam  
Pandey

##### AITUC

##### Members

1. Shri K. K. Sinha
2. " H. N. Narendra  
Prasad

#### (2) Employers' Organisations

##### All-India Organisation of Employers & Employers' Federation of India

##### Members

1. Shri T. S. Subramaniam
2. " G. L. Govil
3. " N. C. Jain
4. " A. H. Dalmia
5. " Channa Veerappa
6. " R. C. Gupta

#### All India Manufacturers' Organisation Member

1. Shri B. D. Somani  
Alternative Member
1. Shri V. R. Tibrawala

### ON CHEMICAL INDUSTRY

#### I. Workers' Organisations

##### INTUC

##### Members

1. Shri Raja Kulkarni,  
M.P.
2. " K. M. Khan
3. " Kali Mukherji,  
M.P.

##### Alternate Members

1. Shri P. Ganguly
- 2.
3. to be announced later.

##### AITUC

##### Members

1. Shri Y. D. Sharma
2. Smt. Roza Deshpande,  
M.P.
3. Shri Jadugopal Sen

##### Alternate Members

1. Shri B. K. Sinha
2. " S. C. Dutta
3. to be announced later.

## HMS

Member and Alternate member—to be announced later.

### II. Employers'

#### Organisations

All-India Organisation of Employers & Employers' Federation Members

1. Shri Himmat Singha
2. " M. L. Seth
3. " D. M. Trivedi
4. " J. N. Choudhary
5. " M. S. Farooqi
6. to be announced later.

All-India Manufacturers' Organisation Member

1. Dr. H. N. Patel

## ON ENGINEERING INDUSTRY

### I. Workers'

#### Organisations

#### INTUC

#### Members

1. Shri Gopeshwar
2. " P. Ranga Samy
3. " G. P. Coutinho

#### Alternate Members

1. Shri Bhowmick
2. " G. Sanjeeva Reddy
3. to be announced later.

#### AITUC

1. Shri Mohammad Elias
2. " M. S. Krishnan, MLA
3. " B. S. Dhume

## Alternate Members

1. Shri K. L. Mahendra
2. " Darshan Singh
3. " Ram Sen

## HMS

1. To be announced later.

### II. Employers'

#### Organisations

All-India Organisation of Employers and Employers' Federation Members

1. Shri K. G. Khosla
2. " F. A. A. Jasdani-wala
3. " Jayant H. Shah
4. " O. M. Khosla
5. " Vijay Kapur
6. " K. Raman

All-India Manufacturers' Organisation Member

1. Shri Feroz S. Baldiwala

#### Alternate member

1. Shri B. P. Thakkar

## PLANTATION INDUSTRY

### Workers' Organisations

#### INTUC

#### Member

1. Shri K. P. Tripathi
2. Shri G. C. Sharma
3. Shri Bhabani Paul
4. Shri M. S. Ramchandran
5. Shri R. Kuppuswamy



*Alternate Members*

1. Shri C. G. Karmakar
2. Shri K. Rajagopal
3. Shri J. N. Sinha
4. Shri L. M. Pradhan
5. Shri K. B. Thimmayya

**AITUC**

*Members*

1. Shri Chinmoy Ghosh
2. Shri C. K. Kurian

*Alternate Members*

1. To be announced later.
2. To be announced later.

**HMS**

*Members*

1. Shri Samir Roy
2. Shri P. L. Perumal

*Alternate Members*

1. To be announced later.
2. To be announced later.

*Employers' Organisations  
Members*

1. Shri G. P. Goenka
2. Shri M. M. Muthiah
3. Shri V. I. Chaeko
4. Shri V. K. Chaudhuri
5. Shri H. R. Shah
6. Shri S. N. Basu
7. Shri M. Jalan
8. Shri M. D. Jalan
9. To be announced later.

*Alternate Members*

1. To be announced later.
2. " "
3. " "
4. " "
5. " "
6. " "
7. " "
8. " "
9. " "



## ELECTRICITY BIPARTITE

*Guidelines approved in the meeting convened by the Union Labour Minister at New Delhi on the 14th August, 1975, to discuss problems relating to increasing production and productivity in the electricity industry, avoidance of transmission losses and better collection of revenues etc.*

For the speedy and effective implementation of the 20-point economic programme announced by the Prime Minister, particularly those items of the programme pertaining to the electricity industry and workers' participation, this Conference convened by the Government of India, of the representatives of employers' and workers' organisations in the electricity industry, arrived at the following guidelines for optimising the efficiency of operation of the electricity systems and for associating representatives of the Workers' Organisations on the operational activities of the systems at appropriate levels. In associating representatives of Workers' Organisations, representation may be given only to those Organisations that have unreservedly committed themselves to the successful implementation of the 20-point economic programme:

(i) Joint Committees of representatives of managements and of trade union organisations should be set up at each district or sub-divisional level. These Committees will, in addition to acting as Vigilance Committees to prevent sabotage, theft of power and abuses in the use of stores, be also responsible for the task of improving operational efficiency of the system and ensuring consumers' satisfaction, besides consideration of suggestions that may be made by individual or group of workmen, with a view to their adoption.

(ii) Similar Committees should also be set up at each generating station, which will be responsible for proper operation and maintenance of equipment, availability of spares etc.

(iii) Such Committees should also be set up for each project to be responsible for reviewing the progress of work and for adopting measures for the timely and economical completion of project.

(iv) At the Electricity Board level, a joint Committee of management and the representatives of trade union organisations should be set up; this Committee should be enabled to discuss all aspects of the functioning of the power system of the Electricity Board.

(v) These Committees should meet as frequently as is necessary but in any case one in three months. Representation to trade union organisations on these Committees may be given to the nominees of All-India Federations and of such other trade unions/organisations committed to the 20-point programme, as the management may consider necessary to be represented at the appropriate level on such Committees. There should be full exchange of information so as to enable Committees to function effectively. Unanimous decisions of these Committees should be implemented within a specified period of time as may be indicated in the decisions themselves. These Committees would also be responsible for reviewing the implementation of the decisions.

(vi) Keeping in view the substantial number of workmen under various Electricity Boards and Undertakings who are still borne on the nominal muster rolls (NMR), the system of NMR should not be resorted to in respect of work of a permanent or continuing nature. In all other cases, where NMR workers have been in employment for a period of 3 years or more, all such workers must be regularised in as short a time as possible, in a phased manner. It was strongly felt that all NMR workers should be paid wages at rates not lower than the lowest rates of wages paid to regular workers of that category and it was

agreed that the Minister of Energy and Minister of Labour will jointly communicate these feelings to the Chief Ministers for taking appropriate action on this.

(vii) Overtime work must, as far as possible, be eliminated. To achieve this, overtime should normally be resorted to only for urgent operational reasons. At the same time, norms of work should be evolved without delay, for various categories of workers. Multiple shift working may be adopted in consultation with the Unions, wherever necessary.

(viii) To enable workers acquire and upgrade their skills, it is necessary to implement the provisions of the Apprentices Act fully. Apprentice training facilities should be made available at the major project sites and/or at other suitable places. Priority for apprenticeship training should be given to those persons (or their dependents or wards) whose lands have been acquired for projects and who have been consequently displaced.

(ix) It should be examined whether long standing disputes cannot be settled as quickly as possible, including settlements outside the Courts.

(x) Efforts must be made to extend the public distribution system to power station colonies which may be outside the areas covered by the Public Distribution system.

At the meeting AITUC was represented by S. A. Dange and K. G. Sriwastava, and the All-India Federation of Electricity Employees by A. B. Bardhan, Harish Tewari and S. C. Krishna.



## COAL BIPARTITE

*RECORD NOTE OF DISCUSSIONS AT THE MEETING OF THE CHIEF EXECUTIVES AND TRADE UNION LEADERS OF PUBLIC SECTOR COAL COMPANIES TAKEN BY SHRI K. C. PANT, MINISTER OF ENERGY IN NEW DELHI ON 12TH AUGUST, 1975 AT 5.00 P.M.*

Shri K. C. Pant, Minister of Energy, took a meeting of the Chairman and Managing Directors of Coal Mines Authority Ltd., Bharat Coking Coal Ltd., and Singareni Collieries Company Ltd., and leaders of trade unions, belonging to the Indian National Trade Union Congress and the All India Trade Union Congress (which were the signatories of the National Coal Wage Agreement of December, 1974) functioning in these areas, in New Delhi on 12th August, 1975 at 5.00 P.M.

2. Inaugurating the meeting, Shri Pant made an earnest appeal to the trade unions for extending their full co-operation in the effort to increase production productivity and efficiency in the coal industry through the implementation of the 12 point action programme which was evolved as a part of the economic programme announced by the Prime Minister after the proclamation of the emergency.

3. Shri Kanti Mehta, President, Indian National Mine Workers' Federation, welcoming the above 12 point action programme was in favour of greater involvement of workers in the implementation of this programme. Though he was not opposed in principle to the 7-day working of mines and the INTUC would extend all cooperation toward this, he felt that this be taken up after implementing all other measures for improving production and productivity. He suggested that Coal Mines Labour

Welfare Fund (which is currently under the Ministry of Labour) in its present form should be wound up and the same should be administered by a Bipartite Committee, comprising the management of coal companies and trade union representatives, especially in view of the fact that almost all the coal mines are at present under the public sector. For similar reasons, he felt that the Coal Mines Provident Fund Organisation should also be transferred from the Ministry of Labour to the coal producing organisations. He wanted to know the details of the provisions of water supply to the workers in the taken over mines vis-a-vis the old N.C.D.C. mines.

4. Shri K. G. Sriwastava, Secretary, AITUC, expressed general support of the AITUC to the above 12 point action programme and the Prime Minister's economic programme. He expressed that AITUC would agree to the proposal of the reemployment of surplus manpower, if the same was identified, colliery-wise and category-wise. Regarding 7-day working of mines, he stated, AITUC was not in favour of this in principle and that the number of shifts in the coalmines should be increased wherever possible before introduction of 7-day working, if at all it was necessary. He was in favour of the formation of a Bipartite Committee comprising representatives of AITUC and INTUC and the managements of coal companies. He stressed the need of workers' participation in management at all levels, which should not be merely consultative.

*Shri Kalyan Roy:*

Major recommendations of the safety conferences have not been implemented by the coal companies.

The working of 4 shifts in mines should be first studied, before introducing 7-day working of mines.

Chaturanan Mishra, S. K. Sanyal, B. P. Hazarika from AITUC and R. N. Sharma, M.P., Damodar Pande, M.P., N. K. Bhatt, M.P., R. K. Malviya, (from INTUC) pointed out the lack of housing, drinking water, unresponsiveness of officers, poor quality of timber, footwear and other

material, absence of any machinery for removal of day to day grievances in the collieries.

10. Winding up the discussion, Shri K. C. Pant thanked the trade union leaders for their tone of cooperation to the 12 point action programme. He agreed that there should be a sense of involvement and partnership on the part of the workers, if the coal industry had to be put on its feet and felt that the above discussions were in that direction. He declared that this meeting had furthered the cause of mutual trust between the workers and management. Reiterating that safety has been given top-priority he declared that there was no lack of concern on the part of top officers towards safety. Speaking about the 7-day working of mines, he assured that there was no desire to rush through this scheme and that such an introduction would be selective, on the basis of proper assessment of its usefulness in these mines. He expressed that provision of housing and water supply to the workers would be given high priority and that the trade union representatives would be informed of the progress made in this connection by the management. Regarding distribution of foodgrains, he explained the limitation of the Central Government since it was a state subject. He, however, added that workers cooperatives could take this up, if possible. Referring to workers' participation, he said that the committees both at the colliery level and at the divisional/company level would be activated and made to function properly for the implementation of this action programme. He also appealed for the cooperation of the trade unions for preventing the pilferage of coal and avoiding inter and intra union rivalry, which posed law and order problems. Noting the opinion of the trade union leaders that the administration of coalmines Labour Welfare Fund and Provident Fund organisations should be taken over by the Ministry of Energy from the Ministry of Labour, Shri Pant promised to followup the suggestions. He assured the trade union leaders that he was not in favour of retrenchment to resolve the problem of the

surplus manpower. Rational deployment, higher production and productivity should take care of this. Welcoming the suggestion that promotion should be made on the basis of merit, he solicited the cooperation of the trade unions in this connection. Referring to the formation of a permanent Bipartite body for the coal industry at the national level, he stated that he would soon hold discussions with the INTUC-AITUC leaders in this connection. He concluded by stating that he was encouraged by the response he had received from the trade unions to the 12 point programme and for the valuable suggestions given by them for which he expressed his gratefulness.

*AITUC representatives at the meeting were:*

1. K. G. Sriwastava, 2. Kalyan Roy, MP., 3. Lalit Burman, 4. Sunil Sen, 5. B. P. Hazarika, 6. Chaturanan Mishra, M.L.A., 7. S. K. Sanyal, 8. P. K. Thakur and 9. M. Komariah.





Textiles (Private Sector):

A BRIEF RESUME OF THE PROCEEDINGS OF THE FIRST MEETING OF THE NATIONAL BIPARTITE COMMITTEE ON THE TEXTILES INDUSTRY IN THE PRIVATE SECTOR HELD ON 29.9.1975 at 3.00 P.M. AT THE SHRAM SHAKTI BHAVAN, NEW DELHI.

The first meeting on the National Bipartite Committee on the textile industry in the private sector was held on 29.9.1975 at 3.00 P.M. in the Ministry of Labour, New Delhi. The meeting was presided over by Shri G. Ramanujam, General Secretary, Indian National Trade Union Congress.

2. The following members of the Bipartite Committee were present in the meeting:—

*Workers' Organisations*

<i>INTUC</i>	1. Shri G. Ramanujam
	2. Shri V. V. Dravid
	3. Shri V. R. Hoshing
<i>AITUC</i>	1. Shri S. A. Dange
	2. Shri Homi F. Daji
<i>HMS</i>	1. Shri Vimal Mehrotra

*Employers' Organisations*

1. Shri Indravadan Pran Lal Shah
2. Shri K. Venkatesalu
3. Shri M. D. Dalmia
4. Shri S. N. Hada
5. Shri M. L. Gupta

Sarvashri Ram Lal Thakur, S. M. Banerjee, M.P., Sant Singh Yusuf, M.L.A., G. N. Misra, Harbans Singh and Bhagwati Prasad and Maqbool Ahmed Khan, R. R. Jai-

puria, S. V. Rayan, K. S. Naik, B. P. Gupta, M. L. Nandrajog and Gopal Singh also attended the meeting. The meeting was also attended by Shri H. N. Bahuguna, Chief Minister of Uttar Pradesh, Shri K. V. Raghunatha Reddy, Union Labour Minister, Shri K. Rajaram, Labour Minister of Tamilnadu, Shri S. B. Patil, Labour Minister of Maharashtra, Shri V. P. Singh, Union Deputy Minister of Commerce, Shri Balgovind Verma, Union Deputy Labour Minister, Shri P. Bhattacharya, Minister of State for Labour, West Bengal, Secretary, Department of Banking, Joint Secretary and Deputy Secretary of the Ministry of Commerce, Director, Department of Industrial Development and Senior officers from the Union Ministry of Labour and State Governments of Uttar Pradesh, Tamilnadu, Maharashtra and Gujarat also attended the meeting.

3. Opening the discussion, the Union Labour Minister suggested that the meeting should come to some concrete suggestions so that the problem of lay-off, retrenchment and closures which had afflicted the industry very badly could be satisfactorily solved without delay.

4. Shri G. Ramanujam in his opening remarks referred the members to the unanimous decision of the NAB at its meeting held on 13.8.1975 that there shall not be any unilateral lay-off and urged the employers to fall in line with the NAB's decision. There was a long discussion regarding the state of health of the industry, when the employers pointed out various factors like credit squeeze, fall in demand in the market, accumulation of stocks, unsatisfactory lifting arrangement of controlled varieties of cloth, etc. They stated that they were incurring losses since 1974.

The employers' attention was then drawn to the R.B.I. Bulletin, published in December, 1974 which read as follows:—

"Among the specified industry groups showing a rise in after-tax profits, mention may be made of tobacco (320.7 per cent), cotton textiles (176.4 per cent), silk

and rayon textiles 102.1 per cent), engineering (31.6 per cent), mineral oils (79.7 per cent) and shipping (143.6 per cent), in the case of cotton textiles it may be noted that a rise of 176.4 per cent in after-tax profits was registered over a rise of 322.5 per cent in the preceding year. The industry groups which fared very badly in regard to after-tax profits were aluminium, cement and rubber and rubber products, for which after-tax profits declined further."

5. The workers' side pointed out that while there could be some genuine difficulties, by and large the industry had not behaved properly throughout the long history of its existence in the country.

6. Intervening in the discussion, Shri Bahuguna pointed out that he came to attend the meeting with high hopes that this apex body which consisted of eminent personalities from both the workers and industry side, would be able to thrash out the existing problems and find out some immediate solutions. The employers' complaint that they did not know anything about the agenda for the meeting appeared to him to be very strange. He mentioned that they know very well the sickness of the industry. They dilated in a detailed manner on causes of the sickness in an exceptionally knowledgeable way. Hence it was too much of a burden on one's credulity to believe that they came unprepared for the meeting. He further stated that he felt unhappy that despite his sincere and prolonged efforts to resolve the problems not only lay-offs and closures have not been ended but even the earned wages have not been paid, causing misery to a large number of workers in Kanpur. The working class suffered a lot. He already had long discussions with the concerned parties regarding reopening of the closed textile mills in Kanpur. Therefore, there was hardly any necessity of a further discussion. He requested the Banking Secretary to let him know whether earned wages could be treated as a prior charge. To this query, the Banking Secretary replied that with regard to Kanpur mills he was prepared to advise a

special treatment so that earned wages could be treated as the first charge. The Chief Minister further stated that unless the National Bipartite Body was able to deliver the goods, it would have no utility at all. The workers had waited not for a few days or for a few weeks, but they waited for more than 10 months. In Kanpur, the electricity dues had not been paid by some of the mills. The employees' provident fund contributions had not been deposited altogether, an intolerable situation had been created in Kanpur by the Textile Industry.

7. Intervening in the discussion, the Union Labour Minister stated that if the employers agreed to lift the lay-off and closures immediately, he would like to constitute an expert body to look into the genuine cases of financial difficulties of the mills and he would urge upon the appropriate authorities to render financial assistance to such units on the recommendations of this expert body.

8. The workers' representatives pointed out that the plea taken by some of the Kanpur cotton textiles mills that there had been accumulation of stock was not quite correct. Lifting position had improved and about 80 per cent of the stock was being lifted currently. This assertion of the workers was also supported by one of the employers' representatives from Kanpur.

Intervening again, the Union Labour Minister stated that the entire question of Kanpur industry should be decided here and now. All these mills should lift the lay-off within 24 hours from now and all those who were retrenched should be re-instated. The Government cannot sit back indefinitely as an idle spectator. The Chief Minister of Uttar Pradesh further pointed out that market was looking up and things were becoming better and particularly with the Banking Secretary's clarification that wages could be treated as the first charge, there would be no reason why the employers should not respond favourably to the suggestion made here for lifting of the lay-off immediately and reopening all the closed mills within 7 days.

9. After considerable discussions the Chairman, Shri Ramanujam, then made the following proposition for the consideration of the Bipartite Committee:—

“Lay-off wherever it is in force in the textile industry in the country should be lifted within 24 hours. The Kanpur Textile Mills which are closed should restart functioning within one week.”

Otherwise, he pointed out that the workers want to be relieved of all their obligations under the recommendations of the NAB and they might be tempted to function as if there was no emergency.

10. Responding to this proposition of the Chairman, Shri Venkatesalu on behalf of employers stated that the employers would undertake to apprise all the textile mills that they must follow strictly the decisions of the Apex Body. In the present meeting, he could go to the extent that they will advise all the mills in the country to follow unanimous decision of the Apex Body. He wanted another meeting in 15 days' time to discuss the details of lay-off and closure. The Chairman then summed up as follows:—

5. The National Apex Body urges that there shall not be any unilateral lay-off in any unit or industry and that any proposal for lay-off should first be discussed at the plant level bipartite meetings and if there is agreement at that level lay-off may be introduced subject to the terms of such agreement. If, however, there is no agreement at the plant level bilateral discussion, the matter shall be taken up either by the State or by the national committee for the industry within a specified time limit. Where the lay-off is confined to units in any industry within one State only, the state shall be competent to deal with it. Where, however, units in the industry in more than one state are affected by lay-off the matter shall be decided by the National Industrial Committee.

6. While bonafide lay-offs, for reasons beyond the control of managements have to be dealt with sympathetically, other kinds of lay-off, including lay-off on account

of economic reasons, may have to be dealt with differently. In order that the workers may appreciate the economic difficulties of the managements it was agreed by the management representatives that there shall be continuous sharing of information regarding economy of the industry with the workers' representatives. Where the employer has been making profits or has built up substantial reserves, all efforts should be made to avoid lay-off and so bear the burden out of its accumulated resources."

The above decisions will be strictly adhered to by the employers and they have agreed to have no unilateral lay-off in terms of the said decision whether such lay-off commenced before or after the decision of the NAB."

11. The Chairman then made another proposition regarding the closed mills. Since the employers expressed their helplessness in regard to reopening of the two closed mills in Kanpur (i.e. Atherton West and Laxmiratan) and since at the same time they expressed their view against taking over pending detailed examination of the question, the workers urged upon the Government to take over the closed mills immediately. The Chairman reiterated that the position regarding lay-off has been made clear by the NAB. The body clearly laid down that there should not be any unilateral lay-off. He further stated that all lay-offs today were the result of the unilateral action and, therefore, these should be lifted immediately. The employers reiterated their view that these lay-offs were existing prior to the constitution of the NAB and did not constitute any violation of the agreement.

12. With regard to the formation of compact bipartite committee to go into cases of apprehended closures and prevent such closures, the Chairman proposed that there should be a compact bipartite committee and said he would leave the size of that committee to the Union Labour Minister.

13. The meeting ended with a vote of thanks to the attending Ministers and to the Chairman.

CONCLUSIONS OF THE SECOND MEETING OF  
NATIONAL INDUSTRIAL COMMITTEE ON  
TEXTILE (PRIVATE SECTOR) HELD AT NEW  
DELHI ON THE 27TH JANUARY, 1976.

Shri R. Venkataswamy Naidu was unanimously elected as Chairman of the Second Meeting of the National Industrial Committee on Cotton Textile (Private Sector) which was held at New Delhi on 27.1.1976. Following members attended the meeting:—

*Workers' Organisations:*

*Indian National Trade Union Congress*

1. Shri G. Ramanujam
2. Shri V. V. Dravid
3. Shri R. N. Pathak
4. Shri M. S. Ramachandran

*All-India Trade Union Congress:*

1. Shri G. V. Chitnis
2. Shri B. D. Joshi

*Employers' Organisations:*

1. Shri K. Venkatesalu
2. Shri S. N. Hada
3. Shri M. L. Gupta
4. Shri S. P. Virmani

Union Labour Minister Shri K .V. Raghunatha Reddy, Shri D. Bandyopadhyay, Joint Secretary Labour Ministry, Shri J. L. Bajaj, Dy. Secretary, Ministry of Commerce and Sarvashri P. L. Subbiah, S. L. Passey, S. C. Rayan, S. L. Thiagarajan, Ravindran, G. L. Agrawal, B. P. Gupta and K. Rajagopal also attended the meeting.

2. Initiating the discussion, Shri Ramanujam wanted to know the action taken on decisions contained in para-

graphs 7 and 12 of the minutes of the last meeting held on 29.9.75. Intervening in the discussion, the Labour Minister pointed out that he desired to help any unit which was in genuine financial difficulties provided they immediately withdraw layoff, closure etc. That is why he offered his good offices to plead the case of such units provided they gave him full facts about their financial position. He regretted that no unit came forward to accept his offer by placing before him its detailed financial position. He incidentally mentioned that about a year and a half ago, he made a similar offer in the presence of the Labour Minister, West Bengal at Calcutta to the jute industry. Unfortunately again no unit in the jute industry availed of this opportunity. He further stated that a general memorandum would not really help the industry. Different units have different financial conditions and to be effective, there should be unit-wise analysis of the financial health and only through such analysis some effective action could be taken. He mentioned that the Government are considering bringing about a legislation for controlling lay-off, retrenchment and closure in certain categories of industries.

3. The employers' side circulated a note prepared by the Southern India Mill Owners' Association on the problems of the textile mills in the southern region. The note was placed on the table. It is being annexed as a part of this brief resume (Annexure 1).

4. Apart from what the note contains, the employers highlighted that banks should be asked to withdraw margin at least temporarily, that sales tax should also be suspended temporarily, that excise duty should be abolished for the time being and that handloom subsidy should be extended for some time.

5. The representatives of the trade unions stated that they received the employers' memorandum only at the meeting. They did not have the time to go through the memorandum and, therefore, they could not comment on the various suggestions contained therein.



6.0 After a prolonged discussion, the Committee took the following decisions:—

6.1 The expert body referred to in para 7 of the minutes of the first meeting of this bipartite will be set up immediately with representatives of mill-owners, trade unions and Ministries of Commerce, Banking and Finance along with experts to go into all problems affecting the health of the industry and recommend suitable remedial measures. This Committee should make its recommendations within one month from the date of appointment of Committee.

6.2 The compact bipartite standing committee agreed to in para 12 of the minutes of the last meeting to go into cases of apprehended closures, retrenchment and lay-off and prevent such closures, retrenchment and lay-off, will be set up immediately. The Committee's first report should be available to this Apex before its next meeting.

6.3 Government of India have already advised managements to take initiative in introducing the scheme of labour participation in industry. Government have also circulated a flexible scheme for the purpose. All mills are advised to introduce this scheme without delay. The scheme may, however, be modified on the lines of the decisions to be taken by the NAB on this scheme or any difficulties thrown up in the light of the actual experience in this regard.

6.4 The employer members suggested that if immediate adequate financial assistance is not extended and certain fiscal steps are not taken, at least certain units in industry will have to close down immediately. The Bipartite Committee is naturally anxious to avert closures and in the interest of continuity of employment and production, recommends that in all such cases the Reserve Bank of India suitably advise the financing banks to make necessary funds available to deserving cases with a view to keep these mills running.

7. The representatives of the trade unions raised the question of issue of notice under Section 9-A of I.D. Act in

certain mills in Southern region. Labour Members said that they cannot tolerate any employer in the textile industry trying to disrupt industrial peace by issuing notices under Section 9-A of I.D. Act seeking reduction in wages without bringing their problems before this National Industrial Bipartite Committee on Cotton Textiles. Such action by employers will amount to extending invitation to labour also to ignore this National Bipartite Committee and disrupt industrial peace and production. Therefore, the labour members invited the employers' representatives to join them in deprecating all such moves by both employers and labour. Employers pointed out that there were isolated cases where management had taken resort to action under law. It is not desirable for this body to take a decision on this point. However, they agreed to consider this matter in the next meeting in the light of the action taken by the Expert Committee which is being appointed. Labour Members replied that this is not an isolated case and that there are a number of mills which have resorted to this. The labour side was willing to furnish all details of the cases if the employers' side really wanted the same.

8. The representatives of the trade unions raised the issue of wage differential in certain mills in Karnataka. It was pointed out at the National Apex Body meeting that certain mills in Karnataka State are paying half the wages of certain other mills in the same State. This has created serious unrest among labour and at the same time is undermining the competitive capacity between mill and mill. The National Apex Body desired that this matter should be taken up in the Industrial Committee on Textile. Labour members accordingly raised the subject. Employers' representatives stated that it was not the appropriate time to go into the question of variations in wage structures in the various textile units. It is spread throughout India and the industry is facing a crisis. It is not appropriate at the moment to go into the question of standardisation of wages. Responding to this issue trade union representatives pointed out that mills paying higher wages will soon get into a

crisis and are likely to close down. This is the most opportune time to take up the issue and avert good mills closing down.

9. The representatives of the trade unions referred to the discussion that took place during the last meeting of the NIC on Cotton Textiles (Private Sector) regarding taking over of closed mills in Kanpur. They regretted that these mills have not yet been taken over by the Government as desired by them. They reiterated their demand that all such mills should be taken over. The employers responded by stating that the matter was discussed in the fifth meeting of the NAB where the following decision was taken:—

“The National Apex Body takes note of the continuation of the prolonged closure of Laxmi Rattan Cotton Mills and Atherton West Mills in Kanpur, in spite of the efforts of the State Government, the State Apex Body and the National Industrial Committee for Textiles. In the circumstances, the National Apex Body considered that this case is an appropriate one for its serious consideration. Accordingly it discussed the matter and recommended to the Union Labour Ministry to take up this matter with the concerned Ministries for resumption of work by these mills without further delay.” They desired that action as envisaged in the above decision should be taken.

10. The next meeting of the NIC on Cotton Textiles (Private Sector) will be held on 22nd March, 1976 at 10.30 A.M. at Shram Shakti Bhavan, New Delhi.



CONCLUSIONS OF THE FIRST MEETING OF THE  
COMPACT COMMITTEE (TEXTILES) CONSTITUTED  
BY THE NATIONAL INDUSTRIAL COMMITTEE ON  
TEXTILES (PRIVATE SECTOR) HELD AT NEW DELHI  
ON THE 6TH APRIL 1976 AT 10.30 A.M.

*PRESENT :*

*WORKERS' ORGANISATIONS*

1. Shri V. V. Dravid (I. N. T. U. C.)
2. Shri V. R. Hoshing (I. N. T. U. C.)
3. Shri G. V. Chitnis (A. I. T. U. C.)
4. Shri S. C. C. Anthoni Pillai (H. M. S.)

*EMPLOYERS' ORGANISATIONS*

1. Shri Balkrishna Harivallabhadas (I. C. M. F.)
  2. Shri S. P. Virmani (I. C. M. F.)
  3. Shri K. Venkatesalu (S. I. M. A.)
  4. Shri S. N. Hada (Bengal Millowners Association)
- 1.1 S/Shri Homi F. Daji (A. I. T. U. C.), B. G. Kakatkar (I. C. M. F.), S. V. Rayan (I. C. M. F.), R. N. Joshi (I. C. M. F.), Shri R. L. N. Vijayanagar (I. C. M. F.) and Shri S. Bhattacharjee (B. M. O. A.) attended as observers.
- 1.2 The Union Labour Minister Shri K. V. Raghunatha Reddy, Shri D. S. Nim, Joint Secretary, Minister of Labour and the concerned officials of the Labour Ministry also attended the meeting.
- 1.3 Shri V. V. Dravid was unanimously elected as the Chairman of the meeting.
2. At the outset the Union Labour Minister explained the functions of the Compact Committee as distinct from the Expert Committee on Textiles constituted by the National

Industrial Committee on Textiles. While reading out paras 6.1 and 6.2 of the conclusions of the 2nd meeting of the National Industrial Committee on Textiles (Private Sector) held on 27th January, 1976, he clarified that while the Compact Bipartite Standing Committee composed of representatives of workers' and employers' organisations would go into the individual cases of apprehended closures, retrenchment and lay-off and prevent such occurrences, the Expert Committee composed of representatives of employers' and workers' organisations as also the Ministries of Commerce, Banking and Finance along with experts would go into all problems effecting the health of the industry and recommend suitable remedial measures. While the Compact Bipartite Committee would be a standing one, the Expert Committee has been specifically appointed to make its recommendations within one month from the date of the appointment of the Committee.

2.1 The Union Labour Minister further pointed out that a feeling was growing that the National Apex Body and the National Industrial Committees have not been able to achieve desired results. He said that National Industrial Committees have been formed for a number of industries and unless some concrete results accruing benefits to the labour or the industries were achieved, it was not unlikely that the utility of these committees might be questioned. While expressing the view that these apex bodies have helped in creation of an atmosphere of preventing industrial unrest through the workers and employers understanding each others problems, he observed that it must be shown that these bodies are capable of achieving concrete results to obtain optimum production and productivity.

3. The employers and the workers members agreed with the views expressed by the Union Labour Minister. Chairman pointed out that the function of the Compact Committee was of the nature of attending to case work. Some cases have already been mentioned and the parties could state in brief the other cases.

4. From the workers' side, Shri Hoshing mentioned six cases of Maharashtra where the mills were facing closure. He also referred to the mills in Kanpur including Lakshmiratan and Atherton West where no relief could be given to the workers. Shri Chitnis pointed out cases of some mills in the cooperative sector in Maharashtra where the workers were being asked to deposit a percentage of their wages towards meeting the cost of running the mills.

5. From the side of employers, it was pointed out that the problems were two-fold viz., the problems of the mills already remaining closed and those of the mills facing closure due to various difficulties, mainly financial. Expressing the view that it would not be appropriate to name those mills for obvious reasons, he said that the financial difficulties confronting them would soon result in their closure.

6. The case of Madhu Spg. and Weaving Mills which formed an item in the agenda of the meeting was also discussed. According to the Mill, the main reason now being given by the Bank for not making further advances was that some creditors have presented a petition for winding up of the Company in the Madras High Court and transactions during its pendency would not be valid. After detailed discussion the Committee concluded as follows:-

"The Committee discussed the cases of mills already closed along with those where closure was apprehended. The Committee felt that such units formed not an inconsiderable number and further they shared certain common features, the two most outstanding aspects being of the difficult ways and means position and of conduct of affairs of the units concerned in such a manner as to take them out of the difficult and unhealthy position. The Committee came to the conclusion that if appropriate financial assistance, according to the condition of the unit concerned, was to be provided, it was quite essential to take steps that such assistance was actually put to the intended use. To ensure this, the Committee recommended that a Tripartite Body be set up to undertake an

integrated phased programme unit-wise for financial assistance along with requisite reorganisation of the management towards the fulfilment of the purposes for which the assistance was given.

2. In the light of the above decision, the Committee expressed the hope that it would be possible for the State authorities, in cooperation with State representatives for employers' and employees' sides, to evolve a plan to give Madhu Mills a chance to rehabilitate itself and continue production.

7. As regards the note of the Southern India Mills Owners' Association relating to the problems of the Textile mills in Southern Region which formed another item in the agenda, it was decided that it be referred to the Expert Committee.

8. The Committee decided that this report be placed before the National Industrial Committee on Textiles (Private Sector) at its next meeting.

The meeting concluded with a vote of thanks to the Chair.



CONCLUSIONS OF THE FIRST MEETING OF THE  
EXPERT COMMITTEE (TEXTILES) CONSTITUTED BY  
THE NATIONAL INDUSTRIAL COMMITTEE ON TEX-  
TILE (PRIVATE SECTOR) HELD AT NEW DELHI ON  
THE 6TH APRIL, 1976 AT 4 P.M.

PRESENT:

*Workers' Organisations:*

1. Shri G. Ramanujam (INTUC)
2. Shri V. R. Hoshing (INTUC)
3. Shri Homi Daji (AITUC)
4. Shri A. Subramaniam (HMS)

*Employers' Organisations:*

1. Shri Balkrishna Harivallabdas (ICMF)
2. Shri S. P. Virmani (ICMF)
3. Shri K. Venkatesalu (SIMA)
4. Shri S. N. Hada (BMOA)

*Ministries of Commerce, Finance and Reserve Bank.*

1. Kumari Kusum Lata Mital, Joint Secretary  
(Deptt. of Banking)
2. Shri A. K. Bhuchar, Joint Chief Officer  
(Reserve Bank of India, Bombay)
3. Shri M. C. Subarna, Addl. Textile Commissioner
4. Shri N. Obhrai, Under Secretary,  
(Central Board of Excise and Customs)

S/Shri R. L. Thakar (INTUC), S. Bhattacharjee (BMOA), A. P. Gupta (Northern India Cotton Textile Millowners' Association), S. V. Rayan (ICMP), R. L. N. Vijayanagar (ICMF), B. G. Kakatkar (ICMF) attended as observers. Dr. S. P. K. Rao, Director Research, Reserve Bank of India, New Delhi attended as a special invitee.



The Union Labour Minister, Shri K. V. Raghunatha Reddy, the U.P. Labour Minister, Smt. Rajendra Kumari Bajpai and senior officers of the Ministry of Labour were also present in the meeting.

At the request of the members from both sides, the Union Labour Minister, Shri K. V. Raghunatha Reddy presided over at the commencement of the meeting and thereafter Shri G. Ramanujam was elected as Chairman of the meeting.

The Union Labour Minister in his opening remarks requested the employer members to state their case keeping in mind the relaxation of credit facilities by the banks and the possible impact of the recent budget proposals. While observing that with reference to the Textile Industry, it was a question of demand management, he enquired whether demand has not increased with the various liberalised measures. Referring to the presence of the Labour Minister of U.P. Smt. Bajpai at the meeting, he said that she was attending this meeting as the most affected by the closures and lay-off of the mills in Kanpur.

2. The employer members expressed the view that it would take some time to feel the impact of the budget proposals on the industry. As regards the loan facilities, the interest rate at 18 per cent was too high to provide any relief to the industry. The type of assistance immediately needed was financial for keeping the sick mills running for at least the next six months and thereafter the assistance must be for modernisation.

3. On behalf of the labour members, Shri Ramanujam pointed out that there has been a fall of Rs. 75 to Rs. 80 p.m. in the D.A. paid to each worker in the industry due to steep fall in consumer price index besides the various other concessions recently announced by the Government. He also pointed out that the industry has defaulted to the tune of Rs. 16 crores or so by way of provident fund and other dues. He enquired whether with the availability of financial assistance these dues would be first discharged. He also referred to the observations made

by a World Bank team for reducing the price of cotton yarn and cotton fabric by specialisation and limiting production of sorts to the minimum number to suit to the requirements of the people and the capacity of the mills concerned. He said that if finance is to be provided it should not be allowed to be misused and care must be taken that the loan is properly utilised. Such loan should be given on a selective basis subject to necessary safeguards.

4. The Union Labour Minister observed that if any mill or company was given loan from bank or any financial institution, until the said loan was discharged after modernisation etc. certain restrictions on its management should be imposed, such as, no dividend should be declared, over-heads and perquisites should be cut to the bare minimum.

5. On behalf of the employers, Shri Venkatesalu said that this Expert Body could impose restrictions, conduct supervision and inspections etc., so that the money given was used in the proper way. Shri Homi Daji said that the whole matter should be a package deal, viz., modernisation, specialisation, standardisation and management re-organisation.

6. The Union Labour Minister observed that the Experts from the Commerce Ministry, Finance Ministry and the Reserve Bank have been associated in this bipartite committee so that these experts might understand the problems of the industry from the side of the employers and workers and might help in the solution of those problems, while the conclusions arrived at here should be entirely on a bipartite basis. Thereafter, Shri Ramanujam took the Chair. After discussion of the various aspects of the problems facing the industry, the Committee concluded as follows:—

“The problems of the spinning sector of the industry appear to be rather acute. This does not, however, mean that the composite sector's position is comfortable. The Committee realises that the organised spinning sector un-

the textile industry has to depend largely upon the unorganised handloom industry and to some extent on such decentralised industry like the power loom industry. It was brought to the notice of the Committee that several spinning units were on the verge of closure and that some immediate relief through financial assistance should be made available to them.

2. The Committee felt that any financial assistance should be on a selective basis i.e. based on the merits in each case, and such assistance should be rendered without much delay in the interest of continued employment and production. The grant of such loan shall be subject to the conditions that (1) the management is reorganised, (2) the terms of the managerial remuneration including perquisites are refixed at the bare minimum level, (3) the purchasing and marketing systems are reorganised to eliminate exploitation by middlemen, (4) pricing policy and levels are revised and (5) the production pattern itself is rationalised to encourage specialisation.

3. There shall be a Cell set up for each of such mill on which will serve the representatives of management, labour, technical experts and nominee of the lending institutions to supervise and ensure that the conditions under which the loan has been granted are strictly adhered to and also that the working of the mill is on sound business principles.

4. "The Committee felt that with the decision of the Government of India requiring composite mills to stamp retail price on every meter of cloth the customers would not have to pay higher price at the retail shops. Besides this, as a result of good monsoon and fall in prices of essential articles the common man would be left with some surplus to go in for cloth. The Committee thus expect the demand for cloth to pick up shortly. On the management side pointing out that there would be some time lag between now and the demand picking up, the Committee recommends that in the intervening period such of the

composite mills that are faced with financial difficulties which might affect the continued working of the mills be extended the credit facilities on the same selective basis and subject to the same conditions as in the case of spinning units.

5. "It was also pointed out that there was a directive from the Textile Commissioner to the spinning units that they should produce 110 per cent of the hank yarn produced in the year 1972. The Committee is of the view that this increase of 10 per cent over the 1972 level should not be insisted upon till the demand for yarn from the handloom industry picks up."

6. "The Expert Committee took note of a bipartite committee having been set up by the Industrial Committee for Textile Industry (Private Sector) for going into cases of apprehended closures, retrenchment and lay-off. This committee is of the opinion that one standing committee could serve the purpose of dealing with the common problems of the textile industry in the private sector. It, therefore, recommends to the Industrial Committee for Textile Industry to consider the desirability of having one standing committee."

7. The Labour members of the Committee raised a point that with the concessions flowing from the decisions of this Committee to the textile industry, the employer members must take steps for the withdrawal of all lay-offs already imposed and also avoid all future lay-offs. The employer members, while expressing the opinion that these concessions would lead to avoidance of lay-offs, requested for time to study each case before making any commitment.

The meeting ended with a vote of thanks to the chair.



FIRST MEETING OF THE NATIONAL INDUSTRIAL COMMITTEE ON NATIONAL TEXTILE CORPORATION HELD AT NEW DELHI ON 7TH NOVEMBER, 1975

The meeting of the National Industrial Committee on National Textile Corporation was held at Shram Shakti Bhawan, New Delhi on 7th November, 1975 under the chairmanship of Shri G. Ramanujam, General Secretary, Indian National Trade Union Congress.

II. Inaugurating the meeting, the union Labour Minister stated that there was no conflict of interest between the management and the workmen in this nationalised industry. It should therefore be the endeavour of both the parties to ensure that the experiment of bringing about economic development through public sector is made a success in this industry.

III. The Chairman Shri G. Ramanujam referred to the circumstances under which the sick and closed textile mills in the country were first taken over by Government under Industries Development & Regulation Act and later nationalised and brought under the National Textile Corporation, largely in the interest of continued employment of the workers who would otherwise have been thrown out of employment. Today 103 National Textile Corporation mills employ about 1,60,000 workers and labour is grateful to Government for this great assistance. Labour will therefore take a constructive approach to make National Textile Corporation a success. Prof. D. P. Chattopadhyay Minister of Commerce in his opening remarks stated that the main reason which prompted this meeting was to ensure that National Textile Corporation is made a success through constructive cooperation of both the management and the workers. He said that modernisation of National

Textile Corporation Mills is must. The mills should also be encouraged to rationalise its working. He further requested the National Textile Corporation management to look into the details of cotton purchase, market in its finished products, more particularly export market. He added the National Textile Corporation had already entered the export market in a small way but he liked it to improve the quality of its products so that it can go in a big way into the export market. He further pointed out that there was a systematic criticism from interested quarters to bring down the image of the nationalised sector of the textile industry. This is very unfortunate and this has to be countered by refurbishing the image of the National Textile Corporation by increasing its efficiency and quality of products, and for this he expected the cooperation of both labour and management in the mills.

IV. 1. The National Industrial Committee on Textile is unanimous that parties should work with determination and vigour and cooperate to make the National Textile Corporation a success.

2. The major constraint in the efficient and profitable working of the National Textile Corporation mills appeared to be finance. The committee felt that these mills were taken over for being run efficiently and that therefore, it is the duty of the Government to provide adequate funds in time for the efficient running of these mills.

3. The committee was distressed to find that some of the National Textile Corporation mills have not paid their provident fund, ESIC and other statutory dues. To make the assurance of cooperation from the labour side real and effective, payment in respect of statutory liabilities should not be delayed by the mills any longer.

4. The committee agreed that employees at all levels who have attained the age of superannuation may be retired after paying them all their statutory dues.

5. The committee agreed that there was need for feeding the National Textile Corporation mills with a con-

tinuous flow of trained officers both administrative and technical to run the mills properly and that the National Textile Corporation should make necessary arrangements to meet this need.

6. The committee agreed that there was need for modernisation of the National Textile Corporation mills and desired that such modernisation be completed within five years in a phased programme.

7. The committee agreed in principle that there should be joint bipartite committees at the subsidiary level and at the plant level. The details as regards the strength of these committees then the composition and representation thereon shall be worked out by a sub-committee of three members from each side and then report should be made available to this committee before its next meeting. The said sub-committee will consist of S/Shri Jatley, P. C. Jain and Singla from the management side and S/Shri V. V. Dravid, P. L. Subbiah and T. N. Sidhanta from the workers' side. The meeting of the sub-committee will be held at 4 p.m. on 15th November, 1975 at National Textile Corporation Headquarters, New Delhi.

8. The scheme of joint Bipartite Committee at the lower levels will first be tried at the subsidiary level in the first instance and thereafter in the light of the experience gained it will be extended to the plant level.

9. It was agreed that both the parties will take all possible steps to ensure the fullest utilisation of installed capacity of all the National Textile Corporation mills.

10. The committee decided that wherever possible, the National Textile Corporation mills would introduce seven day working, subject to the guidelines laid down by the National Apex Body. Members from the All-India Trade Union Congress expressed their reservations in this regard.

11. The parties agreed to the schemes of rationalisation both in respect of the labour side and the managerial side, subject to the national agreement on rationalisation reached in the 15th Indian Labour Conference.

V. There was a long discussion about the continuance of officers on deputation in the National Textile Corporation. From the labour side, it was pointed out that if the organisation did not have committed officers, it cannot prosper. So long as people on deputation are there, they will not contribute to the efficiency of the corporation and if people at the higher levels are themselves not committed to National Textile Corporation, it will be not possible to expect continuity of staff at lower levels. Therefore, the labour side desired that the existing officers on deputation who are found suitable should be asked either to exercise their option for service in the corporation or they should go back to their parent departments. The labour side further pointed out that the officers from the Government who had nothing to do with the textile industry were put in charge of the mills with the result that interest of the corporation had suffered. They, however, appreciated that nothing could be done over night and even so they wanted a time-bound programme by which time there would not be any deputationists in the corporation.

The Chairman of the National Textile Corporation stated that he found it extremely difficult to recruit competent managerial persons at higher levels because of various reasons. If the officers on deputation working in National Textile Corporation were asked to exercise their option immediately, the chances are that they would go back immediately. The National Textile Corporation will be left with no managerial personnel to run it. In the present difficult situation, it would be disastrous. Therefore, while it is essential to recruit and train senior people on a long term basis, the deputationists may be dispensed with or absorbed, in a phased manner. This should not be resorted to in a hurry.

The committee decided to meet on any day between 15th and 20th December, 1975 at the National Textile Corporation office at Bombay.

The meeting ended with a vote of thanks to the chair.



NATIONAL BIPARTITE BODY FOR NATIONAL  
TEXTILE CORPORATION

(2nd Meeting—Bombay—6 December 1975)

The meeting was attended by:—

1. Shri K. V. Raghunatha Reddy, Labour Minister.
2. Shri S. N. Saxena, Officer on Special Duty, Labour Ministry.
3. Shri S. M. Dikhle, Chief Labour Commissioner, Govt. of India.
4. Shri J. L. Bajaj, Deputy Secretary, Ministry of Commerce.

*Representatives of the National Textile Corporation*

5. Shri K. Sreenivasan
6. Shri J. C. Jatli
7. Shri M. P. Srivastava
8. Shri P. P. Singla
9. Shri A. A. Alavi
10. Shri R. R. Tamhane
11. Shri P. N. Vedanarayanan

*Representatives of the Indian National Trade Union Congress*

12. Shri G. Ramanujam
13. Shri V. V. Dravid
14. Shri V. R. Hoshirg
15. Shri P. L. Subbiah
16. Shri A. T. Bhosale

*Representative of All-India Trade Union Congress*

17. Shri G. V. Chitnis

*Representative of the Hind Mazdoor Sabha*

18. Shri S. C. C. Anthony Pillai

Sarvashri G. B. Parab and D. S. Pavaskar (INTUC), Smt. Roza Deshpande, M.P. and Shri K. G. Srivastava (AITUC), D. S. Bhilare and Y. R. Khumilkar (RMMS) and Shri P. V. Seshadri, P. G. Rao, D. P. Kelkar, I. N. Puranik and U. Bhattacharya from the National Textile Corporation also attended the meeting.

## CONCLUSION OF THE SECOND MEETING

The Chairman welcomed the Union Labour Minister and the members.

The Labour members were of the view that it would have helped in implementation of the decisions of this committee if the Commerce Minister was also present at this meeting. The management was of the view that while it would have been desirable for the Commerce Minister to be present, his absence would not necessarily mean difficulty in implementation of the decisions of this committee. The committee, however, noted that Shri Bajaj of the Commerce Ministry was present.

It was mentioned by the management of NTC that the Government had allotted Rs. 20 crores to the National Textile Corporation for working capital, which money was disbursed on a percentage basis taking into account the needs of the various subsidiaries for partial reimbursement of their losses.

The question of unpaid Provident Fund dues was discussed in some detail. The Hon'ble Minister for Labour very kindly offered to take the initiative in calling for a meeting of the representatives of the National Textile Corporation and the officers concerned with Provident Fund Organisation and the Union Representatives, in order to lay down some policy decisions to ensure the smooth working of the Provident Fund Act. It was also mentioned that for even minor delays in payment, heavy penalties were being imposed upon the NTC. The National Textile Corporation agreed to provide the Minister with the details of Provident Fund dues, fines etc. as well as the efforts

that have been made to liquidate the dues. The Managing Director reported that as a result of the provision of working capital partially, some of the Provident Fund dues have been cleared and in most of the subsidiaries outstanding are only since Septemeber, 1975.

Reporting on the actions taken with regard to superannuation, it was reported that the Government had agreed to provide some finance for superannuation and for rationalisation. The labour representatives contended that in a number of mills as a result of certain legal difficulties, continuity of service was not being provided for and the NTC should give an assurance that such continuity would be provided and all past service will be taken into consideration. The NTC promised to consider the various implications of this suggestion.

It was mentioned by the Managing Director that NTC had agreed to provide gratuity as provided under the Gratuity Act giving credit to the past service prior to take over or nationalised. The question of break in service arose only in some mills in Maharashtra. In case of mills taken over on lease in Maharashtra and subsequently nationalised, it was decided that the problem should be discussed in the Maharashtra Bipartite Subsidiary Committee concerned, and if no agreement is arrived at, the matter should be brought before apex body. It was further agreed that in computation of gratuity, the interpretation given by the Labour Ministry would be accepted both in regard to the rate i.e. 15 days' pay per year of service and 240 days for qualifying service.

It was raised from labour side that all employees in mills are not covered by the Payment of Gratuity Act. Such employees may not also be covered by any bilateral agreement or by conditions of employment. Labour side wanted to know whether the management is prepared to pay gratuity to these employes also as if the Act applied. Management said they will consider.

It was reported that a plan was being prepared for a comprehensive and integrated programme of training offi-

cers at all levels of the NTC with a view to developing human resources from within. This is essentially a long-term process, but nevertheless a start has been made and shortly a detailed plan will be evolved.

From the labour side it was observed that the mills taken over by the NTC had become sick either because of mismanagement or inefficient management; and, therefore, the priority by NTC should go for providing efficient management. The labour members felt that the NTC is giving this important subject a casual treatment. They were told that about 43 persons have been trained three years back. This does not even work out to one person per mill which at the moment are 97. Immediate steps should, therefore, be taken to put in position trained persons. They would accept the argument that it is a long-term process. It should be dealt with on a priority basis.

The labour representatives pointed out that the potential for employment of women is getting reduced in the textile industry and efforts should be made to encourage the employment of women labour or at least to maintain them at the present level. The management representatives pointed out that at present the question facing the National Textile Corporation is one of surplus labour and not of additional employment. As and when any recruitment takes place, this suggestion will be kept in view.

The Committee was informed that 7 days working has been introduced in India. United Unit No. 5 Vijayanagar and Dayal Singh Malaut in addition to some other mills where 7 days working was already in force. Efforts are being made to introduce 7 days working in other mills also. There was difficulty on account of non-availability of adequate working capital and power cuts.

The Committee was further informed that modernisation programmes have to be drawn up in respect of mills by the Subsidiary Corporations. The total amount involved during current plan period in modernisation and expansion is Rs. 175 crores. The Government has decided that from next year, funds for modernisation would be secured from

IDBI. Separate funds are being provided by the Government to IDBI for modernisation programmes of NTC. The Committee decided that the subsidiary-bi-partites might go into details of this.

The Report of the Sub-Committee with regard to the constitution of Bipartite Committees at the Subsidiary level was considered. The representatives of the AITUC said that the labour representatives on these Committee should be finalised only after they have had a discussion among themselves. This was agreed to.

Paragraph 3 of the Sub-Committee's report was modified as follows:—

"The Bipartite Committee at the Subsidiary level will not deal with matters relating to the field of collective bargaining between the Unions and Management. The Committee will play a watch-dog role besides the following functions:—

- (i) To ensure higher production, productivity and quality control and fuller utilisation of capacity in the Units;
- (ii) Matters relating to planning and achieving production targets;
- (iii) Development of skills of workmen and adequate facilities for training;
- (iv) Awarding of rewards for valuable and creative suggestions received from workers;
- (v) Optimum use of raw materials and quality of finished products;
- (vi) general health, welfare and safety measures and
- (vii) Ensuring that the working of the mills in all its aspects is on satisfactory lines."

Management stated that there is some surplus labour in many of the mills run by NTC. This surplus has been determined, according to them, on the basis of existing agreed work-loads as a result of bipartite agreements either at the plant level or industries level as the case may be. In order to get rid of this surplus management proposed to retire superannuated labour and redeploy

suitably the existing labour. The question arose if existing work-load is the result of an agreement how would there be surplus labour, unless work-load below the agreed norms were in force? Another question arose what management might feel standard work-load can itself be rationalised work-load and who is to determine which is correct.

It is agreed that any work-load which is contained in any bilateral agreement has to be enforced. It is also agreed that if the question whether the particular work-load is the standard work-load or rationalised work-load and could not be settled at plant level, it should be settled at subsidiary level. The Committee recalled that it had been accepted in 1957 Industrial Labour Conference that any surplus labour, as found on the basis of existing agreed work-load, can be adjusted against retirement of super annuated labour.

The management said that scheme for rationalisation of managerial side of the industry is currently under consideration and it will be brought up for discussion at the next Bipartite meeting, before the scheme is finalised.

It was agreed that the next meeting of the Bipartite of the National Textile Corporation should be held after the various Bipartite committees of the subsidiaries have met at least once. It was tentatively decided that the first meeting of the Subsidiaries should be held before 31st January 1976 and the National Bipartite for the NTC will meet on 14 February 1976.



## Chemicals

CONCLUSIONS OF THE *FIRST MEETING* OF THE NATIONAL INDUSTRIAL COMMITTEE ON CHEMICALS HELD ON THE 19TH APRIL, 1976 AT 10.30 A.M. IN COMMITTEE ROOM, 'C' WING, SHRAM SHAKTI BHAVAN, RAFI MARG, NEW DELHI.

### PRESENT:

#### *Workers' Organisations*

1. Shri Raja Kulkarni, M.P. (INTUC)
2. Shri K. M. Khan, (INTUC)
3. Shri Kali Mukherjee, M.P. (INTUC)
4. Smt. Roza Deshpande, M.P. (AITUC)
5. Shri Y. D. Sharma (AITUC)
6. Shri Jadu Gopal Sen (AITUC)
7. Shri Natwar Shah (HMS)

#### *Employers' Organisations*

8. Shri D. M. Trivedi
9. Shri M. L. Seth
10. Shri J. N. Chaudhary
11. Shri Subimal Bose

Sarvashri Himat Singka, M. S. Farooqui and H. N. Patel, Members, did not attend.

Besides the senior officers of the Ministry of Labour who attended the meeting, the Ministry of Chemicals and Fertilizers were represented by Shri P. P. Gupta, Dy. Secretary and the Ministry of Finance (Department of Economic Affairs) was represented by Dr. R. P. Sinha.

Shri Raja Kulkarni was elected as the Chairman of the meeting.

2. At the outset Shri T. S. Sankaran, Joint Secretary, Ministry of Labour while welcoming the members of the

Committee in the absence of the Minister of Labour on tour, explained the functions of the Committee, as outlined in the Ministry's letter constituting the Committee, to sort out problems of the industry and to ensure higher efficiency, production and productivity, quality control and fuller utilisation of capacity. He further explained that while the agenda items for the meeting have been prepared by the Secretariat of the National Apex Body based on the suggestions received for inclusion in the agenda, it was for the committee to decide its procedure and the manner of conducting the business at the meeting including the items to be taken up for discussion.

3. Some employer and worker members sought clarification regarding the functions of this Committee vis-a-vis the statutory machinery, scope of this committee to deal with public sector and also whether matters beyond industrial relations could be dealt with by this Committee. It was clarified that these Committees, though did not carry any statutory force, could be effective in solving problems at the national level with the representatives of the employers' organisations and workers' organisations participating in the deliberations of the meetings and arriving at agreed conclusions. It was also clarified that the compass of these committees was very wide to include financial, managerial and technical matters for which expert bodies, if necessary, could also be constituted by the Committee. As regards the inclusion of the public sector, it was pointed out that this matter could be referred to the National Apex Body for taking a decision at its meeting to be held on the 24th April, 1976. On the point as to the groups which could constitute Chemical industry it was felt desirable to have an inclusive definition rather than an exclusive definition and for this purpose, the ILO classification could be adopted. However, the list as classified by the ILO would be circulated to all the members for their scrutiny so that a decision could be taken at the next meeting of the committee about the operations covered by the Chemical Industry.



4. Thereafter, the committee discussed the various items included in the agenda and took the following decisions:—

(1) "The Committee took note of the increase in production in the various units of the Chemical Industry with the cooperation of the workers after the Emergency. The Committee decided that information from DGTD and other sources should be collected about the extent of such increase in production. Information regarding financial/profit position can be collected from as many companies or undertakings as possible. This information is mainly required to know and discuss the point regarding the close relationship between the workers' contribution to higher production and the final outcome of the company.

(2) "The Committee felt that it would be better to have some information from a few selected undertakings/companies about the existing schemes of rewards and/or incentive payment schemes along with their actual working indicating the financial benefit that accrued to workers in terms of percentage of emoluments. These items are to be discussed for general guidelines which can make the incentive schemes more acceptable to workers and managements and to bring them closer for production relationship. The Committee requested the members to send information on these points with their comments on the basis of their personal experience or information.

(3) "The Committee also decided that information in respect of various procedures for employment, training, transfer, promotion should be collected along with the information that is being collected on incentive schemes. Information should also cover loss of earnings arising out of lay-off to workmen concerned in any undertaking.

(4) "The Committee requested the members to supply information of the units/companies where disputes are pending for more than six months on pay revision and other collective demands.

(5) "On the question of pollution/environmental hazards and risks in the Fertilizer and Chemical indus-

tries, the Committee requested the members to let the Secretariat of the National Apex Body to have information which they may have in respect of this matter. The Committee also requested the Ministry of Labour to get information that may be available with them or with specified agencies that may be dealing with these problems both at the Centre and the State Government's level.

(6) "On the question of workers' participation in industry, the Committee requested the members to make available information on the establishments which have set up joint and shop councils, the details of the arrangements and experience, if any, so far in the working of these arrangements. On the basis of this information and the information available with the Ministry of Labour, the Committee requested the Labour Ministry to prepare a paper for consideration of the Committee at its next meeting.

(7) "The Committee considered the proposal for appointment of Advisory Committees for dealing with complaints about unfair labour practices, etc., and decided that this National Committee will deal with such issues instead of a separate Committee or an Advisory Committee either in the Ministry of Labour or in the Ministry of Chemicals and Fertilizer. As regards the proposal for an Advisory Committee for postings, promotions and transfer of persons to fill top executive posts in undertakings of Public Sector, the item was deferred to the next meeting.

(8) "The Committee considered the suggestion of the AIMO regarding adequate and timely supply of Paraffin Wax to small scale units and decided to request the Ministry of Labour to take up the matter with the Ministry of Petroleum and report to the Committee at its next meeting the details of the action taken."

5.1 The Committee took into consideration the letter of Smt. Roza Deshpande, which was circulated at the meeting. It was decided that on items 2 and 3 of the letter, the Ministry of Labour would collect the facts and place them before the Committee at its next meeting.

5.2 Item 1 of Smt. Deshpande's letter as also item 10 of the agenda which relate to public sector could be taken up in the light of decision of the NAB about the coverage of Public Sector.

5.3 The Committee's attention was drawn to the issue of closure of a factory of Hindustan Lever at Tiruchirappalli since 1974 rendering 200 workers jobless. It was considered necessary to obtain detailed information so that the matter could be taken up at the next meeting.

5.4 On Shri Kali Mukherjee raising some points at the meeting, it was decided that he would furnish these points with brief notes for consideration at the next meeting.

6. It was decided to hold the next meeting on the 18th June, 1976 at 10.30 a.m. in the Committee Room, 'C' Wing, Shram Shakti Bhavan, Rafi Marg, New Delhi.

The meeting concluded with a vote of thanks to the Chair.



## Cement

CONCLUSIONS OF THE FIRST MEETING OF THE NATIONAL INDUSTRIAL COMMITTEE FOR CEMENT INDUSTRY HELD ON THE 15TH APRIL 1976 AT 4.00 P.M. IN COMMITTEE ROOM, 'C' WING, SHRAM SHAKTI BHAVAN, RAFI MARG, NEW DELHI.

### PRESENT

#### *Workers' Organisations*

1. Shri H. N. Trivedi (INTUC)
2. Shri I. M. Moinuddin (INTUC)
3. Shri Brij Sunder Sharma (INTUC)
4. Shri P. K. Dubey (INTUC)
5. Shri H. N. Narendra Prasad (AITUC)
6. Shri K. K. Sinha (AITUC)

#### *Employers' Organisations*

1. Shri T. S. Subramaniam
2. Shri G. L. Govil
3. Shri N. C. Jain
4. Shri A. H. Dalmia
5. Shri Channa Veerappa
6. Shri R. C. Gupta

Besides the senior officers of the Ministry of Labour who attended the meeting, the Ministry of Industry and Civil Supplies (Department of Industrial Development) was represented by Shri R. R. Pahwa, Under Secretary and the Ministry of Finance (Department of Economic Affairs) was represented by Dr. R. P. Sinha.

Shri H. N. Trivedi was elected as the Chairman of the meeting.

2. At the outset Shri T. S. Sankaran, Joint Secretary, Ministry of Labour, conveyed to the Committee that as

the Union Labour Minister was proceeding on tour, he had desired him to welcome the members to the first meeting of the Committee and to explain to the Committee its functions as a National Bipartite Body to sort out problems of the Cement Industry, particularly with a view to ensure higher efficiency, production and productivity, quality control and fuller utilisation of capacity. He said that this being the first meeting of the Committee, the agenda was circulated by the Secretariat of the National Apex Body based on the items received from the members and it was for the Committee to decide the procedure and the manner of conducting the business at the meeting including the items to be taken up for discussion. On the employer members pointing out that due to shortness of time, they could not furnish their items, it was explained that such items, if received, could be taken up at the next meeting.

3. The Chairman then took up item 1 in the agenda relating to non-implementation and partial/improper implementation of the Bipartite agreement dated 7th May, 1975 arrived at in Delhi. He said the agreement was arrived at in the presence of Shri T. A. Pai, Minister of Industry and Civil Supplies and its non-implementation by some employers was a serious matter, particularly when the Minister had given a guarantee under clause 3 of the agreement regarding escalation in the ex-works retention price of cement in July 1975 taking into account the incidence of the revised wage structure as well as the decisions on the cost of labour for the production of cement. Shri N. C. Jain stated that he had already mentioned before the wage negotiation committee in regard to the difficulties of the managements of Rohtas Industries, Ashoka Cement and Sone Valley Portland Cement in giving effect to the wage revision as contained in the agreement. Shri T. S. Subramaniam said that besides these units, there might be some other units which might not have implemented the agreement and it would be appropriate to give them some time and opportunity. Thereafter, the Commit-

tee took the following decision with a note of dissent from Shri N. C. Jain.

“This meeting of the National Industrial Committee on Cement Industry held on 15th April, 1976, hereby decides that the settlement arrived between the employers and the workers of Cement Industry on 7th May, 1975, before Hon'ble Shri T. A. Pai, Minister for Industry and Civil Supplies should be implemented by all units as agreed upon in the settlement. The Labour Ministry is requested to help the completion of the implementation process within a month's time and report to this Committee if the employers are not cooperating in implementation. The workers' representatives felt that such a National Settlement should not go unimplemented by a few cement employers when the rest of the Industry has implemented it.”

4. Shri N. C. Jain while dissenting from the above decision said that M/S Rohtas Industries Ltd., M/S Ashoka Cement Ltd., and M/S Sone-Valley Portland Cement Ltd., are very high labour cost units. Therefore, either their labour cost is brought down to the same level as the average labour cost of the industry, or else they are compensated to the extent of their labour cost. It is not practicable or possible for them to accede to the terms of the agreement. This point was made very clear in almost all the meetings of Wage Negotiating Committees and this was also made clear at the time of signing of the agreement as a result of which the increase in the retention price given to the industry on account of fulfilment of the terms of the agreement has not been given to the above referred units.

5. On the question of payment of lump-sum of Rs. 450 to casual/temporary/contract and non-permanent workers, it was decided to discuss the issue at the next meeting of the committee. The item is deferred.

6. The Chairman then suggested to take up the item relating to Dalmia Dadri (Haryana). He pointed out that since the workers have not been paid their wages for two months, this committee should recommend and request the

Government to see that the production started immediately and the wages are paid to the workers. The Committee thereafter took the following decision:—

"This meeting of the National Industrial Committee on Cement Industry held on 15.4.1976 requests the Government to help starting of production and restoration of status quo in the factory at Dalmia Dadri (Haryana State). It is also requested that Government should take suitable steps for the payment of wages to the workers from the day they were not paid."

7. As regards Sawai Madhopur, Shri B. S. Sharma stated that some agreements have since been arrived at for the working of the unit. In view of this, the committee did not further discuss this item.

8. As regards the remaining items in the agenda, it was decided that such of the items as were not covered by the deliberations of this meeting and the members were still desirous of taking them up at the next meeting, brief notes in respect thereof should be furnished within a fortnight so that the same could be circulated and placed in the agenda of the next meeting.

9. It was decided to hold the next meeting on the 15th June at 10 a.m. in Committee Room 'C' Wing, Shram Shakti Bhavan, Rafi Marg, New Delhi.

The meeting concluded with a vote of thanks to the Chair.



## Engineering

CONCLUSIONS OF THE *FIRST MEETING* OF THE NATIONAL INDUSTRIAL COMMITTEE ON ENGINEERING HELD ON THE 21ST APRIL, 1976 AT 4 P.M. IN THE COMMITTEE ROOM, 'C' WING, SHRAM SHAKTI BHAWAN, RAFI MARG, NEW DELHI.

### *PRESENT:*

#### *Workers' Organisations:*

1. Shri Gopeshwar (INTUC)
2. Shri Rengasamy (INTUC)
3. Shri G. P. Coutinho (INTUC)
4. Shri Mohd Elias (AITUC)
5. Shri M. S. Krishnan (AITUC)
6. Shri B. S. Dhume (AITUC)
7. Shri G. N. Mishra (HMS)
8. Shri Panchanan Bhattacharya (HMS)

#### *Employers' Organisations:*

9. Shri K. G. Khosla
10. Shri Jayanth H. Shah
11. Shri Om Khosla
12. Shri Vijay Kapur
13. Shri V. Raman
14. Shri Firoz S. Baldiwala
15. Shri T. Das

Shri F. A. A. Jasdanwala member representing employers' organisation did not attend.

Shri Lal Bahadur Singh (INTUC), Shri S. K. Mukherjee (AIEI), Shri Nizamuddin Ahmed (AIEI) and Shri T. N. Srivastava (AIEI) attended as observers.

Shri Balgovind Verma, Union Deputy Labour Minister and other senior officers of the Ministry of Labour also



attended the meeting. The Ministry of Industry and Civil Supplies (Department of Industrial Development) was represented by Shri R. K. Rangan, Deputy Secretary and the Ministry of Finance (Department of Economic Affairs) was represented by Dr. R. P. Sinha, Senior Research Officer.

Shri Gopeshwar was elected as Chairman of the meeting.

2. At the outset, the Union Deputy Labour Minister welcomed the members of the Committee to its first meeting. While explaining that the functions of this would be to sort out the problems of the engineering industry, particularly with a view to ensure higher efficiency, production and productivity, quality control and fuller utilisation of capacity, he hoped that the committee as a national bipartite would contribute towards the health of the industry through both sides discussing and arriving at agreed conclusions. Shri T. S. Sankaran explained that the agenda items for the meeting were prepared on the basis of the suggestions received and it was for the committee to take up such items by grouping them together or in any manner as may be considered appropriate.

3. The Chairman while welcoming the proposal from the employers' side for his chairing the meeting, observed that the committee had a good augury and it was his firm hope that all conclusions would be arrived at unanimously in an atmosphere of goodwill to serve the cause of the industry and the working class.

4. While from the employers' side the importance of this committee for an industry covering 1082 companies, a million workers and capital of Rs. 3,000 crores with an annual export target of Rs. 1,000 crores was emphasised towards improving quality, reducing cost and attaining higher efficiency through workers' participation in industry, the workers' side equally welcomed the Committee timely set up to settle problems confronting the industry at the national bipartite level. It was the common stat-

ment from both the sides that the Engineering Industry in the context of 20-Point Programme formed the core of all the industries in the country and both sides should pledge through this Committee to achieve the twin objective of production and employment as outlined in the 20-Point Programme. The workers' side specifically pointed out that while a guarantee would be given by them for production and productivity eschewing work-stoppages in the industry, there should be corresponding obligation on the other side to guarantee continued working of the units with full employment of workers without resorting to any layoffs, retrenchment, closures etc., on any ground whatsoever. Referring to the closure of a number of units in the industry, which could be put into operation with some investment, the workers' side wanted a thorough enquiry in respect of such units through sub-committees of this Committee.

5. The Union Deputy Labour Minister referred to the conclusions of the meeting of the Compact Committee of the National Apex Body held on the previous day, whereby three groups have been constituted to enquire into specific cases of closures and apprehended closures of which five related to Engineering Industry. It was felt that, besides the units covered by the enquiry of the Compact Committee of the National Apex Body, the NIC on Engineering should constitute such study groups as may be considered necessary to look into the closures and apprehended closures of the units in the industry. It was agreed that on receipt of the lists from the members, the next meeting of the Committee would consider this issue. It was, however, urged that the Compact Committee of the National Apex Body be requested to furnish to this Committee the results of the enquiry in respect of the engineering units covered by its study.

5. On the point of closures, retrenchments, lay-offs, strikes and lock-outs, the Committee read the conclusions of the Second and Third Meetings of the National Apex Body held on the 13th August and 18th September, 1975

respectively (relevant extracts appended) and took the following decisions:—

“The First Meeting of the National Industrial Committee on Engineering recalling the decisions of the National Apex Body held on 13-8-1975 and 18-9-1975 relating to the question of retrenchments, lay-offs and closures, go-slow, work-to-rule, etc., reiterates that as a general policy, there shall not be any unilateral lay-offs, retrenchment, closures, lock-out, victimisation, strike, go-slow and work-to-rule in the Engineering Industry.”

6. The Committee decided that the following broad agenda would be discussed at its next meeting:—

1. Guide-lines, scope, procedure and functions of the Committee.
2. General review of workers' participation in management in the Engineering Industry.
3. Cases of lay-offs, retrenchments, closures, strikes, lock-outs, victimisation, go-slow and work-to rule and general employment.
4. Bonus linking to production and productivity.
5. Position in respect of small-scale industries.

It was decided to hold the next meeting of the Committee on 2nd June 1976 at 11.00 A.M. in the Committee Room C-Wing, S.S. Bhawan, Rafi Marg, New Delhi.

The meeting ended with a vote of thanks to the Chair.

Extract from the summary of conclusions of the 2nd Meeting of National Apex Body held on August 13, 1975.



## APPENDIX I

### SCHEME FOR WORKERS' PARTICIPATION IN INDUSTRY AT SHOP FLOOR AND PLANT LEVEL

(The scheme circulated by the Government of India is reproduced for information of unions. Views of AITUC General Council on the scheme were published in the 20 November 1975 issue of TUR--Ed.)

#### INTRODUCTION

One of the items in the 20-point economic programme relates to the introduction of schemes for workers' participation in industries particularly at the shop floor level and in production programmes. Government have considered this matter very carefully and have drawn up a scheme for the purpose, which is indicated below. To begin with, the scheme will have to be flexible so as to allow variations to suit local conditions and hence will be implemented through executive action. Various forms of workers participation are already in vogue in certain units in different industries particularly in the public sector. Government are, therefore, of the view that the matter should be left to the initiative of the managements to evolve a suitable pattern of participation depending upon the nature of each unit. Legislation will be considered after adequate experience is gained.

#### COVERAGE

The scheme will be implemented in the first instance in manufacturing and mining industries whether in the public, private or cooperative sectors. These will include also units run departmentally, whether or not the J.C.M. set up is functioning in such units.

The scheme for the present will apply to those units in these industries, which have 500 or more workers on their rolls. The scheme will provide for shop councils at the shop/department levels and Joint Councils at the enterprise level.

### *SHOP COUNCILS*

The main feature of the Scheme of Participative Management through shop councils may be as follows:

(i) In every industrial unit employing 500 or more, workmen, the employer shall constitute a shop council for each department or shop, or one council for more than one department or shop, considering the number of workmen employed in different departments or shops;

(ii) (a) Each council shall consist of an equal number of representatives of employers and workers;

(b) The employers' representatives shall be nominated by the management and must consist of persons from the unit concerned;

(c) All the representatives of workmen shall be from amongst the workers actually engaged in the department or the shop concerned;

(iii) The employers shall decide in consultation with the recognised union or the various registered trade unions, or with workers, as the case may be, in the manner best suited to local conditions, the number of shop councils and departments to be attached to each council of the undertaking or the establishment;

(iv) The number of members of each council may be determined by the employer in consultation with the recognised union, registered unions or workers in the manner best suited to local conditions obtaining in the unit: the total number of members may not generally exceed 12;

(v) All decisions of a shop council shall be on the basis of consensus and not by a process of voting, provided that either party may refer the unsettled matters to the joint council for consideration;

(vi) Every decision of a shop council shall be implemented by the parties concerned within a period of one month unless otherwise stated in the decision itself and compliance report shall be submitted to the council.

(vii) Such decisions of a shop council which have a bearing on another shop, or the undertaking or establishment as a whole will be referred to the joint council for consideration and decision;

(viii) A shop council once formed, shall function for a period of two years. Any member nominated or elected to the council in the mid-term to fill a casual vacancy shall continue to be a member of the council for the unexpired portion of the term of the council;

(ix) The council shall meet as frequently as is necessary and at least once in a month;

(x) The Chairman of the shop council shall be a nominee/s of the management; the worker members of the council shall elect a vice-chairman from amongst themselves.

### *FUNCTIONS OF THE SHOP COUNCILS*

5. The shop councils should, in the interest of increasing production, productivity and overall efficiency of the shop/department attend to the following matters:—

(i) Assist management in achieving monthly/yearly production targets;

(ii) Improvement of production, productivity and efficiency, including elimination of wastage and optimum utilisation of machine capacity and manpower;

(iii) Specifically identify areas of low productivity and take necessary corrective steps at shop level to eliminate relevant contributing factors;

(iv) To study absenteeism in the shops/departments and recommend steps to reduce them;

(v) Safety measures;

(vi) Assist in maintaining general discipline in the shop/departments;

(vii) Physical conditions of working, such as, lighting, ventilation, noise, dust, etc. and reduction of fatigue;

viii) Welfare and health measures to be adopted for efficient running of the shop, department; and

(ix) Ensure proper flow of adequate two-way communications between the management and the workers, particularly on matters relating to production figures, production schedules and progress in achieving the targets.

### *JOINT COUNCIL*

6. In every industrial unit employing 500 or more workers there shall be a Joint Council for the whole unit. The main features of the scheme of Joint Council may be as follows:—

(i) Only such persons who are actually engaged in the units shall be members of the joint council;

(ii) The council shall function for a period of two years;

(iii) The chief executive of the unit shall be the chairman of the joint council; there shall be a vice-chairman who will be nominated by worker-members of the council;

(iv) The joint council shall appoint one of the members of the council as its Secretary. Necessary facilities for the efficient discharge of functions by the Secretary shall be provided within the premises of the undertaking/ establishment;

(v) The term of the council, once formed, shall be for a period of two years: if, however, a member is nominated in the mid-term of the council to fill a casual vacancy, the member nominated in such vacancy shall continue in office for the remaining period of the term of the council;

(vi) The joint council shall meet at least once in a quarter;

(vii) Every decision of the joint council shall be on the basis of consensus and not by a process of voting and shall be binding on employers and workmen and shall be

implemented within one month unless otherwise stated in the decision itself.

### *FUNCTIONS OF JOINT COUNCIL*

7. The Joint Council should deal with matters relating to:—

(i) Optimum production, efficiency and fixation of productivity norms of man and machine for the unit as a whole.

(ii) Functions of a shop council which have a bearing on another shop or the unit as a whole;

(iii) Matters emanating from shop councils which remain unresolved;

(iv) Matters concerning the unit or the plant as a whole, in respect of matters relating to work planning and achieving production targets; more specifically, tasks assigned to a shop council at the shop/department levels but relevant to the unit as a whole will be taken up by the joint council:

(v) The development of skills of workmen and adequate facilities for training;

(vi) The preparation of schedules of working hours and of holidays;

(vii) Awarding of rewards for valuable and creative suggestions received from workers;

(viii) Optimum use of raw materials and quality of finished products; and

(ix) General health, welfare and safety measures for the unit or the plant.

### *COMPOSITION*

There is considerable diversity in the situation prevailing from unit to unit in different industries. Even departmental undertakings and public enterprises under the Ministry of the Government of India, have had to adopt different systems depending upon the local conditions and their individual needs. Keeping this diversity in view, no



uniform pattern is being laid down for the constitution of Shop Councils and Joint Councils, particularly relating to the representation of workers. The management in consultation with workers should evolve the most suitable pattern of representation so as to ensure that the representation of the workers results in effective meaningful and broad-based participation of workers.

### *COMMUNICATION*

9. For any scheme of workers' participation to succeed, there must be an effective two-way communication and exchange of information between the management and the workmen. It is only then the workers would have a better appreciation of the problems and difficulties of the undertaking and of its overall functioning. With this end in view, each unit should devise a suitable system of communication within the undertaking.

### *WORKS COMMITTEE*

10. The Works Committees as prescribed under the Industrial Disputes Act shall continue to function as at present.

### *APPROPRIATE GOVERNMENT*

11. The scheme not being statutory, the concept of "appropriate government" as in the I.D. Act is not relevant. However, the Central and State Governments have an important role in promoting the healthy and speedy implementation of the scheme in as large a number of units as possible. While the initiative for the introduction of the scheme will mainly be with the undertakings concerned, all matters relating to the operation of the scheme will be dealt with by the Central Government in the case of the public sector/departmental units of the Central Government.

### *CONCLUSION*

12. Government are aware that it is only by providing

for such arrangements for workers' participation particularly at the shop floor and unit level that the involvement of workers in the effective functioning of the unit and in improving production and productivity can be ensured. Government would, therefore, appeal to all the managements and workmen and trade unions concerned to take speedy and effective measures for the early adoption of the scheme in their units and for its continued healthy functioning.



## APPENDIX II

*New Delhi, the 16th February, 1976/Magha 27, 1897  
(Saka)*

The following Act of Parliament received the assent of the President on the 16th February, 1976, and is hereby published for general information:—

THE INDUSTRIAL DISPUTES (AMENDMENT) ACT,  
1976  
No. 32 of 1976  
*(16th February, 1976.)*

An Act further to amend the Industrial Disputes Act, 1947.

Be it enacted by Parliament in the Twenty-seventh Year of the Republic of India as follows:—

*Short title and commencement.*

1. (1) This Act may be called the Industrial Disputes (Amendment) Act, 1976.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

*Amendment of section 25A.*

2. In the Industrial Disputes Act, 1947 (hereinafter referred to as the principal Act), in section 25A, in subsection (1), for the words "shall not apply—", the words, figure and letter "shall not apply to industrial establishments to which Chapter VB applies, or—" shall be substituted.

3. After Chapter VA of the principal Act, the following Chapter shall be inserted, namely:—

## CHAPTER VB

### *Special provisions relating to lay-off, retrenchment and closure in certain establishments*

#### *Application of Chapter VB.*

25K. (1) The provisions of this Chapter shall apply to an industrial establishment (not being an establishment of a seasonal character or in which work is performed only intermittently) in which not less than three hundred workmen were employed on an average per working day for the preceding twelve months.

(2) If a question arises whether an industrial establishment is of a seasonal character or whether work is performed therein only intermittently, the decision of the appropriate Government thereon shall be final.

#### *Definitions.*

25L. For the purposes of this Chapter,—

(a) "industrial establishment" means—

(i) a factory as defined in clause (m) of section 2 of the Factories Act, 1948;

(ii) a mine as defined in clause (j) of sub-section (1) of section 2 of the Mines Act, 1952; or

(iii) a plantation as defined in clause (f) of section 2 of the Plantations Labour Act, 1951;

(b) notwithstanding anything contained in sub-clause (ii) of clause (a) of section 2,—

(i) in relation to any company in which not less than fifty-one per cent of the paid-up share capital is held by the Central Government, or

(ii) in relation to any corporation [not being a corporation referred to in sub-clause (i) of clause (a) of section 2] established by or under any law made by Parliament.

the Central Government shall be the appropriate Government.

*Prohibition of lay-off.*

25M. (1) No workman (other than a *badli* workman or a casual workman) whose name is borne on the muster rolls of an industrial establishment to which this Chapter applies shall be laid-off by his employer except with the previous permission of such authority as may be specified by the appropriate Government by notification in the Official Gazette, unless such lay-off is due to shortage of power or to natural calamity.

(2) Where the workmen (other than *badli* workmen or casual workmen) of an industrial establishment referred to in sub-section (1) have been laid-off before the commencement of the Industrial Disputes (Amendment) Act, 1976 and such lay-off continues at such commencement, the employer in relation to such establishment shall, within a period of fifteen days from such commencement, apply to the authority specified under sub-section (1) for permission to continue the lay-off.

(3) In the case of every application for permission under sub-section (1) or sub-section (2), the authority to whom the application has been made may, after making such inquiry as he thinks fit, grant or refuse, for reasons to be recorded in writing, the permission applied for.

(4) Where an application for permission has been made under sub-section (1) or sub-section (2) and the authority to whom the application is made does not communicate the permission or the refusal to grant the permission to the employer within a period of two months from the date on which the application is made, the permission applied for shall be deemed to have been granted on the expiration of the said period of two months.

(5) Where no application for permission under sub-section (1) is made, or where no application for permis-

sion under sub-section (2) has been made within the period specified therein, or where the permission for the lay-off or the continuance of the lay-off has been refused, such lay-off shall be deemed to be illegal from the date on which the workmen have been laid-off and the workmen shall be entitled to all the benefits under any law for the time being in force as if they had not been laid-off.

(6) The provisions of section 25C (other than the second proviso thereto) shall apply to cases of lay-off referred to in this section.

*Explanation.*—For the purposes of this section, a workman shall not be deemed to be laid-off by an employer if such employer offers any alternative employment (which in the opinion of the employer does not call for any special skill or previous experience and can be done by the workman) in the same establishment from which he has been laid-off or in any other establishment belonging to the same employer, situated in the same town or village, or situated within such distance from the establishment to which he belongs that the transfer will not involve undue hardship to the workman having regard to the facts and circumstances of his case, provided that the wages which would normally have been paid to the workman are offered for the alternative appointment also.

#### *Conditions precedent to retrenchment of workmen*

25N. (1) No workman employed in any industrial establishment to which this Chapter applies, who has been in continuous service for not less than one year under an employer shall be retrenched by that employer until,—

(a) the workman has been given three months' notice in writing indicating the reasons for retrenchment and the period of notice has expired, or the workman has been paid in lieu of such notice, wages for the period of the notice:

Provided that no such notice shall be necessary if the retrenchment is under an agreement, which specifies a date for termination of service;

(b) the workman has been paid, at the time of retrenchment, compensation which shall be equivalent to fifteen days' average pay for every completed year of continuous service or any part thereof in excess of six months; and

(c) notice in the prescribed manner is served on the appropriate Government or such authority as may be specified by the appropriate Government by notification in the Official Gazette, and the permission of such Government or authority is obtained under sub-section (2).

(2) On receipt of a notice under clause (c) of sub-section (1) the appropriate Government or authority may, after making such inquiry as such Government or authority thinks fit, grant or refuse, for reasons to be recorded in writing, the permission for the retrenchment to which the notice relates.

(3) Where the Government or authority does not communicate the permission or the refusal to grant the permission to the employer within three months of the date of service of the notice under clause (c) of sub-section (1), the Government or authority shall be deemed to have granted permission for such retrenchment on the expiration of the said period of three months.

(4) Where at the commencement of the Industrial Disputes (Amendment) Act, 1976, the period of notice given under clause (a) of section 25F for the retrenchment of any workman has not expired, the employer shall not retrench the workman but shall, within a period of fifteen days from such commencement, apply to the appropriate Government or to the authority specified in sub-section (2) for permission for retrenchment.

(5) Where an application for permission has been made under sub-section (4) and the appropriate Government or the authority, as the case may be, does not communicate the permission or the refusal to grant the permission to the employer within a period of two months from the date on which the application is made, the per-

mission applied for shall be deemed to have been granted on the expiration of the said period of two months.

(6) Where no application for permission under clause (c) of sub-section (1) is made, or where no application for permission under sub-section (4) is made within the period specified therein or where the permission for the retrenchment has been refused, such retrenchment shall be deemed to be illegal from the date on which the notice of retrenchment was given to the workman and the workman shall be entitled to all the benefits under any law for the time being in force as if no notice had been given to him.

(7) Where at the commencement of the Industrial Disputes (Amendment) Act, 1976, a dispute relating, either solely or in addition to other matters, to the retrenchment of any workman or workmen of an industrial establishment to which this Chapter applies is pending before a conciliation officer or the Central Government or the State Government, as the case may be, and—

(a) there is an allegation that such retrenchment is by way of victimisation; or

(b) the appropriate Government is of the opinion that such retrenchment is not in the interests of the maintenance of industrial peace,

the appropriate Government, if satisfied that it is necessary so to do, may, by order, withdraw such dispute or as the case may be, such dispute in so far as it relates to such retrenchment and transfer the same to an authority (being an authority specified by the appropriate Government by notification in the Official Gazette) for consideration whether such retrenchment is justified and any order passed by such authority shall be final and binding on the employer and the workman or workmen.

*Ninety days' notice to be given of intention to close down any undertaking.*

25-O. (1) An employer who intends to close down an undertaking of an industrial establishment to which this



Chapter applies shall serve, for previous approval at least ninety days before the date on which the intended closure is to become effective, a notice, in the prescribed manner, on the appropriate Government stating clearly the reasons for the intended closure of the undertaking:

Provided that nothing in this section shall apply to an undertaking set up for the construction of buildings, bridges, roads, canals, dams or for other construction work.

(2) On receipt of a notice under sub-section (1) the appropriate Government may, if it is satisfied that the reasons for the intended closure of the undertaking are not adequate and sufficient or such closure is prejudicial to the public interest, by order, direct the employer not to close down such undertaking.

(3) Where a notice has been served on the appropriate Government by an employer under sub-section (1) of section 25FFA and the period of notice has not expired at the commencement of the Industrial Disputes (Amendment) Act, 1976, such employer shall not close down the undertaking but shall, within a period of fifteen days from such commencement, apply to the appropriate Government for permission to close down the undertaking.

(4) Where an application for permission has been made under sub-section (3) and the appropriate Government does not communicate the permission or the refusal to grant the permission to the employer within a period of two months from the date on which the application is made, the permission applied for shall be deemed to have been granted on the expiration of the said period of two months.

(5) Where no application for permission under sub-section (1) is made, or where no application for permission under sub-section (3) is made within the period specified therein or where the permission for closure has been refused, the closure of the undertaking shall be deemed to be illegal from the date of closure and the workman

shall be entitled to all the benefits under any law for the time being in force as if no notice had been given to him.

(6) Notwithstanding anything contained in sub-section (1) and sub-section (3), the appropriate Government may, if it is satisfied that owing to such exceptional circumstances as accident in the undertaking or death of the employer or the like it is necessary so to do, by order, direct that the provisions of sub-section (1) or sub-section (3) shall not apply in relation to such undertaking for such period as may be specified in the order.

(7) Where an undertaking is approved or permitted to be closed down under sub-section (1) or sub-section (4), every workman in the said undertaking who has been in continuous service for not less than one year in that undertaking immediately before the date of application for permission under this section shall be entitled to notice and compensation as specified in section 25N as if the said workman had been retrenched under that section.

*Special provision as to restarting of undertakings closed down before commencement of the Industrial Disputes (Amendment) Act, 1976.*

25P. If the appropriate Government is of opinion in respect of any undertaking of an industrial establishment to which this Chapter applies and which closed down before the commencement of the Industrial Disputes (Amendment) Act, 1976,—

(a) that such undertaking was closed down otherwise than on account of unavoidable circumstances beyond the control of the employer;

(b) that there are possibilities of restarting the undertaking;

(c) that it is necessary for the rehabilitation of the workmen employed in such undertaking before its closure or for the maintenance of supplies and services essential to the life of the community to restart the undertaking or both; and

(d) that the restarting of the undertaking will not result in hardship to the employer in relation to the undertaking,

it may, after giving an opportunity to such employer and workmen, direct, by order published in the Official Gazette, that the undertaking shall be restarted within such time (not being less than one month from the date of the order) as may be specified in the order.

*Penalty for lay-off and retrenchment without previous permission.*

25Q. Any employer who contravenes the provisions of section 25M or clause (c) of sub-section (1) or sub-section (4) of section 25N shall be punishable with imprisonment for a term which may extend to one month, or with fine which may extend to one thousand rupees, or with both.

*Penalty for closure.*

25R. (1) Any employer who closes down an undertaking without complying with the provisions of sub-section (1) of section 25O shall be punishable with imprisonment for a term which may extend to six months, or with fine which may extend to five thousand rupees, or with both.

(2) Any employer, who contravenes a direction given under sub-section (2) of section 25-O or section 25P, shall be punishable with imprisonment for a term which may extend to one year, or with fine which may extend to five thousand rupees, or with both, and where the contravention is a continuing one, with a further fine which may extend to two thousand rupees for every day during which they contravention continues after the conviction.

(3) Any employer who contravenes the provisions of sub-section (3) of section 25-O shall be punishable with imprisonment for a term which may extend to one month or with fine which may extend to one thousand rupees or with both.

*Certain provisions of Chapter VA to apply to an industrial establishment to which this Chapter applies.*

25S. The provisions of sections 25B, 25D, 25FF, 25G, 25H and 25J in Chapter VA shall, so far as may be, apply also in relation to an industrial establishment to which the provisions of this Chapter apply.'

*Amendment of section 33C.*

4. In sub-section (1) of section 33C of the principal Act, for the word, figure and letter "Chapter VA", the words, figures and letters "Chapter VA or Chapter VB" shall be substituted.

*Amendment of section 38.*

5. In sub-section (5) of section 38 of the principal Act, for words "two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following", the words "two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid" shall be substituted.

