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LABOUR GAZETTE

Started in 1921, the *Labour Gazette*, issued monthly, is a journal for the use of all interested in obtaining prompt and accurate information on matters specially affecting and concerning labour in India and abroad. It contains statistical and other information on consumer price index numbers for working class, industrial disputes, industrial relations, cases under labour laws, labour legislation, etc. Special articles on labour etc., are published from time to time.

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The Month in Brief

Consumer Price Index Numbers for Working Class

The Bombay, Solapur and Nagpur Consumer Price Index Numbers for working class for the month of September 1985, with average price for the year ended December 1960 equal to 100 were 639, 642 and 640 respectively. The Pune, Jalgaon, Nanded and Aurangabad Consumer Price Index Numbers for working class for the month of September 1985, with the average prices for the year ended December 1961 equal to 100 were 596, 616, 664 and 665 respectively.

All India Average Consumer Price Index Numbers for Industrial Worker

All India Average Consumer Price Index Numbers for Industrial Workers (General base 1960-100 for September 1985 was 619 as compared to 618 in August 1985.) On base 1949-100 derived from 1960 based index worked out to 752 as against 751 for August 1985.

Industrial Disputes in Maharashtra State

During the month of August 1985, there were 37 disputes involving 7893 workmen and time loss of 1,70,154 mandays as compared to 33 disputes in July 1985 involving 6,959 workmen and time loss of 1,60,217 mandays.

Further particulars of Industrial Disputes are given at pages 145 to 146 as this issue.

Benefits under the Employees State Insurance Scheme

During the month of September 1985 56,950 workers were paid Rs. 39,50,32,75 on account of sickness and Rs. 4,22,934.45 were paid for the long term disabilities e.g. T. B., Cancer, Hemiplegia, Paraplegia, Psychosis etc. 21,051 workers were paid Rs. 43,00,243.21 on account of accidents as employment injury which included 7566 cases for the permanent disablement and 2840 for pension to the dependents/families due to death of the workers in the accident.

Current Notes

TU representation at ILC on criteria agreed to by CITU and AITUC

Representation for central trade union organisations at next month's Indian Labour Conference is in accordance to the agreed criteria based on the verified membership, Labour Ministry sources assert.

Surprised at the CITU's decision to stay away from the tripartite conference as a protest against the Government's policy of "driving a wedge in the growing working class unity" the sources point out that both AITUC and CITU were themselves parties to an understanding, reached as far back as 1980, that only trade union centres having a minimum verified membership of 5 lakhs spread over four states and four industries would be accorded national status for representation in the Indian Labour Conference as against the earlier criteria of one lakh membership.

According to the Ministry sources, it was in July, 1983 that the Government decided to apply the new criteria agreed to by all trade union centres, including the AITUC and CITU. Membership of various central trade union organisations in the year ending July 1, 1981 were verified. The verification was carried out in accordance with the procedure which was communicated to all organisations. Earlier, the Government had a series of discussions with the representatives of the trade union centres. The final verified figures were communicated to different trade union centres.

In response to the demand for improvement in the procedure of verification, the Chief Labour Commissioner, under advice from the Government, convened a meeting of the central trade union organisations and the trade union centres desired to have a meeting among themselves so as to evolve a mutually agreed and effective verification procedure.

The representatives of the trade unions have since held mutual informal discussions for evolving a consensus on verification procedure, but these discussions are yet to be completed.

As reported in the last issue of the Indian Worker, the Indian Labour Conference will be inaugurated by the Prime Minister, Shri Rajiv Gandhi on November 25.

The conference will have 20 delegates representing the various employing Ministries of the Union Government, 31 representing the State Government, 8 representing the workers and 8 representing the employers. Of the eight seats given to the employers, Employers Federation of India (EFI) has secured three, the Standing Conference of Public.

TU representation at ILC

Enterprises (SCOPE) and the All India Organisation of Employers (AIOE) two each and the All India Manufacturers Organisation one.

INTUC has secured four of the eight seats given to the workers' side as against two of the BMS and one each of HMS and UTUC (LS).

In earlier conferences the labour side used to be represented by the INTUC, AITUC, HMS and UTUC.

The HMS has since communicated to the Ministry its decision to participate in the conference. It has, however, protested against the disproportionately high representation of 51 seats—20 to the Centre and 30 to the States—given to the government side. The HMS has also taken strong exception to the non-inclusion of burning issues like growing industrial sickness, closures and unemployment and spiralling prices.

The BMS and UTUC (LS) are reported to have decided to participate in the conference, NLO, which has been invited to send one observer along with the AITUC and CITU, can be expected to respond to the invitation.

The AITUC has since joined CITU in announcing its decision to boycott the conference.

CITU had declared its decision to give a call to all non-INTUC trade union centres for boycotting the conference. Barring centres with hardly any membership and no *locus standi*, no one has responded to its call.

(*Indian Worker*, dated 21st October 1985).

PM's address to UN General Assembly

Call for peace, freedom and equality

In his maiden address to the United Nations on the commemoration of its 40th anniversary, Prime Minister Rajiv Gandhi on October 24 gave a clarion call for a crusade for peace, freedom and equality since "the button threatens to push itself" to plunge the world in a nuclear catastrophe.

Pointing out that there could be no co-existence between international order and nuclear weapons, between freedom and racism and between science and poverty, Shri Gandhi wanted man's creative genius to be enlisted on behalf of enrichment and not destruction.

The Indian Prime Minister was the third speaker after American President Ronald Reagan and Chinese Prime Minister Zhao Ziyang.

The following is the text of Prime Minister Rajiv Gandhi's address to the General Assembly on the occasion of the 40th anniversary of the United Nations —

Mr. President, Secretary General, distinguished leaders of delegations, ladies and gentlemen :

On this 40th anniversary of the United Nations, I bring you greetings from the people of India and from the Non-aligned movement.

The United Nations was founded to prevent war, to enlarge the scope of freedom—freedom from oppression and freedom from want. Many national liberation movements would not have succeeded without the moral and political support of the United Nations increasingly representative and universal.

But vestiges of colonialism persist. Namibia remains enslaved. Twenty-five years have passed since the UN declaration on freedom for colonies and seven, since the Security Council unanimously spelt out the steps for Namibia's independence. Seven years of deprivation, Seven years of death and still the world awaits an independent Namibia.

"Let us, from here, send a message of solidarity to the freedom fighters of Namibia and South Africa. As the world enters the third millennium, the Pretoria regime refuses to learn the lessons of the second—that all people are equal.

The people of India have a special bond with the people of South Africa that enabled Mahatma Gandhi to fashion his strategy of mass defiance of lawless laws. I am reminded of some lines of Leo Tolstoy, who had deeply influenced Mahatma Gandhi, "I sit on man's back, choking him and making him carry me, and yet assure myself and others that I am very sorry for him and wish to lighten his load by all possible means—except by getting off his back."

When will apartheid get off the black man's back? Every pressure must be applied India has never wavered. Only comprehensive mandatory sanctions will work.

There can be no peace in West Asia till the Palestinians secure their legitimate right to a state of their own in their homeland. A conference on the Middle East was proposed. Should it not be held? No code of international behaviour restrains Israel from waging its war on the people of Palestine.

Terrorism has become a major challenge of our time. It has assumed new forms. Violent groups use modern communications and the media to dramatise their demands. No less reprehensible is violence by states or by official agencies. Such unilateral acts can only spell anarchy for the international order.

Man has throughout searched for order. It was sought in the tribe, in the nation-state. Civilisation has meant the progressive evolution of norms for interaction between individuals, societies and nations. The League of Nations was an expression of mankind's yearning for peace and order among nations. As we know, it failed but that very failure showed that world security and peace keeping needed a new vision.

The United Nations Organisation was born amid hope and fear—hope that the holocaust of the Second World War may never be repeated, and fear that human wisdom and ingenuity may fail to control the atom. Gradually some sort of world order began to take shape.

Much has been achieved freedom and equality from colonialism and racism. An early consensus on development. The beginnings of a viable financial and monetary system. Structures of international co-operation. Collective striving for disarmament. But from our point of view, there are also several negative aspects.

Does it behove the powerful to put a brake even on the slow progress towards evolution of an order? How will it profit them to about the hope and the faith that the UN system symbolise? These disturbing trends have vitiated

the dialogue between nations. Today, the international order of the post-Second World War, never very strong, shows wide cracks. Let us attend to them.

Mercifully, the unclear blocs have not gone to war. But the arms race continues unrelentingly. New space weapons are conceived as ultimate deterrents. Response times are shrinking dangerously. Control of weaponry is becoming more complex. Action and reaction are being removed from the realm of human decision. The button threatens to press itself. The world moves helplessly towards nuclear catastrophe.

The military blocs must understand that stability can not be achieved through superiority or even balance of weapons. It can only come through co-existence and disarmament. Without disarmament, the danger of annihilation will persist.

No chance for peace should be lost. All of us have a collective interest in the preservation of the planet. Constructive disarmament proposals must be earnestly examined. The Gorbachev-Reagan summit assumes special importance. The world hopes that they will not let this opportunity pass and that meeting will be the start of a purposeful dialogue and of a process of pulling back from the brink.

Just as the peace of the world is threatened by nuclear war, its prosperity is threatened by an economic crisis. India has been fortunate in being able to maintain, and even accelerate its rate of economic growth. But most developing countries are hit. Africa has taken the heaviest blows. Latin American countries suffer under a burden of debt made unbearable by action, beyond their control. The affluent too are affected by the crisis. They continue to be looked into low growth and high unemployment. Hopes of early recovery are fast receding.

How has this state of Affairs come to pass? Why does the international community lack the will and the vision to tackle global problems on global and co-operative basis. Why does the stalemate continue in every important multilateral forum? The consensus on development which was painstakingly built in the decades after the Second World War has broken down today. It is fitting that we use this session to make a start at repairing the damage. The consensus must be rebuilt.

While experts painfully hammer out agreements, in many parts of the world hunger stalks hundreds of thousands. We must unite to save them.

We in the Non-Aligned Movement are believers in co-existence. But international order and nuclear weapons cannot co-exist. Freedom and racism cannot co-exist.

Let man's creative genius be enlisted on behalf of enrichment and not destruction.

Friends, let us launch a crusade for peace, freedom and equality.

Health services personnel themselves need health care protection : ILO

Personnel in health and medical services are themselves often in need of better health care protection, says an ILO's study on employment and conditions of work in health and medical services.

In an occupation as old as recorded history, serious attention is being given only since the last decade to the "remarkable range" of physical, chemical, biological and psychological hazards to which its practitioners are exposed, observes the report.

It is further pointed out that too often in the past health care professionals have worked as though their profession gave them some form of immunity to the infectious agents they encounter in the course of their work. Added to the dangers of communicable diseases are chemical hazards including "unacceptably high" levels of anaesthetic waste gases in many operating rooms.

Nurses and doctors are also subjected to stress. The work is physically hazardous, the hours long, heavy responsibility and considerable conflict with the private life outside the health care milieu.

The report was examined by a joint meeting of the representatives of the services, both private and public, and workers in the services convened by the ILO at Geneva from October 8 to 15.

According to the report, this belated awareness about health and safety programmes in the health care field is mainly due to preoccupation of hospitals and clinics with patient care, emphasis on treatment rather than prevention and the staff's ready access to what is being termed as "corridor consultation."

The report, however, acknowledges that strategies for such programmes have been established and are under implemented in a number of countries of vital interest to them is the creation of an occupational health service staffed by nurses and physicians, linked closely to the hospital safety unit and providing health surveillance to all employees.

The report further says that important tools for prevention and its enforcement, in particular through inspection mechanism. But health services are "frequently neglected" in this respect.

Major employer

Health and medical services are now a major employer in all countries, the report reveals. They are the third largest employer in the United States, the fourth in Sweden and the fifth in Norway. Employment in the sector generally grew faster than the population and total employment in nearly

Manpower market in the sector is now saturated in most industrialised countries—some having a surplus of doctors and dentists—while many Third World Countries suffer from staff shortages, particularly in the light of their personnel needs for meeting the target of "Health For All" by the year 2000, proclaimed by the WHO.

Labour-management relations

Health care has in recent years been a "troubled area of labour relations in many countries, a trend towards militancy being fostered by a comparatively low standard of wages and working conditions. Both sides however recognise the need to ensure the uninterrupted provision of health care to the public, and development of procedures for the speedy and equitable settlement of disputes has been a major concern of public authorities, says the report.

The normal working week is often longer than that in other sectors. Problems faced by personnel with regard to working hours and the arrangement of work timetable can be highly complex, particularly in establishments working round the clock and for staff caring for inpatients and dealing with emergencies.

On remuneration, the report points out on the one hand to the need for pay conditions to be sufficiently interesting to attract, retain and motivate staff and on the other to the strong pressure on many Governments to limit or reduce health expenditure, in several countries—developing as well as industrialised—cost containment policies are affecting pay conditions.

The report goes on to examine the legal and labour aspects involved in ethical problems raised when staff have to take decisions on such crucial issues as the extension of life in irreversible terminal cases.

(*Indian Worker*, dated 28th October 1985).

Articles, Reports, Enquires etc.

(The views expressed in signed Articles appearing in this section carry weight in as much as they are expressed by the persons who know their subjects well. They, however, do not necessarily reflect the views of Government. All rights concerning these Articles are reserved.)

Trade unions' leap into twenty first century—Challenges and Tasks.

By

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In the context of continuing advancement in Science and Technology economists, sociologists and management scientists are working for a smooth leap into the twenty first century. The question is whether trade unions can afford to lag behind, specially when they are considered as 'Reacting Institutions' that have grown through a process of defending their rights in changing environment. History of the trade union movement in any part of the world is nothing but a series of success stories' of converting every challenge and problem into opportunity for advancement. In order to visualise their role and tasks in the twenty first century, we have to portray the possible challenges and problems.

Present discussions confine to the question of 'contemporaneity of trade unions,' 'efficacy of collective bargaining methodology, problems posed by adoption of new technology and changing complexion of work force. With the betterment in workers' living conditions, with increasing State's attitude to treat labour as its own child, and with declining exploitative tendencies of capital, the need for trade unions is questioned. At no point of time, the trade unions can take it for granted that the debate about their utility will come to a rest for ever. Similarly, the efficacy of collective bargaining process as a means of ensuring lasting industrial peace has been doubted and its relevance questioned. Technological innovations are coming in a big way and the trade unions are at a loss to estimate their overall impact. Growing changes in the components of the labour force with the influx of women 'white collared' and skilled' workers clamour for a drastic change in the traditional role of the trade union organisations which are on the verge of getting relegated to the background. Some of these issues are taken up for discussion in the foregoing paragraphs.

Trade Unions as Institutions of Social Change

The challenges to the utility of trade unions is not of recent origin. The

retreat more or less permanently into the shadows' Prof. De Schweinitz had argued that "political democracy means strong trade unions; strong trade unions redistribute income from profits to wages; labourers have a higher propensity to consume more than entrepreneurs; ergo, savings decline, consumption rises, and accelerated investment rates are rendered impossible." In India also such sentiments have been expressed. Late Prof. N. N. Chatterjee had reported in his diagnostic studies of selected industrial relations situations, an increasing trend of 'Dealienation' of workers from trade unions. Dr. Pattabiraman had lamented that 'Political unionism has prevented the development of a movement or organisation that could be termed as workers 'own' and turned the soil upside down to such a degree that it has become impossible for a genuine labour-inspired, labour oriented, workers-led trade union movement to take root. (emphasis is provided).

Ashok Mehta had prescribed a 'limited' functioning for trade unions in a developing economy. Way back in 1957, he had viewed that 'Fighting the elections on specific issues, forming the Government of the opposition, agitation and propaganda on political problems and similar issues should be left outside the trade union field. These aspects could be tolerated in a colonial economy for political reasons, but trade unions in a free democratic country on its path of economic development can hardly afford such activities.

All said and done trade unions have not only survived these onslaughts but have also grown. It has been widely recognised that "trade unions as they tend to stabilise and assist in the recruitment of manpower, foster sense of industrial commitment and discipline, develop workers' education, play an active role in social and economic reforms and enable workers to feel that they are participating, in the vital economic decisions" Guy Caire in his thesis on Freedom of Association and Economic Development does not find adequate support to the assumption that "Freedom of Association has a direct and adverse effect on economic development." Most reassuring statement is from the Director General of the ILO who has stated in his report to the Conference in 1985 that "Trade Unions regardless of size, state or nature of the economy are basic and key institutions of society—they are a force for social justice, for human dignity, for progress, and for making the voice of the working people heard in Society."

So long the economic development has social objectives, trade unions will not only survive but also continue to thrive. Critics of trade unions seem to rely on the inadequate and direct contribution to the inputs of economic growth' by trade unions. They would not hesitate to advocate reduction of employment to foster economic growth! What perhaps they fail to appreciate is that 'economic growth' sans economic development' is as futile as Midas' gold. It is only through economic development we can bring about a more

union movement in India has been described as an institution which "is losing the larger vision of an exploitation-free society and is becoming increasingly self-centred and sectarian and that it has given up its dynamic role of a movement to change over social structure." (Kanti Mehta—Golden Jubilee Lecture at the Indian School of Mines).

In the coming decades greater attention will be paid to achieve higher economic growth and faster economic development and the trade unions must react positively with a view to ensure its continued validity. To the extent that the trade unions redesign their action plan to include the interests of the 'larger family' they will be reckoned as 'basic and key institutions of society.' Trade unions cannot afford to be contended with economism which an enlightened State and pragmatic management can also take care of. Trade unions' instrumentality in ensuring speedy social justice would alone confer contemporaneity and accord social relevance. This note of caution was also administered by Late Prime Minister India Gandhi, while addressing the World Conference on the Role of Trade Unions in Development. Observing that the power of organised trade unionism had caused some distortions, she asked whether the State should continue to earmark the resources to improve pay scales of the better paid among our workers in place of investment in new labour-intensive and employment creating projects. Ultimately the efficacy of trade union movement will be judged by its capacity to balance the dynamics of individual membership versus the larger society.

Collective Bargaining

Freedom of Association and collective bargaining are inter-linked. Any attempt made to regulate union activities is apprehended as a measure to curb collective bargaining rights. Collective bargaining has come to be acknowledged as *sin quo non* for trade union functioning. However, the very connotation, pattern, scope, and form of collective bargaining process have changed, since it was propounded by Sidney and Beatrice Webb. Strictly speaking, the word 'collective' is applicable to both the parties involved in bargaining process. Representatives of group of employers negotiating with the representatives of group of workers reflect collective bargaining 'in its true meaning. As time passed it has narrowed down to individual employer bargaining with representatives of group of workers. Even these representatives of group of workers did not really represent the workers in its entirety. Further, the very pattern of collective bargaining has undergone tremendous changes. Conventional bargaining by strong trade unions in industrialised countries have failed to achieve such major objectives as maintaining purchasing power, preventing job losses and substantially reducing working hours, which has led to changed pattern of bargaining.

We hear of consessional bargaining, integrated bargaining, contributory bargaining, etc. The Director General of the ILO makes a mention of "mature collective bargaining" to describe situations in which, "combative postures notwithstanding, there is mutual concern not only for the continued survival of the enterprises or industry but also of the opposing, bargaining agents—a mutual recognition of the other side's problems with top management (or

with members enterprises of an employer's association) or with various groups of trade union members and a wish to preserve the other's position with its constituents, so as to maintain an accustomed and dependable relationship." Even this form of bargaining has given its place to more "co-operative approaches." AFL-CIO in the USA is reported to have recommended a bargaining approach based on solving problems through arbitration or mediation rather than through ultimate recourse to economic weapons." (This is what Gandhiji Advocated and practised as early as in 1919 and the INTUC has been pleading from time to time). Preference to 'co-operative approach, and continuing consultations' seems to be the world trend. It has been reported that the tremendous pressures of increasing competition and technological change has been an important reason for wide acceptance of 'co-operative approaches.'

In Indian context, we are fortunate to have more of "industry-wise bargaining" and 'pattern bargaining' instead of centralised bargaining. The Welfare State concept has ushered in series of protective and promotional labour legislations for working class which has considerably reduced the scope of bargaining by unions. The labour policy announced from time to time, the framework provided by Five Year Plans, industrial policies announced periodically have set parameters within which collective bargaining has to take place. Further, the national interest and concern for the society at large imposes restrictions on the scope of bargaining. Currently, joint negotiation committees are in vogue specially in public sector undertakings. These joint negotiation committees played an effective role in wage negotiations in more than fifty public sector undertakings in 1984. The trend seems to be to prefer 'composite negotiation committees' on a continuing basis instead of periodic collective bargaining exercises. Bargaining takes place within the negotiation committees and normally they do not resort to work stoppage. Neither party takes belligerent postures and a co-operative atmosphere prevails. In the coming decades, these joint negotiations committees would be playing a key role in industrial relations matter.

However, in some quarters, it has been viewed that in current times, these joint negotiating committees have pushed the wages too high in public sector undertakings. Any hike in workers wages becomes a *raison detre* for an increase in management remuneration and therefore, resistance to higher wage claim in these negotiating committees from managements is only formal. But what is the alternatives? When seventy percent of the workers remain—either by choice or by neglect—outside the fold of trade unions, who again are divided among themselves, what relevance 'the most representative union' or sole bargaining agent' has? In a multi-party democratic system, one has to learn to live with divergent interests. So long interest differed, views also will continue to differ. Endeavours should be to identify common areas of interests rather than perpetuating the conflict of interests. The cry for one union in one industry, attempting to find a suitable formula to identify sole bargaining agent, categorising issues for bargaining into management and union prerogatives are only chemical pursuits. Therefore, the alternative to the existing situation is to improve functions of joint negotiating committees. It is gratifying to note that in some core industries like 'mining where workers organisations

are strong, efforts are afoot to set up joint negotiating committee on a permanent basis giving representation to *all the workers* at the work place and limiting the scope to non-bargaining issues like safety, welfare and productivity. The scope of these joint negotiating committees could be enlarged so as to include matters other than interest related issues, like growth and prosperity of the industry, productivity and quality, discipline and work ethos, and benefits to industry and care for national interest.

Technological changes

Frank Tonnenbaum had said that "Machine is the cause and labour movement is the effect." This is true even today. Technological innovation, scientific advancement, computerisation, robotization, and micro-circuits have created apprehensions in the minds of working class. Even in advanced countries, the trade unions are finding it hard to forecast the impact of the technological inputs. In India, we do not have that alarming situation or the simple reason that technology has not come in a big way. However, this may not be the situation in 2001. Late Prime Minister Indira Gandhi while addressing the World Conference on "Role of Trade Unions in Developing Countries" in 1981 asserted... "Not can development expand without the upgrading of technology. Not only labour but also technology is the source of wealth." Prime Minister Rajiv Gandhi, in his recent address to the 71st International Labour Conference in June 1985 viewed that "for faster growth in the Seventh Plan technological change will have to be qualitatively higher and swifter. We are creating a policy environment conducive to faster growth, to the infusion of modern technology and to higher productivity..."

Whether Indian workers want it or not "technology" is bound to be ushered in. Now it is for the trade unions to prepare themselves, well in advance, to meet the challenges of the technology. Fortunately, we have before us the experiences of developed countries where technology has advanced in a big way. The Director-General of the ILO has reported the emergency of "preventive labour relations" adopted by some enterprises which is indeed disturbing. With new technological developments new, market opportunities and new international competitions, flexibility is considered essential both at the level of enterprises strategy and at that of the day to day dealing—in taking and implementing decisions. The managements find it easier and convenient to bring about adjustments through direct consultations with the workers concerned rather than elaborate collective bargaining process. Such management policies are liberal in rewarding workers well in advance, making union action redundant. Jack Barbash had reported as early as in 1979 that in capital intensive and high technology industries like Dupont and the IBM, management buys out, so speak, its employees' union impulses by offering them "for free" most of the things they could get through. Union but at lower cost no dues, not strikes—of course, important to management, no

grammes are necessary evils, the trade unions in these countries have taken adequate steps to train their members for effective participation in these programmes and have drawn "Do's and Don'ts."

In India, a number of industrial establishments have started experimenting with "Quality Control Circles" which is one in the series of Quality of Work Life programmes aiming to solve job related quality problems. In a situation, where the workers are not fully equipped to play an effective role, even in "workers participation" forums, participation in Quality Control Circles would be only nominal. Have the unions taken care that these will not end up in "speeding up" in work place, labour redundancy, and union busting? In the given situation where unionisation percentage is quite low, the attempt to 'woo' the workers through these Quality Control Circles will be easier if the existing unions in the establishment do not involve themselves.

In fact, there are numerous instances where the managements have 'voluntarily' given away many benefits, preempting union action. The trade unions would do well to study the implications of technological innovations which are quite and far reaching. They have to induct specialists who would advise them on the implications of technology, so that they are able to resist the adverse effects, if any. It is encouraging to report that the unions in Jamshedpur and other places have taken initiative to negotiate on implications of technology and introduction of joint training programmes with the management with favourable response.

It is not only the advanced technology or the imported Technology that is hazardous but even the indigenous technology can cause adverse effects. The typical example is the introduction of mechanical threshers in rural areas in Punjab, maiming hundreds of workmen. Similarly, it has been reported that in a number of pharmaceutical and electronic industries, many of which are operating in small-scale industrial sector with predominant women employment cases of blinding and chronic lumbago at young age is a common phenomenon, we are witnessing an explosive situation regarding small-scale, cottage and household industries. With the States policy to generate employment, there will be a further spurt in these sectors which are totally unorganised, exposing millions of workers to health and occupational hazards. In India, in coming decades, we will have both "advanced neotechnology" as well as "indigenous" ones. The trade unions will have to keep a watch on the effects of both advanced technology as well as the indigenous ones. The question is whether the trade unions are giving adequate attention in this direction?

Changing complexion of labour force

Heterogeneity in the components of the "labour force" is in itself a factor that tends to weaken the unity. Labour force is no more the domain of "traditional blue collar" industrial workers. There is incessant influx of

'labour force' causes wide disparity in wages and working conditions and weakens the bargaining strength of established unions in the formal sector. Voices of concern have already been raised that "islands of high wages cannot exist amidst 'ocean of low or no wages.'"

With the swell of unemployed-educated, semi-educated and uneducated in the labour market, the choice would be "job for many with low wages" instead "jobs few with higher wages." This yawning disparity between "low" and "high" wages will increase and trade unions should attend to it on a priority basis. The crisis in textile industry is a typical case to substantiate this view. Due to the keen competition from powerloom sector, where wages are applying low, labour legislation do not exist, unsafe working conditions prevail, the composite sector is closing down, posing a serious threat to employment of thousands of workers. If the trade unions had organised these powerloom sector workers and had brought them to their fold such disparity might not have existed and the threat of powerloom sector could have been contained. This is an eye-opener for the trade unions in the organised sector.

The increase in the number of women workers is also factor which cannot be ignored. During 1950-80 period employment of women workers in industry has increased from 14 to 19.3 per cent. Has this increase reflected in their participation in trade unions? If not, the inference is that the increase has proportionately reduced further the "unionisation" percentage. Again, as technology advances, there will be more and more induction of skilled and highly skilled workers in the labour force whose reaction to the existing pattern of trade unionism may be different. They may prefer personal advancement and growth instead of "group welfare" and union action." The organised labour movement in US lost 2.7 million workers among employment wage and salary workers between 1980 to 1984.

In this period, 'smoke stack' industries were stagnant, declining, while service-producing industries had vigorous gains. In India, too, the employment in service sector has grown from 14 per cent to 17 per cent during 1950 to 1980. That being so, what should be the strategy of the trade unions? The answer lies in the extension of 'unionism' to these new frontiers in informal sector and in making union action relevant and meaningful to the "white collars". Our unions poised to meet the challenges of balancing the interests of the unskilled and low paid" workers in the informal sector, with the aspirations of "highly skilled" and adequately compensated" work force in the technology based units.

Points to ponder

In industrial countries which have faced swift technological changes, the trade unions have worked out strategies to countervail the adverse effects. Besides, the trade unions have closer. In the USA "amalgamation" of unions have taken place. It is reported that the merger process picked up in 1979 and continued through 1984. 34 per cent of the total mergers took place in

institutional, legal and social factors. In Indian context, it is a moot point to ponder whether such "close cooperation" if not total merger, among the national trade union centres, is warranted to the future challenges poised by technological changes, new inputs into the work force, and the current ills of "aging leadership" and "dynamism-void" trade unions.

It is not an "utopian" idea in as much as we have instances after instances of "unity efforts" in the past. In fact the history of Indian trade union movement is a series of "split and merger" stories. Alignments and groupings among trade union centres have been frequent. We have "code of behaviour" in 1956 between INTUC and HMS. Formation of BMS in 1955 forced common understanding among INTUC, AITUC, HMS and UTUC. Jaiprakash movement isolated HMS and brought INTUC and AITUC closer. The National Apex Board in 1975 helped to continue this nearness between AITUC and INTUC. The National Campaign Committee, in 1981 enabled NLO and NFITU to come closer to INTUC. The National Tripartite Conference in 1982 brought the splinter group HMS (Kulkarni) nearer to INTUC, NLO, NFITU.

At State level, specially in those States where the Governments belong to other parties different to the Centre, "alliances of convenience and expediency" have been forged among trade union centres. The encouraging note is that the basis for these "groupings" and "alliances" have never been the "philosophy" or 'deology' proclaimed by the trade union centres in their constitutions. These facts only embolden us to suggest for a "broader working understanding among national trade union centres. To begin with the ten centres can align themselves into right and left and chalk out action programmes for the coming decades. It does not need elaborate investigation to pronounce that the "workers" themselves", neither in the past not at present ever subscribed to trade union division on political considerations.

Therefore, the onus lies on the "leaders" to initiate steps that will narrow the gap among trade union centres and foster working class solidarity. When the world trending industrial relations is to work in cooperation, should the trade unions continue to be monadic in functioning?

Labour Legislation

THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) BILL 1985

A Bill to make, in the public interest, special provisions with a view to securing the timely detection of sick and potentially sick companies owning industrial undertakings, the speedy determination by a Board of experts of the preventive ameliorative, remedial and other measures which need to be taken with respect to such companies and the expeditious enforcement of the measures so determined and for matters connected therewith or incidental thereto.

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

CHAPTER I

Preliminary

1. (1) This Act may be called the Sick Industrial Companies (Special Provisions) Act, 1985.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may by notification in the *Official Gazette*, appoint and different dates may be appointed for different provisions of this Act and any reference in any provision of this Act to commencement of this Act shall be construed as a reference to the commencement of that provision.

It shall apply, in the first instance, to all the scheduled industries other than the scheduled industry relating to ships and other vessels drawn by power.

The Central Government may, in consultation with the Reserve Bank of India by notification, apply the provisions of this Act, on and from such date as may be specified in the notification, to the scheduled industry relating to ships and other vessels drawn by power.

2. It is hereby declared that this Act is for giving effect to the policy of the State towards securing the principles specified in clauses (d) and (e) of article 29 of the Constitution.

3. (1) In this Act, unless the context otherwise requires,—

(a) "Appellate Authority" means the Appellate Authority for Industrial and Financial Reconstruction constituted under section 5 ;

(b) "Board" means the Board for industrial and Financial Reconstruction established under section 4.

(c) "Chairman" means the Chairman of the Board or, as the case may be the Appellate Authority ;

(d) "company" means a company as defined in section 3 of the Companies Act, 1956, but does not include a Government company as defined in section 617 of that Act.

(e) "industrial company" means a company which owns one or more industrial undertakings.

(f) "industrial undertaking" means any undertaking pertaining to a scheduled industry carried on in one or more factories by any company but does not include,—

(i) an ancillary industrial undertaking as defined in clause (aa) of section 3 of the Industries (Development and Regulation) Act, 1951 ; and

(ii) a small scale industrial undertaking as defined in clause (j) of the aforesaid section 3.

(g) "Member" means a Members of the Board or, as the case may, be, the Appellate Authority and includes the Chairman thereof ;

(h) "notification" means a notification published in the *Official Gazette* ;

(i) "operating agency" means any public financial institution as may be specified by general or special order as its agency by the Board ;

(j) "prescribed" means prescribed by rules made under this Act ;

(k) "public financial institutions" means any of the following institutions namely :—

(i) the Industrial Credit and Investment Corporation of India Limited a company formed and registered under the Companies Act, 1913

(ii) the Industrial Finance Corporation of India established under section 3 of the Industrial Finance Corporation Act, 1948 ;

(iii) the Industrial Development Bank of India, established under section 3 of the Industrial Development Bank of India Act, 1964 ;

(iv) the Industrial Reconstruction Bank of India established under section 3 of the Industrial Reconstruction Bank of India Act, 1984 ;

(v) such other institutions as the Central Government may by notification, specify :

Provided that no institution shall be so specified unless it has been established or constituted by or under any Central Act, or not less than fifty-one per cent of the paid up share capital of such institution is held or controlled by the Central Government or by any one or more of the institutions mentioned in sub-clauses (i) to (iv) or partly by the Central Government and partly by one or more of the institutions mentioned in sub-clauses (i) to (iv) ;

(l) "Reserve Bank" means the Reserve Bank of India constituted under section 3 of the Reserve Bank of India Act, 1934 ;

(m) "Scheduled Bank" means a bank for the time being included in the Second Schedule to the Reserve Bank of India Act, 1934 ;

(n) "scheduled industry" means any of the industries specified for the time being in the First Schedule to the Industries (Development and Regulation) Act, 1951 ;

(o) "sick industrial company" means an industrial company (being a company registered for not less than seven years) which has at the end of and financial year accumulated losses equal to or exceeding its entire net worth and

has also suffered cash losses in such financial year and the financial immediately preceding such financial year.

Explanation.—For the purposes of this clause,—

(i) "cash loss" means loss as computed without providing for depreciation ;

(ii) "net worth" is the sum total of the paid-up capital and free reserve ;

(iii) "free-reserves" means all reserves credited out of the profits and share premium account but does not include reserve credited out of re-evaluation of assets, write back of depreciation provisions and amalgamation ;

(p) "State level institution" means any of the following institutions namely :—

(i) State Financial Corporation established under section 3 or section 3A and institutions notified under section 46 of the State Financial Corporation Act, 1951 ;

(ii) State industrial development corporations registered under the Companies Act, 1956 ;

(iii) such other institution, being companies and not being public financial institutions engaged in the development or financing of industrial undertakings, as the Central Government may by notification, specify ;

Provided that no institution shall be so specified unless not less than fifty-one per cent. of the paid-up share capital thereof is held by any State Government or Governments or by any institution or institutions mentioned in sub-clauses (i) and (ii) or partly by one or more public financial institutions or institutions mentioned in sub-clause (i) and (ii) and partly by one or more State Governments.

(2) (a) Words and expression used and not defined in this Act shall have the meanings, if any, respectively assigned to them in the Companies Act, 1956.

(b) Words and expressions used but not defined either in this Act or in the Companies Act, 1956 shall have the meanings, if any, respectively assigning to them in the Industries (Development and Regulation) Act, 1951.

(3) Any reference in this Act to any other enactment or any provision thereof shall, in relation to an area in which such enactment or such provision is not in force, be construed as a reference to the corresponding law or the relevant provision of the corresponding law, if any in force in that area.

CHAPTER II

Board and Appellate Authority for Industrial and Financial Reconstruction

4. (1) With effect from such date as the Central Government may, by notification, appoint, there shall be established a Board to be known as the "Board for Industrial and Financial Reconstruction" to exercise the jurisdiction and powers and discharge the functions and duties conferred or imposed on the Board by or under this Act.

(2) The Board shall consist of a Chairman and not less than two and not more than fourteen other Members, to be appointed by the Central Government.

(3) The Chairman and other Members of the Board shall be persons who are or have been or are qualified to be High Court Judges, or persons of ability, integrity and standing who have special knowledge or, and professional experience of not less than twenty years in science, technology, economics, banking industry, law, labour matters, industrial finance, industrial management, industrial reconstruction, administration, investment, accountancy, marketing or any other matter, the special knowledge of, or professional experience in which, would in the opinion of the Central Government be useful to the Board.

5. (1) The Central Government may by notification, constitute, with effect from such date as may be specified therein, an appellate authority to be called the "Appellate Authority for industrial and Financial Reconstruction" consisting of a Chairman and not more than three other Members, to be appointed by that Government, for hearing appeals against the orders of the Board under this Act.

(2) The Chairman of the Appellate Authority shall be a person who is or has been a Judge of the Supreme Court or who is or has been a Judge of a High Court for not less than five years.

(3) A member of the Appellate Authority shall be a person who is or has been a Judge of a High Court or who is or has been an officer not below the ranks of a Secretary to the Government of India or who is or has been a Member of the Board for not less than three years.

6. (1) Before appointing any person as the Chairman or other Member the Central Government shall satisfy itself that the person does not and will not have any such financial or other interest as is likely to affect prejudicially his functions as such Member.

(2) The Chairman and every other Member shall hold office for such period, not exceeding five year, as may be specified by the Central Government in the order of his appointment, but shall be eligible for reappointment.

Provided that no person shall hold office as the Chairman or other Member after he has attained the age of sixty-five years.

(3) Notwithstanding anything contained in sub-section (1) a Member may,—

(a) by writing under his hand and address to the Central Government resign his Office at any time ;

(b) be removed from his office in according with the provisions of section 7.

(4) A vacancy caused by the resignation or removal of the Chairman or any other Member under sub-section (3) or otherwise shall be filled by fresh appointment.

(5) In the event of the occurrence of a vacancy in the office of the Chairman by reason of his death, resignation or otherwise, such one of the Members as the Central Government may, by notification, authorise in this behalf shall

has also suffered cash losses in such financial year and the financial immediately preceding such financial year.

Explanation.—For the purposes of this clause,—

(i) “cash loss” means loss as computed without providing for depreciation ;

(ii) “net worth” is the sum total of the paid-up capital and free reserve ;

(iii) “free-reserves” means all reserves credited out of the profits and share premium account but does not include reserve credited out of re-evaluation of assets, write back of depreciation provisions and amalgamation ;

(p) “State level institution” means any of the following institutions namely :—

(i) State Financial Corporation established under section 3 or section 3A and institutions notified under section 46 of the State Financial Corporation Act, 1951 ;

(ii) State industrial development corporations registered under the Companies Act, 1956 ;

(iii) such other institution, being companies and not being public financial institutions engaged in the development or financing of industrial undertakings, as the Central Government may by notification, specify ;

Provided that no institution shall be so specified unless not less than fifty-one per cent. of the paid-up share capital thereof is held by any State Government or Governments or by any institution or institutions mentioned in sub-clauses (i) and (ii) or partly by one or more public financial institutions or institutions mentioned in sub-clause (i) and (ii) and partly by one or more State Governments.

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(3) Any reference in this Act to any other enactment or any provision thereof shall, in relation to an area in which such enactment or such provision is not in force, be construed as a reference to the corresponding law or the relevant provision of the corresponding law, if any in force in that area.

CHAPTER II

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(2) The Board shall consist of a Chairman and not less than two and not more than fourteen other Members, to be appointed by the Central Government.

(3) The Chairman and other Members of the Board shall be persons who are or have been or are qualified to be High Court Judges, or persons of ability, integrity and standing who have special knowledge or, and professional experience of not less than twenty years in science, technology, economics, banking industry, law, labour matters, industrial finance, industrial management, industrial reconstruction, administration, investment, accountancy, marketing or any other matter, the special knowledge of, or professional experience in which, would in the opinion of the Central Government be useful to the Board.

5. (1) The Central Government may by notification, constitute, with effect from such date as may be specified therein, an appellate authority to be called the “Appellate Authority for industrial and Financial Reconstruction” consisting of a Chairman and not more than three other Members, to be appointed by that Government, for hearing appeals against the orders of the Board under this Act.

(2) The Chairman of the Appellate Authority shall be a person who is or has been a Judge of the Supreme Court or who is or has been a Judge of a High Court for not less than five years.

(3) A member of the Appellate Authority shall be a person who is or has been a Judge of a High Court or who is or has been an officer not below the ranks of a Secretary to the Government of India or who is or has been a Member of the Board for not less than three years.

6. (1) Before appointing any person as the Chairman or other Member the Central Government shall satisfy itself that the person does not and will not have any such financial or other interest as is likely to affect prejudicially his functions as such Member.

(2) The Chairman and every other Member shall hold office for such period, not exceeding five years, as may be specified by the Central Government in the order of his appointment, but shall be eligible for reappointment.

Provided that no person shall hold office as the Chairman or other Member after he has attained the age of sixty-five years.

(3) Notwithstanding anything contained in sub-section (1) a Member may,—

(a) by writing under his hand and address to the Central Government resign his Office at any time ;

(b) be removed from his office in according with the provisions of section 7.

(4) A vacancy caused by the resignation or removal of the Chairman or any other Member under sub-section (3) or otherwise shall be filled by fresh appointment.

(5) In the event of the occurrence of a vacancy in the office of the Chairman by reason of his death, resignation or otherwise, such one of the Members as the Central Government may, by notification, authorise in this behalf shall

act as the Chairman till the date on which a new Chairman, appointed in accordance with the provisions of this Act to fill such vacancy, enters upon his office.

(6) When the Chairman is unable to discharge his functions owing to absence, illness or any other cause, such one of the Members as the Chairman may authorise in writing in this behalf shall discharge the functions of the Chairman until the date on which the Chairman resumes his duties.

(7) The salaries and allowances payable to and the other terms and conditions of service of the Chairman and other Members shall be such as may be prescribed :

Provided that neither the salary and allowances nor the other terms and conditions of service of the Chairman or any other Member shall be varied to his disadvantage after his appointment.

(8) The Chairman and every other Member shall before entering upon his office, make a declaration of fidelity and secrecy in the form set out in the Schedule to this Act.

(9) The Chairman or any other Member ceasing to hold office as such shall not hold any appointment or be connected with the management or administration in any company in relation to which any matter has been the subject matter of consideration before the Board or, as the case may be, the Appellate Authority, for a period of five years from the date on which he ceases to hold such office.

7. (1) The Central Government may remove from office any Member who,—

(a) has been adjudged as insolvent, or

(b) has been convicted of an offence which, in the opinion of the Central Government, involves normal turpitude ; or

(c) has become physically or mentally incapable of acting as a Member, or

(d) has acquired such financial or other interest as is likely to affect prejudicially his functions as a Member, or

(e) has so abused his position as to render his continuance in office prejudicial to the public interest.

(2) Notwithstanding anything contained in sub-section (1) no Member shall be removed from his office on the ground specified in clause (d) or clause (e) of that sub-section unless the Supreme Court on a reference being made to it in this behalf by the Central Government, has on an inquiry held by it in accordance with such procedure as it may specify in this behalf, reported that the Member ought on such grounds, to be removed.

8. (1) The Central Government shall appoint a Secretary to the Board and a Secretary (by whatever name called) to the Appellate Authority to exercise and perform, under the control of the Chairman, such powers and duties as may be prescribed or as may be specified by the Chairman.

(2) Subject to such restrictions and conditions as may be prescribed, the Board or, as the case may be, the Appellate Authority may appoint such other officers and employees as may be necessary for the efficient performance of its functions.

(3) The salaries and allowances payable to and the conditions of service of the Secretary and other officers and employees of the Board and the Appellate Authority shall be such as may be prescribed :

Provided that such Secretary, officer or other employer shall, before entering upon his duties, make a declaration of fidelity and secrecy in the form set out in the Schedule.

9. The salaries and allowances payable to the Members and the administrative expenses, including salaries, allowances and pension, payable to or in respect of the officers and other employees of the Board and the Appellate Authority shall be defrayed out of the Consolidated Fund of India.

10. No act or proceeding of the Board or, as the case may be, the appellate authority shall be questioned on the ground merely of the existence of any vacancy or defect in the constitution of the Board or the Appellate Authority or any defect in the appointment of a person acting as a Member of the Board or the Appellate Authority.

11. The Chairman and other Members and the officers and other employees of the Board and the Appellate Authority shall be deemed to be public servants within the meaning of section 21 of the Indian Penal Code.

12. (1) The jurisdiction powers and authority of the Board or the Appellate Authority may be exercised by Benches thereof.

(2) The Benches shall be constituted by the Chairman and each Bench shall consist of not less than two Members.

(3) If the Members of a Bench differ in opinion on any point, they shall state the point or points on which they differ and the case shall be referred by the Chairman of the Board or, as the case may be, the Appellate Authority for hearing on such point or points by one or more other Members and such point or points shall be decided according to the opinion of the majority of the Members who have heard the case including those who first heard it.

13. (1) Subject to the provisions of this Act, the Board or, as the case may be, the Appellate Authority, shall have powers to regulate,—

(a) the procedure and conduct of the business.

(b) the procedure of the Benches, including the places at which the sittings of the Benches shall be held.

(c) the delegation to one or more members of such powers or functions as the Board or as the case may be, the Appellate Authority may specify.

(2) In particular and without prejudice to the generality of the foregoing provisions, the powers of the Board or, as the case may be, the Appellate Authority, shall include the power to determine the extent to which persons

interested or claiming to be interested in the subject matter of any proceedings before it may be allowed to be present or to be heard either by themselves or by their representatives or to cross examine witnesses or otherwise to take part in the proceedings.

(3) The Board or the Appellate Authority shall for the purposes of any inquiry or for any other purpose under the Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908 while trying suits in respect of the following matters namely :—

- (a) the summoning and enforcing the attendance of any witness and examining him on oath ;
- (b) the discovery and production of document or other material object producible as evidence ;
- (c) the reception of evidence on affidavit ;
- (d) the requisitioning of any public record from any court or office ;
- (e) the issuing of any commission for the examination of witnesses ;
- (f) any other matter which may be prescribed.

14. The Board or the Appellate Authority shall be deemed to be a civil court for the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973 and every proceeding before the Board or the Appellate Authority shall be deemed to be a judicial proceeding within the meaning of sections 193 and 228 and for the purposes of section 196 of the Indian Penal Code.

CHAPTER III

References Inquiries and Schemes

15. (1) Where an industrial company has become a sick industrial company the Board of Directors of the company, shall, within sixty days from the date of finalisation of the duly audited accounts of the company for the financial year as at the end of which the company has become a sick industrial company make a reference to the Board for determination of the measures which shall be adopted with respect to the company :

Provided that if the Board of Directors had sufficient reasons even before such finalisation to form the opinion that the company had become a sick industrial company, the Board of Directors shall, within sixty days after it has formed such opinion, make a reference to the Board for the determination of the measures which shall be adopted with respect to the company.

(2) Without prejudice to the provisions of sub-section (1), the Central Government or the Reserve Bank or a State Government or a public financial institution or a State level institution or a scheduled bank may if it has sufficient reasons to believe that any industrial company has become for the purposes of this Act, a sick industrial company, make a reference in respect of such company to the Board for determination of the measures which may be adopted with respect to such company :—

- (a) the Government of any State unless all or any of the industrial under-

(b) a public financial institution or a State level institution or a scheduled bank unless it has, by reason of any financial assistance or obligation rendered by it or undertaken by it, with respect to, such company, an interest in such company.

16. (1) The Board may make such inquiry as it may deem fit for determining whether any industrial company has become a sick industrial company—

- (a) upon receipt of a reference with respect to such company under section 15; or
- (b) upon information received with respect to such company or upon its own knowledge as to the financial condition of the company.

(2) The Board may, if it deems necessary or expedient so to do for the expeditious disposal of an inquiry under sub-section (1), require by order any operating agency to enquire into and make a report with respect to such matters as may be specified in the order.

(3) The Board or, as the case may be, the operating agency shall complete its inquiry as expeditiously as possible and endeavour shall be made to complete the inquiry within sixty days from the commencement of the inquiry.

(4) Where the Board deems it fit to make an inquiry or to cause an inquiry to be made into any industrial company under sub-section (1) or, as the case may be, under sub-section (2), it shall appoint one or more persons to be a special director or special directors of the company for safeguarding the financial and other interest of the company.

(5) The appointment of a special director referred to in sub-section (4) shall be valid and effective notwithstanding anything to the contrary contained in the Companies Act, 1956, or in any other law for the time being in force or in the memorandum and articles of association or any other instrument relating to the industrial company, and any provision regarding share qualification, age limit, number of directorships, removal from office of directors and such like conditions contained in any such law or instrument aforesaid, shall not apply to any director appointed by the Board.

(6) Any special director appointed under sub-section (4) shall—

- (a) hold office during the pleasure of the Board and may be removed or substituted by any person by order in writing by the Board ;
- (b) not incur any obligation or liability by reason only of his being a director or for anything done or omitted to be done in good faith in the discharge of his duties as a director or anything in relation thereto ;
- (c) not be liable to retirement by rotation and shall not be taken into account for computing the number of directors liable to such retirement.

17. (1) If after making an inquiry under section 16. the Board if satisfied that a company has become a sick industrial company. the Board shall. after considering all the relevant facts and circumstances of the case, decide as soon as may be by order in writing whether it is practicable for the company to make its net worth positive within a reasonable time.

(2) If the Board decides under sub-section (1) that it is practicable for a sick industrial company to make its net worth positive within a reasonable time, the Board shall, by order in writing and subject to such restrictions or conditions as may be specified in the order, give such time to the company as it may deem fit to make its net worth positive.

(3) If the Board decides under sub-section (1) that it is not practicable for a sick industrial company to make its net worth positive within a reasonable time and that it is necessary or expedient in the public interest to adopt all or any of the measures specified in section 18 in relation to the said company, it may, as soon as may be, by order in writing, direct any operating agency specified in the order to prepare having regard to such guidelines as may be specified in the order, a scheme providing for such measures in relation to such company.

(4) the Board may,—

(a) if any of the restrictions or conditions specified in an order made under sub-section (2) are not complied with by the company concerned, review such order on a reference in that behalf from any agency referred to in sub-section (2) of section 15 or on its own motion and pass a fresh order in respect of such company under sub-section (3) ;

(b) if the operating agency specified in an order made under sub-section (3) makes a submission in that behalf, review such order and modify the order in such manner as it may deem appropriate.

18. (1) Where an order is made under sub-section (3) of section 17 in relation to any sick industrial company. The operating agency specified in the order shall prepare, as expeditiously as possible and ordinarily within a period of ninety days from the date of such order a scheme with respect to such company providing for any one or more of the following measures, namely

(a) the reconstruction, revival or rehabilitation of the sick industrial company;

(b) the proper management of the sick industrial company by change in or take over of, management of the sick industrial company ;

(c) the amalgamation of the sick industrial company with any other industrial company (referred to in this section as 'transferee industrial company');

(d) the sale or lease of a part or whole of any industrial undertaking of the sick industrial company ;

(e) such other preventive, ameliorative and remedial measures as may be appropriate ;

(f) such incidental, consequential or supplemental measures as may be necessary or expedient in connection with or for the purposes of the measures specified in clauses (a) to (e).

(2) The scheme referred to in sub-section (1) may provide for any one or more of the following, namely :—

(a) the constitution, name and registered office, the capital, assets, powers, rights, interests, authorities and privileges, duties and obligations of the sick industrial company or as the case may be, of the transferee industrial company;

(b) the transfer to the transferee industrial company of the business, properties, assets and liabilities of the sick industrial company on such terms and conditions as may be specified in the scheme;

(c) any change in the Board of Directors, or the appointment of a new Board of Directors, of the sick industrial company and the authorities by whom, the manner in which and the other terms and conditions on which, such change or appointment shall be made and in the case of appointment of a new Board of Directors or of any director, the period for which such appointment shall be made;

(d) the alteration of the memorandum or articles of association of the sick industrial company or, as the case may be of the transferee industrial company for the purpose of altering the capital structure thereof or for such other purposes as may be necessary to give effect to the reconstruction or amalgamation ;

(e) the continuation by, or against, the sick industrial company or, as the case may be, the transferee industrial company of any action or other legal proceeding pending against the sick industrial company immediately before the date of the order made under sub-section (3) of section 17;

(f) the reduction of the interest or rights which the shareholders have in the sick industrial company to such extent as the Board considers necessary in the interests of the reconstruction, revival or rehabilitation of the sick industrial company or for the maintenance of the business of the sick industrial company;

(g) the allotment to the shareholders of the sick industrial company, of shares in the sick industrial company or, as the case may be, in the transferee industrial company and where any shareholder claims payment in cash and not allotment of shares, or where it is not possible to allot shares to any shareholder the payment of cash to those shareholders in full satisfaction of their claims—

(i) in respect of their interest in shares in the sick industrial company before its reconstruction or amalgamation; or

(ii) where such interest has been reduced under clause (f) in respect of their interest in shares as so reduced;

(h) any other terms and conditions for the reconstruction or amalgamation of the sick industrial company;

(i) sale of the industrial undertaking of the sick industrial company free from all encumbrances and all liabilities of the company or other such encumbrances and liabilities as may be specified or to fix reserve price for such sale;

(j) method of sale of the assets of the industrial undertaking of the sick industrial company such as by public auction or by inviting tenders or in any other manner as may be specified and for the manner of publicity therefor;

(k) transfer or issue of the shares in the sick industrial company at the face value or at the intrinsic value which may be at discount value or such other value as may be specified to any industrial company or any person including the executives and employees of the sick industrial company;

(l) such incidental consequential and supplemental matters as may be necessary to secure that the reconstruction or amalgamation or other measures mentioned in the scheme are fully and effectively carried out.

(3) (a) A copy of the scheme prepared by the Board shall be sent, in draft, to the sick industrial company and the operating agency and in the case of amalgamation, also to the transferee industrial company and any other industrial company concerned in the amalgamation for suggestions and objections, if any, within such period as the Board may specify.

(b) The Board may make such modifications, if any, in the draft scheme as it may consider necessary in the light of the suggestions and objections received from the sick industrial company and the operating agency and also from the transferee industrial company and any other industrial company concerned in the amalgamation and from any shareholder or any creditors or such industrial companies :

Provided that where the scheme relates to amalgamation of the sick industrial company the said scheme shall be laid before the transferee industrial company in the general meeting for the approval of the scheme by its shareholders and no such scheme shall be proceeded with unless it has been approved, with or without modification, by a special resolution passed by the shareholders of the transferee industrial company.

(4) The scheme shall thereafter be sanctioned, as soon as may be, by the Board (hereinafter referred to as the sanctioned scheme) and shall come into force on such date as the Board may specify in this behalf :

Provided that different dates may be specified for different provisions of the scheme.

(5) The Board may on the recommendations of the operating agency or otherwise, review any sanctioned scheme and make such modifications as it may deem fit or may order in writing direct any operating agency specified in the order, having regard to such guidelines as may be specified in the order, to prepare a fresh scheme providing for such measures as the operating agency may consider necessary.

(6) When a fresh scheme is prepared under sub-section (4), the provisions of sub-section (3) and (4) shall apply in relation thereto as they apply to in relation to a scheme prepared under sub-section (1).

(7) The sanction accorded by the Board under sub-section (4) shall be conclusive evidence that all the requirements of this scheme relating to the reconstruction or amalgamation, or any other measure specified therein have been complied with and a copy of the sanctioned scheme certified in writing

by an officer of the Board to be a true copy thereof, shall in all legal proceedings (whether in appeal or otherwise) be admitted as evidence.

(8) On and from the date of the coming into operation of the sanctioned scheme or any provision thereof, the scheme or such provision shall be binding on the sick industrial company, or, as the case may be, on the transferee industrial company and also on the shareholders of both the companies.

(9) If any difficulty arises in giving effect to the Provisions of the sanctioned scheme, the Board may, on the recommendation of the operating agency by order to anything, not inconsistent with such provisions, which appears to it to be necessary or expedient for the purpose of removing the difficulty.

(10) The Board may, if it deems necessary or expedient so to do, by order in writing, direct any operating agency specified in the order to implement a sanctioned scheme with such terms and conditions and in relation to such sick industrial company as may be specified in the order.

(11) Where the whole of the undertaking of the sick industrial company is sold under a sanctioned scheme, the Board may distribute the sale proceeds to the parties entitled thereto in accordance with the provisions of section 529A and other provisions of the Companies Act, 1956.

19. (1) Where the scheme relates to preventive, ameliorative, remedial and other measures with respect to any sick industrial company, the scheme may provide for financial assistance by way of loans, advances or guarantees or reliefs or concessions or sacrifices from the Central Government, a State Government, any scheduled bank or other bank, a public financial institution or State level institution or any institution or other authority or creditors or concerned persons to the sick industrial company.

(2) Every scheme referred to in sub-section (1) shall be circulated to all concerned for their consent within a period of sixty days from the date of such circulation.

(3) Where the consent referred to in sub-section (2) is given by all concerned, the Board may, as soon as may be, sanction the scheme and on and from the date of such sanction the scheme shall be binding on the consenting authorities, institutions and persons.

(4) Where the consent is not given by any authority or institution or person under sub-section (2), the Board may adopt such other measures, including winding up of the sick industrial company, as it may deem fit.

20. (1) Where the Board, after making inquiry under section 16 and after consideration of all the relevant facts and circumstances and after giving an opportunity of being heard to all concerned parties, is of opinion that it is just and equitable that the sick industrial company should be wound up, it may record and forward its opinion to the concerned High Court.

(2) The High Court shall, on the basis of the opinion of the Board, order winding up of the sick industrial company and may proceed and cause to

proceed with the winding up of the sick industrial company in accordance with the provisions of the Companies Act, 1956.

(3) For the purpose of winding up of the said industrial company, the High Court may appoint any officer of the operating agency, if the operating agency gives its consent, as the liquidator of the sick industrial company and the officer so appointed shall for the purposes of the winding up of the sick industrial company be deemed to be, and have all the powers of, the official liquidator under the Companies Act, 1956.

(4) Notwithstanding anything contained in sub-section (2) or sub-section (3), the Board may cause to be sold the assets of the sick industrial company in such manner as it may deem fit and forward the sale proceeds to the High Court for orders for distribution in accordance with the provisions of section 529A. and other provisions of the Companies Act, 1956.

21. Where in relation to an inquiry or scheme, the circumstances so require, the Board may, through any operating agency, cause to be prepared—

(a) with respect to an industrial company, a complete inventory of—

(i) all assets and liabilities of whatever nature;

(ii) all books of account, registers, maps, plans, records, documents of title or ownership of property and all other documents of whatever nature relating thereto.

(b) a list of shareholders and a list of creditors showing separately in the list of creditors, the secured creditors and the unsecured creditors;

(c) a valuation report in respect of the shares and assets in order to arrive at the reserve price for the sale of a part or whole of the industrial undertaking of the company or for fixation of the lease rent or share exchange ratio;

(d) an estimate of reserve price lease rent or share exchange ratio; and

(e) proforma accounts, where no up-to-date audited accounts, are available.

22. (1) Where an inquiry under section 46 is initiated or any scheme referred to in section 17 is under consideration of the Board or where a sanctioned scheme is under implementation, notwithstanding anything contained in the Companies Act, 1956 or any other law or the memorandum and articles of association of the sick industrial company or any other instrument having effect under the said Act or other law no proceeding for the winding up of such sick industrial company or for any proceedings for execution, distress, or the like against any of the properties of the sick industrial company or for the appointment of receiver in respect thereof, shall lie or be proceeded with further except with the consent of the Board.

(2) Where the management of the sick industrial company is taken over or changed notwithstanding anything contained in the Companies Act, 1956 or

any other law or in the memorandum and articles of association of such company or any instrument having effect under the said Act or other law—

(a) it shall not be lawful for the shareholders of such company or any other person to nominate or appoint any person to be a director of the company.

(b) no resolution passed at any meeting of the share holders of such company shall give effect to unless approved by the Board.

(3) During the period of consideration of any scheme under section 18 of where any such scheme is sanctioned thereunder, for due implementation of the scheme, the Board may by order declare with respect to the sick industrial company concerned that the operation of all or any of the contracts, assurances of property, agreements, settlements, awards, standing orders or other instruments in force, to which such sick industrial company is a party or which may be applicable to such sick industrial company immediately before the date of such order, shall remain suspended or that, all or any of the rights, privileges, obligations and liabilities accruing or arising thereunder before the said date, shall remain suspended or shall be enforceable with such adaptations and in such manner as may be specified by the Board :

Provided that such declaration shall not be made for a period exceeding two years which may be extended by one year at a time so, however, that the total period shall not exceed seven years in the aggregate.

(4) Any declaration made under sub-section (3) with respect to a sick industrial company shall have effect notwithstanding anything contained in the Companies Act, 1956 or any other law the memorandum and articles of association of the company or any instrument having effect under the said Act or other law or any agreement or any decree or order of a court, tribunal, officer or other authority or of any submission, settlement or standing order and accordingly,—

(a) any remedy for the enforcement of any right, privilege, obligation and liability suspended or modified by such declaration, and all proceedings relating thereto pending before any court, tribunal, officer or other authority shall remain stayed or be continued subject to such declaration; and

(b) on the declaration ceasing to have effect—

(i) any right, privilege, obligation or liability so remaining suspended or modified, shall become revived and enforceable as if the declaration had never been made; and

(ii) any proceeding so remaining stayed shall be proceeded with, subject to the provisions of any law which may then be in force, from the stage which had been reached when the proceedings became stayed.

(5) In computing the period of limitation for the enforcement of any right privilege, obligation or liability, the period during which it or the remedy for the enforcement thereof remains suspended under this section shall be excluded.

CHAPTER IV

Proceedings in case of Potentially Sick Industrial Companies, Misfeasance Proceedings, Appeals and Miscellaneous

23. (1) If the accumulated losses of an industrial company, as at the end of any financial year (hereinafter referred to as the relevant financial year) have resulted in erosion of fifty per cent, or more of its peak net, worth during the immediately preceding five financial year,—

(a) the company shall, within a period of sixty days from the date (hereinafter referred to as the relevant date) of finalisation of the duly audited accounts of the company for the relevant financial year—

(i) reports the fact of such erosion to the Board; and

(ii) hold a general meeting of the shareholders of the company for considering such erosion;

(b) the Board of directors shall, at least twenty-one days before the date on which the meeting under sub-clause (ii) of clause (a) is held, forward, to every member of the company a report as to such erosion and the causes for such erosion;

(c) the company may, by ordinary resolution passed at the meeting held under clause (a) remove a director (being a director appointed by the members of the company) and fill the vacancy created by such removal, so far as may be in accordance with the procedure provided sub-section (2) to (6) of section 234 of the Companies Act, 1956.

(2) A director removed under sub-section (1) shall not be entitled to any compensation or damages for termination of his appointment as director or of any appointment terminating with that as director.

(3) If default is made complying with the provisions of this section, every director or other officer of the company who is in default shall be punishable with imprisonment which shall not be less than six months but which may extend to two years and with fine.

24. (1) If, in the course of scrutiny or implementation of any scheme or proposal, it appears to the Board that any person who has taken part in the promotion, formation or management of the sick industrial company or its undertaking, including any past or present director, manager or officer or employee of the sick industrial company—

(a) has misapplied or retained, or become liable or accountable for, any money or property of the sick industrial company; or

(b) has been guilty of any misfeasance, malfeasance or non-feasance or breach of trust in relation to the sick industrial company, the Board may direct him to repay or restore the money or property or any part thereof, with or without interest, as it thinks just, or to contribute such sum to the assets of the sick industrial company or the other person entitled thereto by way of compensation in respect of the misapplication, retainer, misfeasance

or breach of trust, as the Board thinks just, and also report the matter to the Central Government for any other action which that Government may deem fit.

(2) No directions shall be given by the Board under this section unless such person has been given an opportunity for making his submissions.

(3) This section shall apply notwithstanding that the matter is one for which the person may be criminally liable.

25. (4) Any person aggrieved by an order of the Board made under this Act may, within forty-five days from the date on which a copy of the order is issued to him, prefer an appeal to the Appellate Authority:

Provided that the Appellate Authority may entertain any appeal after the said period of forty-five days but not after six days from the date to aforesaid if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(2) On receipt of an appeal under sub-section (1), the Appellate Authority may, after giving an opportunity to the appellant to be heard, if he so desires, and after making such further inquiry as it deems fit, confirm, modify or set aside the order appealed against.

26. No order passed or proposal made under this Act shall be appealable except as provided therein and no civil court shall have jurisdiction in respect of any matter which the Appellate Authority or the Board is empowered by or under, this Act to determine and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

27. The Board may, by general or special order, delegate, subject to such conditions and limitation, if any, as may be specified in the order, to any Member or Secretary or other officer or employee of the Board or other persons authorised by the Board to manage any industrial company or industrial undertaking or any operating agency, such powers and duties [except the powers and duties under sub-sections (2) and (4) of section 16, section 17, sub-section (3) and (4) of section 19, sub-section (1), sub-section (4) of section 20, sub-section (3) of section 22 and section 24) under this Act as it may deem necessary.

28. (1) The Board shall furnish from time to time to the Central Government such returns as the Central Government may require.

(2) The Board may, for the purpose of efficient discharge of its functions under this Act, collect from, or furnish to—

- (a) the Central Government,
- (b) the Reserve Bank,
- (c) the scheduled bank or any other bank,
- (d) the public financial institution, or
- (e) the State-level institution,

such information as it may consider useful for the purpose in such manner and within such time as it may think fit.

29. (1) The Board or any operating agency, on being directed by the Board may, in order to take into custody or under its control all property, effects and actionable claims to which a sick industrial company is or appears to be entitled, request, in writing, the Chief Metropolitan Magistrate or the District Magistrate within whose jurisdiction any property, books of account or any other documents of such sick industrial company be situated or be found, to take possession thereof, and the Chief Metropolitan Magistrate or the District Magistrate, as the case may be, shall on such request being made to him,—

(i) take possession of such property, books of account or other documents and

(ii) cause the same to be entrusted to the Board or the operating agency.

(2) For the purpose of securing compliance with the provisions of sub-section (1), the Chief Metropolitan Magistrate or the District Magistrate may take or cause to be taken such steps and use or cause to be used such force as may, in his opinion, be necessary.

(3) No act of the Chief Metropolitan Magistrate or the District Magistrate done in pursuance of this section shall be called in question in any court or before any authority on any ground whatsoever.

30. No suit or other legal proceeding shall be against the Board or the Appellate Authority or the Chairman or any other Member, officer or other employee of the Board or the Appellate Authority, or operating agency or any other person authorised by the Board or the Appellate Authority to discharge any function under this Act for any loss or damage caused or likely to be caused by any action which is in good faith done or intended to be done in pursuance of this Act or any other law or provision having the force of law.

31. Where a receiver or an official liquidator has been appointed in any proceeding pending immediately before the commencement of this Act, in any High Court for winding up of an industrial company such proceeding shall not abate but continue in that High Court.

32. (1) The provisions of this Act and of any rules or schemes made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law except the provisions of the Foreign Exchange Regulation Act, 1973 and Urban Land (Ceiling and Regulation) Act, 1976 for the time being in force or in the Memorandum or Articles of Association of an industrial company or in any other instruments having effect by virtue of any law other than this Act.

(2) Where there has been under any scheme under this Act an amalgamation of a sick industrial company with another company, the provisions of section 72A of the income-tax Act, 1961, shall subject to the modifications that the power of the Central Government under that section may be exercised by the Board without any recommendation by the specified authority referred to in that section, apply in relation to such amalgamation as they apply in relation to the amalgamation of a company owning an industrial undertaking with another company.

33. (1) Whoever violates the provisions of this Act or any sanctioned scheme, or any order of the Board, or the Appellate Authority and whoever makes a false statement or gives false evidence to the Board or the Appellate Authority, shall be punishable with simple imprisonment for a term which may extend to three years and shall also be liable to fine.

(2) No court shall take cognisance of any offence under sub-section (1) except on a complaint in writing of the Secretary or any such other officer of the Board or any such officer of an operating agency as may be authorised in this behalf by the Board.

34. (1) Where any offence, punishable under this Act has been committed by a company, every person who, at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly :

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence punishable under this Act has been committed by a company and it proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For this purposes of this section—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

35. If any difficulty arises in giving effect to the provisions of this Act or the rules, schemes or orders made thereunder, the Central Government may, by notification, remove the difficulty :

Provided that no such notification shall be made by the Central Government after the expiry of a period of three years from the date on which this Act receives the assent of the President.

36. (1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the salaries and allowances payable to and other terms and conditions of service of the Chairman and other Members under sub-section (7) of section 6;

(b) the powers which may be exercised and the duties which may be performed by the Secretary to the Board or the Appellate Authority under sub-section (1) of section 8;

(c) the restrictions and conditions subject to which officers and employees may be appointed to the Board or the Appellate Authority under sub-section (2) of section 8;

(d) the salaries and allowances and other conditions of service of the Secretary of the Board or the Appellate Authority under sub-section (3) of section 8;

(e) the additional matters referred to in sub-section (3) of section 13;

(f) any other matter which is required to be, or may be, prescribed.

(3) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, which it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

THE SCHEDULE

(See section 6(8) and 8(3))

Declaration of fidelity and secrecy

I, do hereby declare that I will faithfully, truly and to the best of my skill and ability, execute and perform the duties required of me as the Chairman/Member/Secretary/other officer or employee of the Board for the Industrial and Financial Reconstruction/the Authority for Industrial and Financial Reconstruction and which properly relate to the office or position held by me in or in relation to the said Board/Appellate Authority.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Board/Appellate Authority, nor will I allow any such person to inspect or have access to any books or documents belonging to or in possession of the Board/Appellate Authority or the business of any person having any dealing with the said Board/Appellate Authority.

Statement of Objects and Reasons

The ill effects of sickness in industrial companies such as loss of production, loss of employment, loss of revenue to the Central and State Governments and locking up of investible funds of banks and financial institutions are of serious concern to the Government and the Society at large. The concern of the Government is accentuated by the alarming increase in the incidence of

sickness in industrial companies. It has been recognised that in order to fully utilise the productive industrial assets; afford maximum protection of employment and optimize the use of the funds of the banks and financial institutions, it would be imperative to revive and rehabilitate the potentially viable sick industrial companies as quickly as possible. It would be also be equally imperative to salvage the productive assets and realise the amounts due to the banks and financial institutions, to the extent possible, from the non-viable sick industrial companies through liquidation of those companies.

2. It has been the experience that the existing institutional arrangement and procedures for revival and rehabilitation of potentially viable sick industrial companies are both inadequate and time-consuming. A multiplicity of laws and agencies makes the adoption of a co-ordinated approach for dealing with sick industrial companies difficult. A need has, therefore, been felt to enact in public interest a legislation to provide for timely detection of sickness in industrial companies and for expeditious determination by a body of experts of the preventive, ameliorative remedial and other measures that would need to be adopted with respect to such companies and for enforcement of the measures considered appropriate with utmost practicable despatch.

3. The salient features of the Bill are—

(i) application of the legislation to the industries specified in the First Schedule to the Industries (Development and Regulation) Act, 1951, with the initial exception of the scheduled industry relating to ships and other vessels drawn by power, which may however be brought within the ambit of the legislation in due course;

(ii) identification of sickness in an industrial company, registered for not less than seven years, on the basis of the symptomatic indices of cash losses for two consecutive financial years and accumulated losses equalling or exceeding the net worth of the company as at the end of the second financial year;

(iii) the onus of reporting sickness and impending sickness at the stage of erosion of fifty per cent or more of the net worth of an industrial company is being laid on the Board of Directors of such company; where the Central Government or the Reserve Bank is satisfied that an industrial company has become sick, it may make a reference to the Board; likewise if any State Government, scheduled bank or public financial institution having an interest in an industrial company is satisfied that the industrial company has become sick, it may also make a reference to the Board;

(iv) establishment of a Board consisting of experts in various relevant fields with powers to enquire into and determine the incidence of sickness in industrial companies and devise suitable re-medial measures through appropriate schemes or other proposals and for proper implementation thereof;

(v) constitution of an Appellate Authority consisting of persons who are or have been Supreme Court Judges, senior High Court Judges and Secretaries to the Government of India, etc., for hearing appeals against the orders of the Board.

the powers which may be exercised and the duties which may be performed by the Secretary to the Board or the Appellate Authority under sub-section (1) of section 8;

(c) the restrictions and conditions subject to which officers and employees may be appointed to the Board or the Appellate Authority under sub-section (2) of section 8;

(d) the salaries and allowances and other conditions of service of the Secretary of the Board or the Appellate Authority under sub-section (3) of section 8;

(e) the additional matters referred to in sub-section (3) of section 13;

(f) any other matter which is required to be, or may be, prescribed.

(3) Every rule made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, which it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

THE SCHEDULE

(See section 6(8) and 8(3))

Declaration of fidelity and secrecy

I, do hereby declare that I will faithfully, truly and to the best of my skill and ability, execute and perform the duties required of me as the Chairman/Member/Secretary/other officer or employee of the Board for the Industrial and Financial Reconstruction/the Authority for Industrial and Financial Reconstruction and which properly relate to the office or position held by me in or in relation to the said Board/Appellate Authority.

I further declare that I will not communicate or allow to be communicated to any person not legally entitled thereto any information relating to the affairs of the Board/Appellate Authority, nor will I allow any such person to inspect or have access to any books or documents belonging to or in possession of the Board/Appellate Authority or the business of any person having any dealing with the said Board/Appellate Authority.

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The ill effects of sickness in industrial companies such as loss of production, loss of employment, loss of revenue to the Central and State Governments and locking up of investible funds of banks and financial institutions are of serious concern to the Government and the Society at large. The concern of the Government is accentuated by the alarming increase in the incidence of

sickness in industrial companies. It has been recognised that in order to fully utilise the productive industrial assets; afford maximum protection of employment and optimize the use of the funds of the banks and financial institutions, it would be imperative to revive and rehabilitate the potentially viable sick industrial companies as quickly as possible. It would be also be equally imperative to salvage the productive assets and realise the amounts due to the banks and financial institutions, to the extent possible, from the non-viable sick industrial companies through liquidation of those companies.

2. It has been the experience that the existing institutional arrangement and procedures for revival and rehabilitation of potentially viable sick industrial companies are both inadequate and time-consuming. A multiplicity of laws and agencies makes the adoption of a co-ordinated approach for dealing with sick industrial companies difficult. A need has, therefore, been felt to enact in public interest a legislation to provide for timely detection of sickness in industrial companies and for expeditious determination by a body of experts of the preventive, ameliorative remedial and other measures that would need to be adopted with respect to such companies and for enforcement of the measures considered appropriate with utmost practicable despatch.

3. The salient features of the Bill are—

(i) application of the legislation to the industries specified in the First Schedule to the Industries (Development and Regulation) Act, 1951, with the initial exception of the scheduled industry relating to ships and other vessels drawn by power, which may however be brought within the ambit of the legislation in due course;

(ii) identification of sickness in an industrial company, registered for not less than seven years, on the basis of the symptomatic indices of cash losses for two consecutive financial years and accumulated losses equalling or exceeding the net worth of the company as at the end of the second financial year;

(iii) the onus of reporting sickness and impending sickness at the stage of erosion of fifty per cent or more of the net worth of an industrial company is being laid on the Board of Directors of such company; where the Central Government or the Reserve Bank is satisfied that an industrial company has become sick, it may make a reference to the Board; likewise if any State Government, scheduled bank or public financial institution having an interest in an industrial company is satisfied that the industrial company has become sick, it may also make a reference to the Board;

(iv) establishment of a Board consisting of experts in various relevant fields with powers to enquire into and determine the incidence of sickness in industrial companies and devise suitable re-medial measures through appropriate schemes or other proposals and for proper implementation thereof;

(v) constitution of an Appellate Authority consisting of persons who are or have been Supreme Court Judges, senior High Court Judges and Secretaries to the Government of India, etc., for hearing appeals against the orders of the Board.

4. The notes on clauses appended to the Bill explain the various provisions of the Bill.

New Delhi :

VISHWANATH SINGH

The 22nd August 1985.

PRESIDENTS RECOMMENDATION UNDER ARTICLES 117 AND 274 OF THE CONSTITUTION OF INDIA

[Copy of letter No. F. 6(3)/85-I, F-ii, dated the 20th August 1985 from Shri Vishwanath Pratap Singh, Minister of Finance to the Secretary General, Lok Sabha].

The President, having been informed of the subject matter of the proposed Bill, recommends under clause (1) of article 117 read with clause (1) of articles 274 of the Constitution, the introduction of the Sick Industrial Companies (Special Provisions) Bill, 1985 in Lok Sabha and also recommends to Lok Sabha under clause (3) of article 117 of the Constitution, the consideration of the Bill.

Notes on Clauses

Clause 1 deals with the short title, extent, commencement and application of the legislation. The enactment would, in the first instance, apply to all industries included in the First Schedule to the Industries (Development and Regulation) Act, 1951, except the industry relating to ships and other vessels drawn by power which, may, however, be subsequently brought under the purview of the enactment by a notification issued by the Central Government in consultation with the Reserve Bank of India.

Clause 2 carries a declaration that the legislation is being enacted for giving effect to the policy of the State towards securing the principles specified in clause (b) and (c) of article 39 of the Constitution.

Clause 3 contains definitions of the terms used in the legislation. Special mention may be made about the definition of the term " industrial company " which means a company owned one or more industrial undertaking; and the term " sick industrial company " which means an industrial company registered as company for not less than seven years and has suffered cash losses for two consecutive financial years and at the end of the second of such financial year has accumulated losses equal or existing its net worth.

Clause 4 provides for the establishment of a Board consisting of a Chairman and not less than two and not more than fourteen other Members being experts in various relevant fields to be appointed by the Central Government.

Clause 5 provides for the constitution of an Appellate Authority consisting of a Chairman and three other Members being persons who are or have been Judges of the Supreme Court, Senior Judges or High Courts and the Secretaries to the Government of India etc., to be appointed by the Central Government.

Clause 6 contains provisions relating to the conditions on which the Central Government should be satisfied before appointing a person as a Member of the Board or the Appellate Authority; the tenure of the Members; resignation or removal of a Member; the mode of filling up of a vacancy and the fixation of salaries and allowance and prescription of other terms and conditions of service of the Members etc.

Clause 7 deals with contingencies in which the Central Government may remove a Member from the Board or the Appellate Authority and the contingencies in which the Central Government may remove such Members only with the consent of the Supreme Court.

Clause 8 provides for appointment by the Central Government of a Secretary each to assist the Board and the Appellate Authority and appointment by the Board and the Appellate Authority of such other office and employees as may be prescribed with such salaries and allowances and other conditions of service as may be prescribed.

Clause 9 provides for the salaries and allowances of the Members and the salaries, allowances, and pension of the Offices and employees of the Board and Appellate Authority to be defrayed out of the Consolidated Fund of India.

Clause 10 affords protection for acts or proceedings of the Board or the Appellate Authority from being questioned merely on account of any vacancy or defect in constitution of the Board or Appellate Authority.

Clause 11 specifies that the Members, officers and other employees of the Board and the Appellate Authority shall be deemed to be public servants.

Clause 12 provides for the Benches of the Board and Appellate Authority.

Clause 13 empowers the Board and the Appellate Authority to regulate their own procedure and conduct of Business.

Clause 14 lays down that the Board or the Appellate Authority shall be deemed to be a civil court for the purposes of certain provisions of the Code of Criminal Procedure, 1973 and the Indian Penal Code

Clause 15 lays down that a sick industrial company should make a reference to the Board within sixty days from the date of finalisation of duly audited account or even before such finalisation if there are sufficient reasons to form the opinion that the company has become sick. Where the Central Government or the Reserve Bank is satisfied that an industrial company has been sick, it may make a reference to the Board; likewise if any State Government, scheduled bank or public financial institution having an interest in an industrial company is satisfied that the industrial company has become sick, it may make a reference to the Board.

Clause 16 enables the Board on receipt of a reference under clause 15 or otherwise to make or cause to be made an inquiry for the purpose of determining whether the industrial company has become sick industrial company.

Clause 17 empowers the Board to allow time to a sick industrial company to make its net worth positive within a specified period. If the Board decides that it is not practicable for the sick industrial company to make its networth positive within a reasonable time, it may direct any public financial institution

designated as the operating agency, to prepare a scheme, for rehabilitation of the company.

Clause 18 provides for the operating agency, on being directed by the Board to prepare a scheme for reconstruction, revival, rehabilitation, change in or take over of management, amalgamation, sale or lease of a part or the whole of any industrial undertaking of the sick industrial company or any other preventive, ameliorative or revival measures. It also provides for eliciting objections and suggestions from the concerned companies on the draft schemes and for making modifications, if any, and for sanctioning schemes.

Clause 19 provides that where any rehabilitation scheme involves provision of financial assistance or any other reliefs or concessions or sacrifices from the Central Government, a State Government, or bank or financial institution or State level institution or any other institution, authority or creditor, such scheme shall be referred to all concerned for consent.

Clause 20 provides that if the Board after making sufficient enquiry is of the opinion that it would be just and equitable to wind up the sick industrial company, it would forward its opinion to the concerned High Court for winding up of the company. The Board may, however, sell the assets of the company and forward the sale proceeds to the High Court for distribution in accordance with the provisions of the Companies Act, 1956.

Clause 21 enables the Board, through an operating agency, to prepare a complete inventory of all assets and liabilities, etc.

Clause 22 provides for the suspension of legal proceedings, contracts, etc., with respect to certain sick industrial companies.

Clause 23 lays down that an industrial company in which the accumulated losses as at the end of any, financial year have eroded fifth per cent. or more of the peak net worth during any of the preceding five financial years, shall report the fact of such erosion to the Board, within sixty days from the date of finalisation of the audited accounts. Such industrial company would also be required to hold a general meeting of its shareholders for considering the erosion after forwarding a report of the causes of the erosion to every shareholder at least twenty one days before the date of the meeting. Change of any director other than a director appointed by the Central Government or a public financial institution, could be effected by an ordinary resolution passed at the meeting.

Clause 24 provides for rectification of misfeasance, malfeasance, etc., and report of such matters to the Central Government.

Clause 25 provides for a person aggrieved by an order made by the Board to appeal to the Appellate Authority.

Clause 26 bars the jurisdiction of civil courts, except as provided in the Act against any matter falling within the purview of the Board or the Appellate Authority.

Clause 27 provides for delegation of certain powers of the Board.

Clause 28 provides for the Central Government to call for return from the Board and for the Board to collect from or furnish to the Central Government, Reserve Bank, any bank, public financial institution or State level institution, any information.

Clause 29 provides for the Board or any operating agency to seek the assistance of the Chief Metropolitan Magistrate or the District Magistrate for taking possession of the property of a sick industrial company.

Clause 30 is the usual clause relating to the protection of action taken in good faith.

Clause 31 lays down that if any receiver or official liquidator has been appointed in any winding up proceedings at the time of the commencement of the legislation the proceedings shall continue in the respective High Courts.

Clause 32 gives overriding effect to the provisions of the legislation over all other enactments except the Foreign Exchange Regulation Act, 1973 and the Urban Land (Ceiling and Regulation) Act, 1976. The powers of the Central Government under section 72A of the Income Tax Act, 1961 to give tax benefit to the transferee industrial company in cases of amalgamation are conferred on the Board.

Clause 33 specifies the penalties for violation of the provisions of the legislation or sanctioned schemes or orders of the Board or Appellate Authority and for making or giving false statement or evidence before the Board or Appellate Authority.

Clause 34 provides that any offence committed by a company and punishable under the legislation would cover the persons in charge of company.

Clause 35 is an enabling provision to remove difficulties by the Central Government up to a period of three years.

Clause 36 confers on the Central Government the power to make rules for carrying out the provisions of the legislation.

FINANCIAL MEMORANDUM

Financial Memorandum

Clause 4 of the Bill provides for the establishment of the Board for Industrial and Financial Reconstruction with a Chairman and not less than two and not more than fourteen other Members to be appointed by the Central Government. Clause 5 provides for the constitution of the Appellate Authority for Industrial and Financial Reconstruction consisting of a Chairman and not more than three other Members to be appointed by the Central Government. Sub-clause (7) of clause 6 provides that the salaries and allowances payable to the Chairman and other Members of the Board and the Appellate Authority shall be such as may be prescribed. As a person who is or has been a Judge of the Supreme Court is eligible to be appointed as the Chairman of the Appellate Authority and a person who is or has been a Judge of a High Court or who is or has been an Officer not below the rank of a Secretary to the Government of India, is eligible to be appointed as a Member of the Appellate Authority, the pay and allowances of the Chairman and other Members of the Appellate Authority will require to be fixed commensurate with these eligibility criteria. It is expected that an expenditure of rupees eighty-four thousand would be

incurred, annually, towards the salary and allowances of the Chairman of the Appellate Authority at the maximum level of pay or rupees seventy-eight thousand, annually, at the minimum level of pay. An annual expenditure of rupees two lakhs and sixteen thousand is expected to be incurred towards the salary and allowances of the Members of the Appellate Authority at the maximum levels of pay or rupees one lakh and ninety-eight thousand at the minimum levels of pay. As persons who are or have been qualified to be High Court Judges may be appointed, among others, to be the Chairman or any other Member of the Board, the salary and allowances of the Chairman and other Members of the Board would have to be commensurate with the salary and allowances of the High Court Judges. Keeping in view these considerations, it is expected that in the event of the Board consisting of one Chairman and fourteen other Members, an annual expenditure of rupees nine lakhs and ninety-six thousand would be incurred towards salary and allowances of the Chairman and Members of the Board at the maximum levels of pay and rupees nine lakhs and six thousand at the minimum levels of pay. In the event of the Board consisting of the specified minimum number of one Chairman and two Members only, the annual expenditure towards salary and allowances of the Chairman and Members of the Board may be expected to be rupees one lakh thirty-two thousand at the maximum levels of pay and rupees one lakh and twenty thousand at the minimum levels of pay.

2. Under clause 8, the Central Government shall appoint a Secretary each to assist the Board and the Appellate Authority and the Board and the Appellate Authority may appoint such other officer and employees as may be necessary. The salary and allowances payable to the Secretary, other Officers and employees of the Board or the Appellate Authority would be as prescribed. It is expected that on account of the salary and allowances of the Secretaries, Officers and other employees of the Board and the Appellate Authority, an annual expenditure of rupees twenty-six lakhs and twenty-one thousand would be incurred at the maximum levels of pay and Rupees fifteen lakhs and fifty thousand at the minimum levels of pay.

In terms of clause 8 of the Bill, the pension payable to the Officers and other employees of the Board and the Appellate Authority would need to be defrayed from the Consolidated Fund of India. The amount of pension payable would be dependent upon the number of Officers and the status of officers retiring each year. The amount payable as pension annually cannot be precisely quantified at this stage, although it may be estimated that on an average the amount payable may not exceed rupees twenty thousand annually.

3. In terms of clause 9 of the Bill the administrative expenses of the Board and the Appellate Authority would need to be defrayed from the Consolidated Fund of India. It is expected that the Board and the Appellate Authority would incur an expenditure of rupees fifty lakhs as establishment and would incur establishment and other administrative expenditure of rupees twenty-five lakhs, annually, in the subsequent years.

4. Under clause 19 (1), the Central Government may be called upon to provide loans, advances, guarantees, reliefs, concessions or other sacrifices of financial nature to certain sick industrial companies to rehabilitate them. It is not possible at this stage, to quantify the extent of the financial involvement that may devolve on the Central Government under this clause.

5. In terms of sub-clause (2) of clause 32 of the Bill in cases of amalgamation of a sick industrial company with a non-sick industrial company, the Board shall exercise the powers of the Central Government within the meaning of section 72A of the Income-tax Act, 1961 for giving the benefits of the carry forward of accumulated loss and unabsorbed depreciation of the sick industrial company to the non-sick transferee industrial company. Exercise of these powers by the Board would have the effect of foregoing income-tax. The extent of Income-tax benefit that may be allowed to the transferee industrial company would depend upon the number of schemes that may be approved and the extent of the accumulated loss and unabsorbed depreciation of the sick industrial company being amalgamated. Hence extent of income-tax to be foregone under these provisions cannot be quantified at this stage.

Memorandum Regarding Delegated Legislation

Clause 17 read with clause 18 empowers the Board for Industrial and Financial Reconstruction to cause schemes to be prepared for the reconstruction, revival or rehabilitation of the sick industrial companies; for the proper management of the sick industrial company by change in, or take over of, management of a sick industrial company; for the amalgamation of sick industrial company with any other company; for the sale or lease of a part or whole of the sick industrial company; for devising other preventive ameliorative and remedial measures, etc. If any difficulty arises in giving effect to the provisions of the scheme, the Board may, by order, do anything, not inconsistent with such provisions, which appears to it to be necessary or expedient for the purpose or removing the difficulty [*Vide* sub-clause (9) of clause 18]. Clause 35 empowers the Central Government to remove, by notification, any difficulty which may arise in giving effect to the provisions of the Act, with a safeguard that no such notification may be issued after the expiry of a period of three years from the date of commencement of the Act.

2. Clause 36 empowers the Central Government to make rules for the salaries and allowances payable to and other terms and conditions of service of the Chairman and other members of the Board and Appellate Authority, the conditions and restrictions subject to which officers and employees may be appointed to the Board or the Appellate Authority and also their salaries and allowances and other conditions of service and the powers which may be exercised and the duties which may be performed by the Secretaries of the Board or the Appellate Authority etc.

incurred, annually, towards the salary and allowances of the Chairman of the Appellate Authority at the maximum level of pay or rupees seventy-eight thousand, annually, at the minimum level of pay. An annual expenditure of rupees two lakhs and sixteen thousand is expected to be incurred towards the salary and allowances of the Members of the Appellate Authority at the maximum levels of pay or rupees one lakh and ninety-eight thousand at the minimum levels of pay. As persons who are or have been qualified to be High Court Judges may be appointed, among others, to be the Chairman or any other Member of the Board, the salary and allowances of the Chairman and other Members of the Board would have to be commensurate with the salary and allowances of the High Court Judges. Keeping in view these considerations, it is expected that in the event of the Board consisting of one Chairman and fourteen other Members, an annual expenditure of rupees nine lakhs and ninety-six thousand would be incurred towards salary and allowances of the Chairman and Members of the Board at the maximum levels of pay and rupees nine lakhs and six thousand at the minimum levels of pay. In the event of the Board consisting of the specified minimum number of one Chairman and two Members only, the annual expenditure towards salary and allowances of the Chairman and Members of the Board may be expected to be rupees one lakh thirty-two thousand at the maximum levels of pay and rupees one lakh and twenty thousand at the minimum levels of pay.

2. Under clause 8, the Central Government shall appoint a Secretary each to assist the Board and the Appellate Authority and the Board and the Appellate Authority may appoint such other officer and employees as may be necessary. The salary and allowances payable to the Secretary, other Officers and employees of the Board or the Appellate Authority would be as prescribed. It is expected that on account of the salary and allowances of the Secretaries, Officers and other employees of the Board and the Appellate Authority, an annual expenditure of rupees twenty-six lakhs and twenty-one thousand would be incurred at the maximum levels of pay and Rupees fifteen lakhs and fifty thousand at the minimum levels of pay.

In terms of clause 8 of the Bill, the pension payable to the Officers and other employees of the Board and the Appellate Authority would need to be defrayed from the Consolidated Fund of India. The amount of pension payable would be dependent upon the number of Officers and the status of officers retiring each year. The amount payable as pension annually cannot be precisely quantified at this stage, although it may be estimated that on an average the amount payable may not exceed rupees twenty thousand annually.

3. In terms of clause 9 of the Bill the administrative expenses of the Board and the Appellate Authority would need to be defrayed from the Consolidated Fund of India. It is expected that the Board and the Appellate Authority would incur an expenditure of rupees fifty lakhs as establishment and would incur establishment and other administrative expenditure of rupees twenty-five lakhs annually in the subsequent years.

4. Under clause 19 (1), the Central Government may be called upon to provide loans, advances, guarantees, reliefs, concessions or other sacrifices of financial nature to certain sick industrial companies to rehabilitate them. It is not possible at this stage, to quantify the extent of the financial involvement that may devolve on the Central Government under this clause.

5. In terms of sub-clause (2) of clause 32 of the Bill in cases of amalgamation of a sick industrial company with a non-sick industrial company, the Board shall exercise the powers of the Central Government within the meaning of section 72A of the Income-tax Act, 1961 for giving the benefits of the carry forward of accumulated loss and unabsorbed depreciation of the sick industrial company to the non-sick transferee industrial company. Exercise of these powers by the Board would have the effect of foregoing income-tax. The extent of Income-tax benefit that may be allowed to the transferee industrial company would depend upon the number of schemes that may be approved and the extent of the accumulated loss and unabsorbed depreciation of the sick industrial company being amalgamated. Hence extent of income-tax to be foregone under these provisions cannot be quantified at this stage.

Memorandum Regarding Delegated Legislation

Clause 17 read with clause 18 empowers the Board for Industrial and Financial Reconstruction to cause schemes to be prepared for the reconstruction, revival or rehabilitation of the sick industrial companies; for the proper management of the sick industrial company by change in, or take over of, management of a sick industrial company; for the amalgamation of sick industrial company with any other company; for the sale or lease of a part or whole of the sick industrial company; for devising other preventive ameliorative and remedial measures, etc. If any difficulty arises in giving effect to the provisions of the scheme, the Board may, by order, do anything, not inconsistent with such provisions, which appears to it to be necessary or expedient for the purpose or removing the difficulty [*Vide* sub-clause (9) of clause 18]. Clause 35 empowers the Central Government to remove, by notification, any difficulty which may rise in giving effect to the provisions of the Act, with a safeguard that no such notification may be issued after the expiry of a period of three years from the date of commencement of the Act.

2. Clause 36 empowers the Central Government to make rules for the salaries and allowances payable to and other terms and conditions of service of the Chairman and other members of the Board and Appellate Authority, the conditions and restrictions subject to which officers and employees may be appointed to the Board or the Appellate Authority and also their salaries and allowances and other conditions of service and the powers which may be exercised and the duties which may be performed by the Secretaries of the

3. The matter with respect to which the schemes or rules may be made are matters of administrative or procedural detail and are matters for which it is not practicable to make provisions in the Bill. The matters in respect of which orders may be made under clause 35 of the Bill are matters which cannot be visualised at this stage. The delegation of legislative powers is, therefore, of a normal character.

(Financial Express, dated 3rd September 1985)

Gist of Important Notifications under Various Labour Laws

I. INDIAN BOILER ACT, 1923.

(A) Exemptions under the Act.—(1) In exercise of the powers conferred by Sub-Section (2) of section 34 of the said Act, the Government of Maharashtra has exempted the boiler bearing MR-9523 belonging to the High Explosives Factory, Khadki, Pune 411 003 from the operation of clause (c) of section 6 of the said Act, for the period of *one month from the 5th July, 1985 to 4th August, 1985 (both days inclusive)*.

(Vide Government Notification I.E. and L.D. No. IBA-1085/76915/1347/Lab-9, dated 2 July 1985 published in *Maharashtra Government Gazette*, Part I-L, dated 5th September, 1985 at page No. 3234).

(2) In exercise of the powers conferred by sub-section (2) of section 34 of the said Act, the Government of Maharashtra has exempted the boilers bearing Nos. MR. 9237 and MR. 9238 belonging to the Maharashtra State Electricity Board, Bhusawal, Thermal-Power Station, Deernagar, Taluka Bhusawal, District, Jalgaon, from the operation of clause (c) of section 6 of the said Act, for the period of *six months from the 8th July, 1985 to 7th January, 1986 (both days inclusive)*.

(Vide Government Notification I.E. & L.D. IBA-1085/76462/1346/Lab-9, dated 4th July, 1985 published in *Maharashtra Government Gazette*, Part I-L, dated 5th September, 1985 at page No. 3234).

(3) In exercise of the powers conferred by sub-section (2) of section 34 of the said Act, the Government of Maharashtra has exempted the boiler bearing No. MR-9174 belonging to Paulumjee-Pulp and Paper Mills Limited, Thergyon, Pune 411 033, from the operation of clause (c) of section 6 of the said Act, for the period of *one month and twenty days from the 12th July, 1985 to 31st August, 1985 (both days inclusive)*.

(Vide Government Notification I.E. & L.D. No. IBA-1085/7797/(1354)/Lab-9, dated 8th July 1985 published in *Maharashtra Government Gazette*, Part I-L, dated 5th September, 1985 at page No. 3234).

(4) In exercise of the powers conferred by sub-section (2) of section 34 of the said Act the Government of Maharashtra has exempted the boiler bearing No. MR-9037 belonging to the Maharashtra State Electricity Board, Khaperkheda Thermal Power Station, Post Office Khaperkheda Via Nagour, from the operation of clause (c) of section 6 of the said Act, for the period of *six months from the 21st July, 1985 to 20th January, 1986 (both days inclusive)*.

(Vide Government Notification I.E. and L.D. Nos. IBA-1085/77520/1351/Lab-9, dated 17th July, 1985 published in *Maharashtra Government Gazette*, Part I-L, dated 5th September, 1985 at page Nos. 3235).

II. CONTRACT LABOUR (REGULATION AND ABOLITION) ACT, 1970

(A) Notification under the Act.—The following Notification by the Government of India, Ministry of Labour, No. S-16011/1/83-LW-VOL-II, dated the 17th June 1985, is hereby republished :—

GOVERNMENT OF INDIA/BHARAT SARKAR

MINISTRY OF LABOUR/SHRAM MANTRALAYA

New Delhi, the 17th June, 1985

NOTIFICATION

S.O.—In pursuance of sub-clause (i)(i) of clause (a) of sub-section (1) of section 2 of the Contract Labour (Regulation and Abolition) Act, 1970 (37 of 1970), the Central Government hereby specifies, for the purpose of the said sub-clause, the industry mentioned in the Schedule below. This notification shall remain in force for a period

Schedule

- Iron and steel (metal).
- Iron and steel castings and forgings.
- Iron and steel structurals.
- Iron and steel pipes.
- Special steel.
- Other products of iron and steel.

(Vide Government Notification I.E. & L.D. No. CLA-1085/822/Lab-12, dated 2nd July 1985, published in Maharashtra Government Gazette, Part I-L, dated 5th September, 1985, at pages Nos. 3257-3258).

LABOUR SCOPES AND ESTABLISHMENT ACT, 1948

In exercise of the powers conferred by section 6 of the said Act, the Government of Maharashtra has suspended certain provisions of the said Act, as shown in column 2 of the schedule appended hereto on account of the festivals shown in column 1 of the said schedule for the periods mentioned in column 3 of the said schedule.

Festival	Provisions of Sections	Period
...	Sections 10(I), 11(I)(a), 14, 16, 18.	10th September, 1985 to 14th September, 1985 (both days inclusive).

(Vide Government Notification, I.E. & L.D. No. P-7385/CR-1452/Lab-9, dated 29th August, 1985, published in Maharashtra Government Gazette, Part-I-L, dated 5th September, 1985, at pages Nos. 3255-3256).

In exercise of the powers conferred by section 6 of the said Act, the Government of Maharashtra has suspended certain provisions of the said Act, as shown in column 2 of the schedule appended hereto on account of the festivals shown in column 1 of the said schedule for the periods mentioned in column 3 of the said schedule.

Festival	Provisions of sections	Period
...	Sections 10(I), 11(I)(a), 14, 16, 18, 19, 20, 21, 23, 24.	1st October, 1985 to 30th October, 1985 (Both days inclusive).

(Vide Government Notification I.E. & L.D. No. P-7385/CR-1453/Lab-9, dated 29th August, 1985, published in Maharashtra Government Gazette, Part I-L, dated 5th September 1985, at pages Nos. 3256-3258).

In exercise of the powers conferred by Section 6 of the said Act, the Government of Maharashtra has suspended certain provision of the said Act, as shown in column 2 of the schedule appended hereto and on account of the festival shown in Column 1 of the said schedule for the period mentioned in column 3 of the said schedule.

Festival	Provisions of sections	Period
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(Vide Government Notification I.E. & L.D. No. P-7385/CR-1454/Lab-9, dated 29th August 1985 published in Maharashtra Government Gazette, Part I-L, dated 5th September, 1985 at pages Nos. 3258-3259).

(4) In exercise of the powers conferred by Section 6 of the said Act, the Government of Maharashtra has suspended certain provisions of the said Act, as shown in column 2 of the schedule appended here to on account of the festivals shown in column 1 of the said schedule for the periods mentioned in column 3 of the said schedule.

Festival	Provisions of sections	Period
Narsing Maharaj Pilgrimage	Sections 10(I), 11(I) a), 14, 16, 18, 19, 20, 23, and 24.	1st December 1985 to 21st December 1985 (both days inclusive).

(Vide Government Notification I.E. & L.D. No. P-7385/CR-1455/Lab-9, dated 29th August 1985, published in Maharashtra Government Gazette, Part I-L, dated 5th September, 1985, at pages Nos. 3260-3261).

(5) In exercise of the powers conferred by section 6 of the said Act, the Government of Maharashtra has suspended certain provisions of the said Act, as shown in column 2 of the schedule appended hereto on account of the festivals shown in column 1 of the said schedule for the periods mentioned in column 3 of the said schedule.

Festival	Provisions of sections	Period
Shri Babasaheb Sailu Fair	Sections 10(I), 11 (I) (a), 14, 16, 18, 19, 20, 23, and 24.	28th December, 1985 to 2nd January 1986 (both days inclusive).

(Vide Government Notification, I.E. & L.D. No. P-7385/CR-1458/Lab-9, dated 29th August, 1985, published in Maharashtra Government Gazette Part I-L, dated 5th September, 1985, at pages No. 3260-3261).

(6) In exercise of the powers conferred by section 6 of the said Act, the Government of Maharashtra has suspended certain provisions of the said Act, as shown in column 2 of the schedule appended hereto on account of the festival shown in column 1 of the said schedule for the periods mentioned in column 3 of the said schedule.

Festival	Provisions of sections	Period
Ghantibaba Fair	Sections 10(I), 11(I)(a), 14, 16, 18, 19, 20 21, 23 and 24.	25th October, 1985 to 4th November, 1985 (both days inclusive).

(Vide Government Notification, I.E. & L.D. No. P-7385/CR-1459/Lab-9, dated 29th August, 1985, published in Maharashtra Government Gazette, Part I-L, dated 5th September, 1985, at pages Nos. 3263 to 3264).

(7) In exercise of the powers conferred by section 6 of the said Act, the Government of Maharashtra has suspended certain provisions 2 of the said Act, as shown in column 2 of the schedule appended hereto on account of the festival shown in column 1 of the said schedule for the periods mentioned in column 3 of the said schedule.

Festival	Provisions of sections	Period
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LABOUR GAZETTE—NOVEMBER 1985

Government Notification I.E. & L.D. No. P-7385, CL-1460, Lab-9, dated 29th August, 1985, published in Maharashtra Government Gazette, Part I-L, dated 5th September 1985, at Pages 3265-3266.

In exercise of the powers conferred by section 6 of the said Act, the Government of Maharashtra has suspended certain provisions of the said Act, as shown in column 2 of the schedule appended here to the account of the festival shown in column 1 of the said schedule for the periods mentioned in column 3 of the said schedule.

Festival	Provisions of sections	Period
...	Sections 10(1), 11(1)(a), 14, 16, 18, 19, 20, 21, 23, and 24.	18th November 1985 to 27th November, 1985 (both days inclusive).
...	Sections 10(1) 11(1)(a), 14, 16, 18, 19, 20, 21, 23 and 24.	15th February, 1986 to 24th February, 1986 (both days inclusive).

Government Notification I.E. & L.D., No. P-7385/CR-1461 to 1462/Lab-9, dated August, 1985. Published in Maharashtra Government Gazette Part I-L, dated 5th September, at pages Nos. 3266-3267.

In exercise of the powers conferred by section 6 of the said Act, the Government of Maharashtra has suspended certain provisions of the said Act, as shown in column 2 of the schedule appended here to the account of the festival shown in column 1 of the said schedule for the periods mentioned in column 3 of the said schedule.

Festival	Provisions of sections	Period
...	Sections 10(1), 11(1)(a), 14, 16, 18, 19, 20, 23 and 24.	11th December, 1985 to 12th December 1985 (both days inclusive).
...	Sections 10(1), 11(1)(a), 14, 16, 18, 19, 20, 23 and 24	25th December 1985 to 27th December, 1985 (both days inclusive).

Government Notification I.E. & L.D. No. P-7385/CR-1461 to 1462/Lab-9, dated 29th August, 1985, published in Maharashtra Government Gazette, Part I-L, dated 5th September 1985, at pages Nos. 3267-3268.

In exercise of the powers conferred by section 6 of the said Act, the Government of Maharashtra has suspended certain provisions of the said Act, as shown in column 2 of the schedule appended here to the account of the festival shown in column 1 of the said schedule for the periods mentioned in column 3 of the said schedule.

Government Notification I.E. & L.D. No. P-7385/CR-1461 to 1462/Lab-9, dated 29th August, 1985, published in Maharashtra Government Gazette, Part I-L, dated 5th September 1985, at pages Nos. 3268-3269.

Consumer Price Index Numbers for Industrial Workers for September 1985

BOMBAY CENTRE*

A fall of 11 Points

In September 1985 the Consumer Price Index Number for Industrial Workers (1960=100) for the Bombay centre with base January to December 1960 equal to 100 was 639 being 11 points lower than that in the preceding month. The index relates to the standard of life ascertained during the year 1958-59 family living survey at the Bombay Centre.

The index number for the Food group decreased by 21 points to 690 due to a fall in the average prices of Rice, Wheat, Edible Oils, Fish-fresh, Sugar and Vegetables and Fruits Sub group.

The index number for the Pan, Supari and Tobacco etc. group decreased by 5 points to 735 due to a fall in the average prices of Pan leaf and Supari.

The index number for the Fuel and Light group increased by 5 points to 855 due to a rise in the average prices of Firwood.

The index number for housing remained steady at 191 being a six monthly tem.

The index number for the clothing, bedding and footwear group increased by 3 points to 609 due to a rise in the average prices of Shoes-Gents and Saree.

The index number for the miscellaneous group increased by 3 points to 529 due to a rise in the average prices of Dr.'s Fee, Medicine and Hair Oil.

CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKS (NEW SERIES) FOR BOMBAY CENTRE

(Average prices for the calendar year 1960 = 100)

Groups	Weight proportional to the total expenditure	Group Index Numbers	
		August 1985	Sept. 1985
I-A. Food	57.1	711	690
I-B. Pan, Supari, Tobacco, etc.	4.9	740	735
II. Fuel and Light	5.0	850	855
III. Housing	4.6	191	191
IV. Clothing, Bedding and Foot-Wear	9.4	606	609
V. Miscellaneous	19.0	528	529
Total	100.0	.....	.....
Consumer Price Index Number	...	650	639

*Details regarding the scope and method of compilation of the index will be found on page 1067 of the Labour Gazette, November 1985.

SOLAPUR CENTRE*

642—A rise of 8 Points

In September 1985 the Consumer Price Index Number for Working Class (New Series, for Solapur Centre with base January to December 1960 equal to 100) was 642 being 8 points higher than that in the preceding month. The index relates to the standard of life ascertained during the year 1958-59 family living survey at Solapur Centre.

The Index Number for the food group increased by 10 points to 695 due to a rise in the average prices of wheat, jowar gramdal, dry chillies, garlic beef and sugar.

The Index number for the Pan, Supari and Tobacco etc. group decreased by 25 points to 602 due to a fall in the average prices of Pan leaf only.

The index number for the fuel and light group remained steady at 740.

The index number for housing remained steady at 281 being a six monthly item.

The index number for clothing, bedding and footwear group increased by 4 points to 623 due to a rise in the average prices of dhoti and long cloth.

The index number for the miscellaneous group increased by 20 points to 496 due to a rise in the average prices of Dr.'s fee and medicine.

CONSUMER PRICE INDEX NUMBERS (NEW SERIES) FOR WORKING CLASS FOR SOLAPUR CENTRE

(Average prices for the calendar year 1960=100)

Groups	Weight proportional to the total expenditure	Group Index Numbers	
		August 1985	Sept. 1985
I-A. Food	63.0	685	695
I-B. Pan, Supari, Tobacco etc.	3.4	627	602
II. Fuel and Light	7.1	740	740
III. Housing	5.2	281	281
IV. Clothing, Bedding and Footwear	9.0	619	623
V. Miscellaneous	12.3	475	495
Total ..	100.00	....	....
Consumer Price Index Number ..	---	634	642

*Details regarding the scope and method of compilation of the index may be seen on pages 607 to 613 December 1963 issue of *Labour Gazette*. For Errata (see) page 897 of January 1966 issue.

Note.—For arriving at the equivalent of the old index number 1927-28=100, the new

CENTRE NAGPUR*

640—A rise of 9 Points

In September 1985 the Consumer Price Index Number for Working Class (New Series) for Nagpur Centre, with base January to December 1960 equal to 100 was 640 being 9 points higher than that in the preceding month. The index relates to the standard of life ascertained during the year 1958-59 family living survey at Nagpur Centre.

The index number for the food group increased by 8 points to 681 due to a rise in the average price of Wheat gramdal and onions.

The index number for the Pan Supari and tobacco etc. group increased by 45 points to 718 due to a rise in the average prices of pan ready made, supari, bidi and cigarettes.

The index number for the fuel and light group remained steady at 928.

The index number for housing remained steady at 338 being a six monthly item.

The index number for clothing, bedding and footwear group decreased 7 points to 630 due to a fall in the average prices of saree and shirting.

The index number for the miscellaneous group increased by 27 points to 503 due to a rise in the average prices of Dr.'s fee, medicine, hair oil, and laundry charges.

CONSUMER PRICE INDEX NUMBER (NEW SERIES) FOR WORKING CLASS FOR NAGPUR CENTRE

(Average prices for the calendar year 1960=100)

Groups	Weights proportional to total expenditure	Group Index Numbers	
		August 1985	Sept. 1985
I-A. Food	57.2	673	681
I-B. Pan, Supari, Tobacco, etc.	3.8	673	718
II. Fuel and Light	5.7	928	928
III. Housing	6.6	338	338
IV. Clothing, Bedding and Footwear	10.9	637	630
V. Miscellaneous	15.8	476	503
Total	100.0	....	....
Consumer Price Index Number	....	631	640

*Details regarding the scope and method of compilation of the index may be seen on pages 771 to 779 of January 1968 issue of *Labour Gazette*.

Note.—For arriving at the equivalent of the old index number (1939 = 100) the new

PUNE CENTRE*

596—A rise of 2 Points

In September 1985 the Consumer Price Index Number for Industrial Workers (1961=100) for the Pune Centre with base January to December 1961 equal to 100 was 596 being 2 points higher than that in the preceding month. The index relates to the standard of life ascertained during the year 1958-59 family living survey at the Pune Centre.

The index number for the Food group increased by three points to 657 due to a rise in the average prices of wheat, jowar, turdal, gramdal, fresh fish, eggs and turmeric.

The index number for the Fuel and Light group remained Steady at 797.

The index number for housing remained steady at 150 being a six monthly item.

The index number for the clothing and footwear group remained steady at 593.

The index number for the miscellaneous group increased by 1 point to 508 due to a rise in the average prices of Lifebuoy and Loksatta.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS FOR PUNE CENTRE

(Average prices for the calendar year 1961=100)

Groups	Weight proportional to total expenditure	Group Index Numbers	
		August 1985	Sept. 1985
I. Food ..	55.85	654	657
II. Fuel and Light ..	6.89	797	797
III. Housing ..	6.65	150	150
IV. Clothing and Footwear ..	10.31	593	593
V. Miscellaneous ..	20.30	507	508
Total ..	100.00	....	....
Consumer Price Index Number	....	594	596

*Details regarding the scope and method of compilation of the index will be found on pages 1727 to 1730 of the August 1965 issue of *Labour Gazette*. For Errata thereto, see page 217 of September 1965 issue.

JALGAON CENTRE*

A fall of 2 Points

In September 1985 the Consumer Price Index Number for Industrial Workers (1961=100) for the Jalgaon Centre with base January to December 1961 equal to 100 was 616 being 2 points lower than that in the preceding month. The index relates to the standard of life ascertained during the year 1958-59 family living survey at the Jalgaon Centre.

The index number for the Food group decreased by 9 points to 668 due to a fall in the average prices of rice, groundnut oil ghee Other vegetables and fruits.

The index number for the Fuel and Light group remained Steady at 720

The index number for housing remained steady at 188 being a six monthly item.

The index number for the clothing and footwear group increased by 5 points to 607 due to a rise in the average prices of shoes and chappals only.

The index number for the miscellaneous group increased by 19 points to 542 due to a rise in the average prices of barbar charges only.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS FOR JALGAON CENTRE

(Average prices for the calendar year 1961=100)

Group	Weight proportional to total expenditure	Group Index Number	
		August 1985	Sept. 1985
I. Food ..	60.79	677	668
II. Fuel and Light ..	7.20	720	720
III. Housing ..	6.11	188	188
IV. Clothing and Foot wear ..	10.29	602	607
V. Miscellaneous ..	15.61	523	542
Total ..	100.00	618	616
Consumer Price Index Number ..	....	....	....

*Details regarding the scope and method of compilation of the index will be found on pages 758 to 760 of the January 1966 issue of *Labour Gazette*.

Note.—To obtain the equivalent old index number on base August 1939 = 100 the new index number of base 1961 = 100 should be multiplied by the linking factor viz. 5.29.

NANDED CENTRE *

A fall of 3 Points

In September, 1985 the Consumer Price Index Number for Industrial Workers (1961=100) for the Nanded Centre with base January to December 1961 equal to 100 was 664 being 3 points lower than that in the preceding month. The index relates to the standard of life ascertained during the year 1958-59 family living survey at the Nanded Centre.

The index number for the Food group decreased by 4 points to 717 due to a fall in the average prices of rice, jowar, moongdal, groundnut oils, fish fresh vegetable group and banana.

The index number for the Fuel and Light group remained steady at 801.

The index number for housing remained steady at 386 being a six monthly item.

The index number for the clothing and footwear group increased by 1 point to 562 due to a rise in the average prices of Shoes and Chappals only.

The index number for the miscellaneous group remained steady at 569.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS FOR NANDED CITY

(Average prices for the calendar year 1961 = 100)

Group	Weight Proportional to total	Group Index Numbers	
		August 1985	Sept. 1985
I. Food	61.46	721	717
II. Fuel and Light	5.88	801	801
III. Housing	4.62	386	386
IV. Clothing, Bedding and Footwear	12.22	561	562
V. Miscellaneous	15.82	569	569
Total	100.00		
Consumer Price Index Number	....	667	664

* Details regarding the scope and method of compilation of the index will be found on pages 1107 to 1112 of the March 1966 issue of *Labour Gazette*.

AURANGABAD CENTRE*

664—A rise of 6 Points

In September 1985 the Consumer Price Index Number for Industrial Workers (1961=100) for the Aurangabad Centre with base January to December 1961 equal to 100 was 665 being 6 points higher than that in the preceding month. The index relates to the standard of life ascertained during the year 1958-59 family living survey at the Aurangabad Centre.

The index number for the Food group increased by 9 points to 733 due to a rise in the average prices of rice, jowar, turdal, gramdal, moongdal, masurdal, Oils and fats, mutton, dry chillies and vegetables.

The index number for the Fuel and Light group remained steady at 789.

The index number for housing remained steady at 326 being a six monthly item.

The index number for the clothing and footwear group remained Steady at 621.

The index number for the miscellaneous group increased by 3 points to 546 due to a rise in the average prices of pan-leaf, supari and katha.

CONSUMER PRICE INDEX NUMBERS FOR WORKING CLASS FOR AURANGABAD CENTRE

(Average prices for the calendar year 1961=100)

Groups	Weight proportional to total expenditure	Group Index Number	
		August 1985	Sept. 1985
I. Food	60.72	724	733
II. Fuel and Light	7.50	789	789
III. Housing	8.87	326	326
IV. Clothing and Footwear	9.29	621	621
V. Miscellaneous	13.62	543	546
Total	100.00	....	....
Consumer Price Index Number		659	665

*Details regarding scope and method of compilation of the index will be found on pages

ALL INDIA AVERAGE CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS

The Last 12 calendar months from October 1984 to September 1985 are given in the following table

TABLE

Month	Base 1960=100	Base 1949=100
1	2	3
October 1984	592	720
November 1984	595	723
December 1984	588	715
January 1985	588	715
February 1985	585	711
March 1985	586	712
April 1985	594	722
May 1985	600	729
June 1985	606	737
July 1985	615	747
August 1985	618	751
September 1985	619	752

*Index numbers under this column are derived from the 1960 based index.

THE STATEMENT SHOWING THE CONSUMER PRICE INDEX NUMBER FOR (INDUSTRIAL WORKERS) GROUPS FOR SEVEN CENTRES OF MAHARASHTRA STATE FOR THE MONTH OF SEPTEMBER 1985

Centre	Base	Consumer Price Index Numbers for Industrial Workers											
		Food	Plan Supto tobacco etc.	Coal and Lignite	Housing	clothing, shoes and footwear	Consumer Services	Education	Health	Transport	Recreation	Communication	Other
1	2	3	4	5	6	7	8	9	10	11	12	13	14
Bombay	1960-100	690	735	855	191	609	529	639	2,837	650	2,886		
Solapur	1960-100	695	603	740	281	623	495	642	2,452	634	2,422		
Nagpur	1960-100	681	718	928	338	630	503	640	3,341	631	3,294		
Pune	1961-100	657	..	797	150	593	508	596	..	594	..		
Jalgaon	1961-100	668	..	720	188	607	542	616	3,259	618	3,269		
Nanded	1961-100	717	..	801	386	562	569	664	1,627	667	1,634		
Aurangabad	1961-100	733	..	789	326	621	546	665	1,476	659	1,463		

Note—For arriving at the individual and total numbers the new Index Numbers may be multiplied by the linking factors mentioned against the respective centres as follows:—
BOMBAY: 5.44, 5.00, 4.97, 1.63, 5.44, 5.22, JALGAON: 5.29, NANDED: 2.45, AURANGABAD: 2.22

Labour Intelligence

INDUSTRIAL RELATIONS IN MAHARASHTRA REVIEW FOR THE MONTH OF AUGUST 1985

Industrial Courts, Tribunals and Labour Courts

In all 2,400 applications were received by the Industrial Courts, Tribunals and Labour Court during the month. Their break-up are as under:—

Serial No.	Name of the Industrial Court/Tribunal and Labour Court	No. of applications, etc received during the month under the—			Total
		B.I.R. Act, 1946	I.D. Act, 1947	Other Acts	
1		3	4	5	6
I. Industrial Court/Tribunals—					
1	Industrial Court, Bombay ..	23	21	123	146
2	Industrial Tribunal, Bombay ..	8	..	120	21
3	Industrial Court, Nagpur ..	..	..	..	128
4	Industrial Tribunal, Nagpur ..	4	..	48	..
5	Industrial Court, Pune ..	..	5	..	52
6	Industrial Tribunal, Pune ..	4	..	26	5
7	Industrial Court, Thane ..	..	4	..	30
8	Industrial Tribunal, Thane ..	4	..	16	4
9	Industrial Court, Kolhapur ..	..	..	..	20
10	Industrial Tribunal, Kolhapur ..	1	..	25	..
11	Industrial Court, Amravati ..	..	..	..	26
12	Industrial Tribunal, Amravati ..	..	..	..	..
13	Industrial Court, Nashik ..	..	1	53	53
14	Industrial Tribunal, Nashik ..	..	..	..	1
15	Industrial Court, Aurangabad ..	5	..	51	56
16	Industrial Tribunal, Aurangabad ..	..	..	..	..
Total		49	31	462	542
II Labour Courts—					
1	Labour Court, Bombay ..	124	185	269	578
2	Labour Court, Pune ..	..	46	85	131
3	Labour Court, Nagpur ..	6	93	98	197
4	Labour Court, Thane ..	8	39	61	108
5	Labour Court, Kolhapur ..	4	71	23	98
6	Labour Court, Solapur ..	2	11	57	70
7	Labour Court, Akola ..	..	32	45	77
8	Labour Court, Nashik ..	..	51	22	73
9	Labour Court, Aurangabad ..	2	122	83	207
10	Labour Court, Sangli ..	1	26	25	52
11	Labour Court, Amravati ..	..	5	62	67
12	Labour Court, Dhule ..	..	45	13	58
13	Labour Court, Jalgaon ..	1	3	11	15
14	Labour Court, Bhandara ..	..	15	5	20
15	Labour Court, Ahmadnagar ..	3	3	30	36
16	Labour Court, Latur ..	..	66	5	71
Total		151	813	894	1,858

analysis of disputes handled by the Conciliation machinery in the State during August 1985 under various Acts is as follows:—

(a) Case-wise analysis of the cases received during the month:—

Act	Issues relating to pay, allowances and Bonus	Employment, leave, hours of work and Miscellaneous causes	Total
1	2	3	4
Industrial Disputes Act, 1947	3	76	80
Maharashtra Industrial Relations Act, 1946	9	12	21
Maharashtra Industrial Relations (Extensions and Amendment) Act, 1964	..	..	..
Total	12	89	101

(b) Result-wise analysis of the cases dealt with during the month:—

Act	Pending at the beginning of the month	No. of cases received during the month	Settled amicably	Held in failure	Withdrawn or not pursued by parties	Closed	Total (4 to 7)	Pending at the end of the month
1	2	3	4	5	6	7	8	9
B. Act, 1947	30	369	90	176	53	48	667	712
M. I. R. Act, 1946	45	127	11	3	10	..	14	143
M. I. R. (Ext. and Am.) Act, 1964	57	7	4	1	2	..	7	67
Total	92	388	95	180	65	48	388	932

Industry-wise and District-wise analysis of the cases received during the month under Bombay Industrial Relations Act, 1946 and Bombay Industrial Relations (Extension and Amendment) Act, 1964 are given below :—

Act	B.I.R. Act, 1946		B.I.R. Act, 1964		Total
	Textile Industry	Other	Textile Industry	Other	
1	2	3	4	5	11
	2	3	4	5	11
B. I. R. (Extension And Amendment) Act, 1964	6	7	8	9	11
	6	7	8	9	11
B.I.R. Act, 1946	10	11	12	13	11
	10	11	12	13	11
B.I.R. (Extension and Amendment) Act, 1964	14	15	16	17	11
	14	15	16	17	11
Total	21	22	23	24	11
	21	22	23	24	11

INDUSTRIAL DISPUTES IN MAHARASHTRA STATE DURING AUGUST 1985

	August 85	July 85	August 84
No. of Disputes	7	33	62
No. of Workers involved	7,893	6,959	19,692
No. of Man-days lost	1,70,154	1,60,217	4,48,826

Industry-wise classification is given below :—

Name of the Industry Group	Number of disputes in progress			Number of work people involved in all disputes	Aggregate man-days lost in
	Started before beginning of the month i.e. before August 1985	Started during the month i.e. August 1985	Total		
Textile	2		2	318	8,268
Engineering	13	2	15	5,142	1,14,195
Chemical	9	1	10	1,180	20,003
Miscellaneous	9	1	10	1,253	27,688
August 1985—Total	33	4	37	7,893	1,70,154
July 1985—Total	31	2	33	6,959	1,60,217

Fifteen of the disputes arose over question of "pay, allowances and bonus issues" 4 related to "Retrenchment and grievances about personnel", and no disputes on the question of "leave and hours of work" Remaining 18 disputes were due to other causes.

Out of the 7 disputes that terminated during the course of the month, 4 disputes were settled either entirely in favour of the workers, and 3 dispute was unsuccessful.

Note :—The figures given in the above Table are based on returns received under the collection of statistics Act, 1953. In compil statistics of the industrial disputes, however disputes in which 10 or more persons are involved are included.

FOLLOWING STATEMENT GIVES THE DETAILED INFORMATION OF IMPORTANT INDUSTRIAL DISPUTES CAUSING MORE THAN 10,000 MANDAYS LOST DURING THE MONTH OF AUGUST 1985

Serial No.	Name of the Concern	Sector S/L	Reason	Date of workstoppages		No. of workers involved	Mandays lost		Result
				Begun	Ended		During the month	During the month of	
1				6	7	8	9	10	
1	Bombay— The India Smelting Repairing Co. Ltd., L. B. S. Marg, Bhandup, Bombay-78.	Pvt. S	General Demands Wages, D A etc.	10/12/84		1,007	18,144	1,85,579	Do.
2	Bombay— Ajit Glass Works Pvt. Ltd., Swami Vivekanand Rd., Jogeshwari (West), Bombay 400 102.	Pvt. L	Go-Down agitation strike on account of annual Bonus Issue	21/11/84		426	10,816	1,00,673	Do.
3	Bombay— Everest Building Products Ltd., Jathashankar Dosa Rd., Mulund, Bombay 400 080.	Pvt. L	Assault on the personal threats in relation to Mgt. staff Go-Down.	16/7/85		654	17,551	26,689	Do.
4	Bombay— The India Smelting Repairing Co. Ltd., L. B. S. Marg, Bhandup, Bombay-78.	Pvt. S	General Demands Wages, D A etc.	10/12/84		1,007	18,144	1,85,579	Do.
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6	Bombay— Everest Building Products Ltd., Jathashankar Dosa Rd., Mulund, Bombay 400 080.	Pvt. L	Assault on the personal threats in relation to Mgt. staff Go-Down.	16/7/85		654	17,551	26,689	Do.

PRESS NOTE ON ESIS BENEFITS IN MAHARASHTRA AND GOA

The Employees' State Insurance Scheme protects the industrial workers as defined under the ESI Act in the event of Sickness Maternity, Disablement and Death due to employment injury besides providing full medical care to the workers and their families.

In Maharashtra 1227850 employees were under the coverage of the Scheme in the month of September, 1985. The high lights of the benefits paid to these employees were as follows.

ESIC has paid Rs. 90.27 lakhs as Cash Benefit in September, 1985.

(i) 56950 Workers were paid Rs. 39,50,826.75 on account of Sickness and Rs. 4 22,934.45 were paid for the long term diseases, e.g. T. B., Cancer, Hemiplegia, Paraplegia, Psychosis etc. etc.

(ii) 21051 Workers were paid Rs. 43,00,243.21 on account of accidents as employment injury which included 7566 cases for the permanent disablement and 2840 for pension to the dependents/families due to death of the workers in the accidents.

(iii) Rs. 3,50,042.50 were paid to the women workers as Maternity Benefit for the period of confinement. In addition to the above 17 persons were sterilized and they were paid Rs. 3,675a00 as family planning benefit.

(iv) There were 162 cases where legal proceedings were initiated against defaulting employers/Insured Persons for the recovery of arrears of contributions as under :-

(1) Under Section	.. 45 B	.. 67 Cases.
(2) Under Section	.. 75	.. 15 Cases.
(3) Under Section	.. 84	1 case.
(4) Under Section	.. 85	.. 79 Cases.

THE FOLLOWING STATEMENT GIVES THE DETAILED INFORMATION OF IMPORTANT INDUSTRIAL DISPUTES CAUSING MORE THAN 10,000 MANDAYS LOST DURING THE MONTH OF AUGUST 1985

Sl. No.	Name of the Concern	Sector S/L	Reason	Date of workstoppages			No. of workers involved	Mandays lost		Result
				Began	Ended			During the month	Till the close of the month	
1	Thane— Messrs Tekson Ltd., Kolshet R.d., Thane.	Pvt. S	Reinstatement	20-4-81	...	459	11,648	6,05,208	Continue	
2	Bombay— Esrella Batteries Ltd., Plot No. 1, Dharavi, Matungu, Bombay-19.	Pvt. L	Unfair Labour Practices	3-11-83	..	1,170	23,598	6,29,922	Do.	
3	Bombay— Bombay Forging Pvt. Ltd., Vidyanagari Marg, Kalina, Bombay-98.	Pvt. S	Others	11-7-84	..	625	16,794	2,21,482	Do.	
			Fighting amongst the workmen.							
4	Bombay— The India Smelting Refining Co. Ltd., L. S. Marg, Bhandup, Bombay-78.	Pvt. S	General Demands	10-12-84	..	1,007	18,344	1,85,579	Do.	
			Wates, D. A. etc.							
5	Bombay— Ajit Glass Works Pvt. Ltd., Swami Vivekanand Rd., Jogeshwari (West), Bombay 400 102.	Pvt. L	Go-slow agitation strike in account of an anti Bonus Issue.	24-11-84	..	426	10,816	1,00,672	Do.	
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