

MEMORANDUM OF SETTLEMENT

(Under Section 12(3) of the Industrial Disputes Act, 1947 and rule 25(1) of the Tamil Nadu Industrial Disputes Rules, 1958)

BEFORE

Thiru S. Ramachandran, B.Sc., D.S.S.A
Joint Commissioner of Labour
Government of Tamil Nadu,
Madras 600 006

D.D.S. No: A 2 55 091/95

Date: 17.10.1995

BETWEEN

Name of the Parties : The Management of the GEC Alsthom (India) Limited, Pallavaram, Madras 600 043)hereinafter called "The Management"

and

The Workmen of the Company's Works at Pallavaram represented by the GEC Alsthom Employee's Progressive Union, No 9. Old Trunk Road, Pallavaram. Madras 600 043 (hereinafter called "The Union")

Representing
the Management:

Mr Kakkar, V.K.
Chief Executive
Pallavaram Works

Mr Krishnamurthy M R
General Manager (H R)

Mr Venketeswaralu B
Manager P & I R

Representing
the Workmen:

Mr Kuchelan R
President

Mr Gopalakrishnan P
Vice-President

Mr Buvaneshwaran B
Vice-President

Mr Krishnamurthy R
General Secretary

Mr Chandrasekar Raja N
Asst. Secretary

Mr. Chandra Mohan M.P
Asst. Secretary

Mrs. Vasantha Jayaraman
Joint Secretary

Mr Yunus Khan K.
Treasurer

Memorandum of Settlement

(Under Section 12(3) of the Industrial Disputes Act, 1947 and Rule 25 (1) of the Tamil Nadu Industrial Disputes Rules, 1958)

The workmen employed in M/s. GEC Alsthom (India) Limited, Pallavaram, Madras 43 have issued strike notice vide their letter dated 14.8.1995 and subsequently resorted to tool down strike from 06.09.1995 onwards, pressing the Management to concede their demands relating to Medical Insurance Scheme for the family members, change of shift timings, absorption of contract labor, extension of benefit to certain workmen as per Supreme Court Order: exemption from deduction of Income Tax for Voluntary Separation Scheme, Special increment to senior employees, ISO 9000 gift, wages for the employees of Macron Instruments, payment of Bonus arrears as per the amendment of Payment of Bonus Act etc.,

The Management, vide their letter dated 17.8./1995 reported that the workmen commenced go-slow with effect from 16.8.1995 and subsequently vide their letter dated 06.9.1995 reported that the workmen have resorted to tool down strike with effect from 06.09.1995 onwards, resulting in total stoppage of production and requested the intervention of this department in the matter for restoration of normalcy in the unit.

Initial discussions were held before the Assistant Commissioner of Labor (Conciliation)-I, Madras. On the instructions of the Commissioner of Labor, further conciliation talks were held before the Joint Commissioner of Labor (Conciliation), Madras on various dates from 19.9.1995 onwards and both parties have put forth their contentions relating to the above issues before him. In the final conciliation talks held on 11.10.1995, ^{in which the workmen accepted the suggestions} accepting the suggestions made by the Joint Commissioner of Labor (Conciliation), Madras both parties reached a settlement under section 12 (3) of the Industrial Disputes Act, 1947 on the following terms: 17.10.1995

TERMS OF THE SETTLEMENT

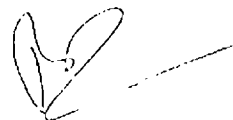
1. It is agreed that a "Medical Insurance Scheme" for the family members of the employees, including the employees will be finalised by the Management and the Union together before 31.3.1996 and it will come in to effect from 01.04.1996. The Management agreed to provide a sum of Rs.2,400/- (Rupees Two thousand and four hundred only) per annum per employee, towards this Scheme. The amount of Rs. 2,400/- will be inclusive of Rs.800/- already provided towards Medical Reimbursement facility as per clause 20.1 of the 12(3) Settlement, dated 25.3.1993 and a sum of Rs.460/- allowed to workmen as premium under the existing Employees Group Insurance Medical Scheme and this amount will be given to workmen or spent by the Management towards the scheme. In short, Rs. 1,140 only per annum per worker will be additionally borne by the Management. There will be no further commitment to the company in this regard in the next wage settlement.

2. On the demand of the union for the change in shift timings, it is agreed that it will be taken up separately by the Joint Commissioner of Labour.

3. As regards the demand for absorption of contract labour, the Management agreed to absorb them as "Company casual labour" with effect from 01.11.1995."

4. The Union requested the Management to consider benefit of service for the purpose of gratuity/service benefits, for the 104 workmen, who were offered employment in terms of the Order of the Supreme Court. Whereas the Management expressed that they have complied the decision of the Supreme court. Finally, it has been agreed to leave the issue for further discussions by the Joint Commissioner of Labour (Conciliation), Madras.

5. It is agreed that both parties will approach the Income Tax Authorities on the issue of deducting income tax from the amounts paid to the employees under Voluntary Separation Scheme.



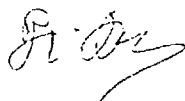
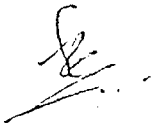
6. It is agreed that the issues relating to Pension Scheme and Special increment to senior employees since already covered under the existing agreements, these issues can be taken up in the next Wage Settlement.

7. As regards the demand of the Union for the payment of wages to the employees of Marconi Instruments for the period from 02.05.1995 to 05.7.1995, the Management offered a package relief for the inconvenience faced by the workmen during the shifting process to Pallavaram. It has been agreed to leave the issue for the consideration of Joint Commissioner of Labour (conciliation), Madras, for further discussion and amicable settlement.

8. As regards the demand of workmen for payment of "Bonus arrears" for the year 1993-1994, consequent on the amendment of Payment of Bonus Act, 1965, with retrospective effect from 01.4.1993, the union claimed a sum of Rs.2,160/- for the year 1993-1994 as arrears. Whereas the Management contended that a sum of Rs.1,500/- (Rupees One thousand and five hundred only) which was already paid as exgratia over and above 20% Bonus for the year 1993-1994 must be adjusted against the above claim of the workmen. It is finally agreed that the Management will pay an additional sum of Rs. 1,500/- (Rupees one thousand and five hundred only) prorated to attendance against the above claim of workmen and after this payment the issue relating to bonus and arrears for the year 1993-1994 shall be treated as closed.

9. On the demand of the workmen for the payment of Bonus and exgratia for the year 1994-1995, it is agreed that the eligible workmen will be paid 20% Bonus for the year 1994-1995. In addition, workmen on the rolls of the Company as on date of this Settlement, will be additionally paid an Ex-gratia amount as mentioned below:

- a. A sum of Rs. 2,000/- (Rupees Two thousand only) prorated to attendance to workmen covered under the Payment of Bonus Act, 1965.



b. A sum of Rs. 8,000/- (Rupees Eight Thousand only) prorated to attendance to workmen not covered under the Payment of Bonus Act, 1965.

It is also agreed that in the event of any amendment to the Payment of Bonus Act, 1965 giving retrospective effect for the year 1994-1995, the above ex-gratia amount paid to workmen will be adjusted against any additional liability for the Management arising out of such amendment.

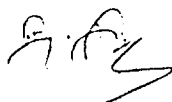
10. In view of the above understanding reached, on all the issues raised by the Union/Workmen, the workmen agreed to call off their tool down strike and resume duty with effect from 13.10.1995. The workmen will not be entitled for wages for the period of their tool down strike from 06.09.1995 to 12.10.1995. The Management agreed to drop all disciplinary actions taken and proposed to be taken during the above period.

11. On the demand of the workmen for the payment of recoverable advance to meet the loss of pay due to the strike, the Management as a gesture of good-will, agreed to pay a recoverable advance of Rs. 2,000/- (Rupees Two thousand only) to each workmen on the rolls of the Company which will be recovered in 10 equal monthly installments, commencing from the wages payable for the month of November 1995.

12. The Management agreed to involve the Union while making the major structural changes affecting the Service conditions of the Workmen.

13. Regarding wages for the month of September 1995 and incentive for the month of August 1995, the Management has agreed to pay full wages for the period from 16.8.1995 to 05.09.1995 and Incentive payment for the month or August 1995. The Union agreed to compensate the loss of production during the above mentioned period.

14. The Union agreed to resume work immediately and restore total normalcy. They also further assured to implement the existing settlement in letter and spirit.



15. Since the workmen have agreed to resume duty from 13.10.1995, and assured maximum co-operation, on the suggestion of the Joint Commissioner of Labour (Conciliation, Madras, it is agreed by both parties that all pending cases filed by them before various authorities/forums relating to the present strike will be treated as withdrawn and accordingly, they will take necessary steps for the withdrawal of these cases.

Both parties agreed to the above terms.

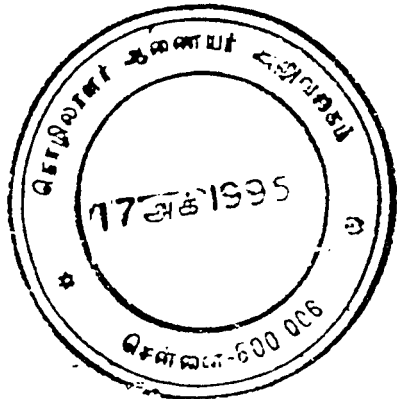
REPRESENTING MANAGEMENT

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REPRESENTING WORKMEN

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BEFORE ME



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(S RAMACHANDRAN)
Joint Commissioner of Labour
(Conciliation), Madras.