

FORM – H

MEMORANDUM OF SETTLEMENT BETWEEN THE CONTRACTORS AND THEIR WORKERS REPRESENTED BY UNION ENTERED INTO UNDER SECTION 12 (3) AND 18(3) READ WITH 2(P) OF THE INDUSTRIAL DISPUTES ACT, 1947, READ WITH RULE 59(1) OF THE INDUSTRIAL DISPUTES (KARNATAKA) RULES, 1957.

Parties to the Settlement

First Party	Second Party
M/s Vandana Enterprises and M/s Sagar Enterprises represented by Mr.V.Srinivas its Proprietor and representative	Garments and Textile Workers Union The contract workers were represented by its president Mrs.Prathiba.R and Secretary ^{Legal Advisor} Mr.Jayaram KR

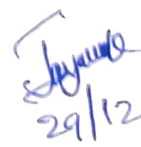
Short Recital of the Case

Whereas, M/s Arvind Lifestyle Brands Limited and Arvind Fashions Ltd., is a Readymade Garment Distributing company having its registered office in Duparc, Trinity circle, M G Road, Bengaluru, 560001, herein after called the "Company", who had its warehouse at Sy. No.26/2, No 93 Archakarahalli Village, Kasaba Hobli, Mysore Road Ramahagar 571511 to distribute the readymade garments to their retailers. The readymade garments distribution is varying from time to time depends on the seasons and requirement of manpower and warehouse activities are need and location based. Thus, it was not economically viable for regular nature of employment.

Whereas, the Company had registered its establishment under the provisions of the Contract Labour (Regulation & Abolishment) Act, 1970, and engaged M/s Vandana Enterprises and Sagar Enterprises as "Contractors" for supplying manpower and the said contractor had obtained valid license to provide the manpower under the provisions of the above said Act. The said contractor is hereinafter referred to as First


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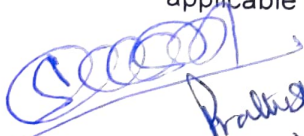
Party. The First Party was providing manpower as per the need from time to time. The First Party is possessing valid ESI and EPF code and also registered under various provisions of the applicable Act and remitting the contributions accordingly. The concerned employees were the direct employees of the contractor (Vandana and Sagar Enterprises) and were not the employees of the Company and there is no Master and Servant relationship between the Contract workers and the Company. The activities carried out by the contract workers have not been prohibited by the appropriate government. The contractor and the company have ensured the statutory compliances without fail for the manpower supplied by them.

Whereas, Second party Union raised a dispute directly against the Company before the Additional Labour Commissioner, Industrial Relations, Karnataka vide their petition dated 26.08.2020, wherein they have demanded to absorb the contract workers as per the list enclosed along with the application in the permanent position of the company.


Whereas, the Additional Labour Commissioner has called for the conciliation vide notice No.ADLA /CR/32(1) /2020-21, and conciliation proceeding were held on 07.09.2020, 15.09.2020, 23.09.2020, 16.10.2020, 03.11.2020, 20.11.2020, 26.11.2020, 04.12.2020, 21.12.2020 and deliberated on the dispute raised by the second party.

Whereas, the Authorised Representative of the Company requested the Authority to implead the Contractor (First Party) who is the Direct Employer of the above Contract workers. Accordingly, the Contractor was impleaded as party for the dispute.

Whereas, during the conciliation proceedings the company through its Authorised representative has produced relevant documents before this Hon'ble Authority and established the fact that these contract workers were engaged by the Contractor and they were in the pay rolls of the contractor. The contract employees were paid by first party and the contract workers have never been directly engaged by the company. The Company as Principal Employer has ensured compliances provisions of applicable Act.


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Whereas, the First Party (Contractor) has also admitted the fact these listed contract workers are their workers and they are the direct employers for these employees and also other contract workers engaged by them in the said warehouse.


Whereas, the second party raised dispute pertaining to 59 contract workers as against the total number 77 contract workers engaged by the first party.

Whereas, in the meantime the activities at the warehouse have come to standstill and hence Company terminated the contract with the Contractor on 28.10.2020 by giving one month's notice which ended on 27th November 2020 in accordance with the terms and conditions of the contract entered with him.


Whereas, the Company Authorised representative made it clear that there is no permanent position available in the company for these activities and no regular employees are appointed to carry out the activities carried out by the contract workers. It was also established that they were paid either on par with or more than the prescribed minimum wages. It was established that the contract workers are engaged by the contractor to carry out the work as per the terms and conditions of the valid contract entered between the Contractor and the Company. There was valid licence obtained by the contractors as per the provisions of the Contract Labour (Regulations & Abolition) Act. The contract work was supervised by the Contractor's supervisor. Thus, there is no question of absorption of the contract workers in the company.

Whereas the company intimated to the first party that the company intend to shut down its warehouse operation and hence terminating the services of the service provider and accordingly the first party has terminated the services of the contract workers engaged by him and in accordance with the full and final settlement attached herewith at annexures.

Whereas, since, the absorption is not possible, the Authority advised to have bilateral discussion and arrive at the settlement. Accordingly, series of discussion were held on various occasions on compensation for closure of the establishment / warehouse and payment of terminal benefits by the Contractor to their members of the union / contract workers. Finally the parties arrived at the settlement as against all the demands / claims made by the union and the contract workers as full and final settlement and no


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further claims / demand pending or to be raised in future and also this settlement shall not be made precedence for any claim / demand ever in future.

Whereas, a copy of the list of contract workers who are the members of the union, other contract workers engaged by the contractor at the said warehouse are enclosed in Annexure-1 and Annexure-2 respectively.

Whereas, on this day 29th December 2020, during the course of conciliation proceeding, the parties, on the advice of the Additional Labour Commissioner (IR) and Conciliation Officer, have signed the settlement on the following terms:

Terms of Settlement.

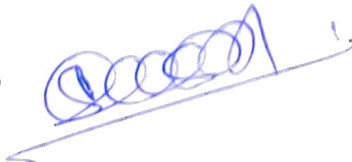
1. Applicability: The terms of settlement shall apply to all contract workers including the members of the second party who are engaged by the contractor at the said warehouse.

2. The Contract workers are engaged by the Contractor who is the direct employer for the above contract workers and Company is the Principal employer in accordance with the provisions of Contract Labour (Regulation & Abolition) Act. There is no relation between Contract workers and the Principal Employer / the Company and accordingly, the claim of absorption is dropped by the second party. Thus, all the claims made in the petition is settled accordingly.

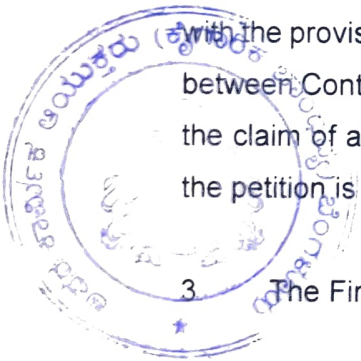
3. The First Party agreed to make payment as detailed below:

- i. The first party agreed to settle mutually agreed dues payable to the said contract workers which has been calculated on the basis of their salary and their length of service. The same has been enclosed to this memorandum of agreement as Annexure-3.
- ii. The second party Union and the workmen represented by the union agreed that there will be no other claims, whatsoever, including the claim of absorption against the company now and also in future.

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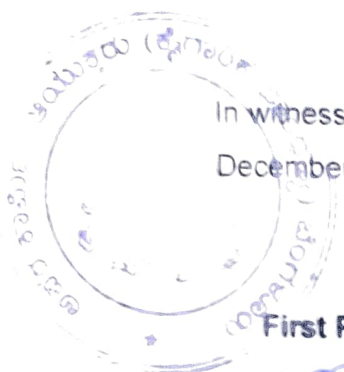


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- iii The second party union also agreed that any demands or any issues are raised by them against the first party or against the principle employer before any other authority are deemed to be settled and withdrawn on signing this settlement
- iv The second party union and the workers represented by the union also agreed that they will not raise any fresh dispute separately, either singly, or through union or through any organisation or through any local body or through their legal heir against the Company or against the contractor and this settlement is final and binding on them

In witness wherefore, both the parties have set their hand on this the 29th day of December 2020



First Party

Second Party

Witness 1

Witness 2

BEFORE ME"
 Additional Labour Commissioner
 Industrial Relations, Karnataka
 Karmika Bhavan, 3rd floor,
 Bannerghatta Road
 Bengalooru – 560 029