

MHIC120000112023



IN THE COURT OF PRESIDING OFFICER,
INDUSTRIAL TRIBUNAL, PUNE.

Presided Over by Shri. S. G. Dabadgaonkar

Reference (IT) No. 04/2023

Dispute Between :-

M/s Maass Flange India Pvt. Ltd.
Plot No A, Udyog Nagar, Markal Alandi Road,
Markal, Tal Khed Dist Pune First Party

And :-

Shivgarjana Kamgar Sanghtana
Near Haveli Hotel, Back of Shamrao Vithal
Co Op Bank, Near Pune Nashik Road,
Indrayani Nagar, Bhosari, Pune. Second Party

Advocate for the first party : Shri. K.A. Unni
Advocate for the second party : Shri. C.P. Audichya

ORDER BELOW EXH. U-10
(Date- 04-03-2024)

1. This is an application seeking interim relief under Section 10(4) read with Section 2(b) of the Industrial Disputes Act, 1947.

2. **Brief facts of case of Second Party Union :-**

A. Second Party Sivgarjana Kamagar Sanghtana submitted Charter of Demands to First Party Company on 02/09/2021. As the demands have not settled, the Union approached to the office of the Commissioner of Labour, Pune for interference. In spite of efforts, the matter could not be settled and therefore, the Commissioner of Labour, Pune forwarded the present reference for adjudication to this Tribunal by order dated 05/01/2023.

B. Second Party Union has filed detailed Statement of Claim to justify demands put forth as per demand letter dated 02/09/2021. The Union has also moved an interim relief application (Exh. U-10) and contended that the earlier Settlement was valid till 31/10/2021 and was for the period 01/11/2018 to 31/10/2021. As per the said Settlement, the Management had given wage rise of Rs. 10,000/- to its workers. It is further contended that this Tribunal can grant interim relief of wage rise during the pendency of adjudication of dispute of general demands. Workers are facing hard because of price rise and on account of abnormal delay of two years by the Management to sign a wage Settlement. It is, therefore, prayed to grant interim wage rise of Rs. 12,000/- per month to the workers concerned till disposal of the reference.

3. **Defence of First Party Company :-**

A. The first party has resisted the claim by filing Reply (Exh. C-6) and contended that interim relief application is not on merit and is without reasons, therefore, it deserves to be rejected. The application does not speak as to why the interim relief is required to

be granted. The relief prayed for is much more than that of final relief, if at all granted. It is contended that the Management has given wage rise of Rs. 10,000/- as requested by the Union based on commitment of the Union and its workers for production as per agreed targets. However, the Union and its workers did not deliver what they agreed upon, instead they intentionally reduced productivity. This aspect severally impacted the business of the Company. It is, therefore, contended that loss of business resulted as the workers and Union did not adhere to the terms of Settlement and because of which there was loss of orders. The Union has put the demands which are exorbitant.

B. It is further contended that even when the matter was subjudice before the Labour Commissioner Officer, the second party went to social media, print media, etc. to defame the first party by which customers were curious and suspicious in giving further business to the first party. This has put first party into a difficult situation. It is also contended that there is no rule or any binding effect to the point that after expiry of the Settlement, it should be replaced by signing another Settlement immediately. There is no time-frame for Settlements and it depends upon the business of the Company and discipline in the company. It is contended that workers are drawing wages much more than that of minimum wages and enjoying all other facilities.

C. It is also contended that there are no rules or regulations, procedure and customs etc. that when the Settlement should take place or how much raise the concerned will get. It all will depend upon the market situation, credibility to adhere to the commitments,

terms and conditions of agreements, understanding between the parties and mainly on business necessities etc. The second party workers are highly paid, much more than the minimum wages and in addition other facilities are also provided to them.

D. It is further contended that any consideration for interim relief may result in unhealthy industrial situation particularly where the workmen are highly paid, getting hike in special allowances as directed by the authorities every six months. They are additionally enjoying the best facilities and perquisites. A mere contention that the Settlement has not taken place for few months cannot be justified ground for grant of interim relief. It is, therefore, prayed to reject the interim relief.

4. Heard the Ld. Counsel Shri. C.P. Audichya for second party Union. He has pointed out attention of this Tribunal towards documents filed along with List Exh. U-12 running pages No. 35-39, which are the balance sheets for the year 2019-20, 2021-2022 and submitted that the Company is in profit. He has further submitted that the earlier Settlement has admittedly expired on 31/10/2021 and new Settlement is due since 01/11/2021. The Union has submitted its charter of demands much before expiry of the said Settlement that is on 02/09/2021. He has further submitted that workers are facing hard due to huge price rise and due to unnecessary delay in justifying demands put forth by the Union. He, therefore, prayed to allow the interim relief application by giving interim wage rise as prayed for.

5. On the contrary, the Ld. Counsel Shri. K. A. Unni has

submitted that the wage rise as per the earlier Settlement was Rs. 10,000/- in which the workers were granted Rs. 4,000/-, Rs. 3000/- and Rs. 3000/- in first, second and third year respectively. He has further submitted that strength of 259 workers at one point of time is now reduced to only 61 and work in three shifts has been reduced to one shift only. He has also submitted that though profit is shown in statement, but whatever profit earned by the company has been expended on internal development. According to him, if there is no increase in productivity as per Settlement, no wage rise can be allowed.

6. In reply the Ld. Counsel Shri. C.P. Audichya has pointed out that document of statement of productivity and loss and profit account running page No. 36 of Exh.U-12 shows that profit of company is increased. He has also pointed out that even during the Corona period, the company was in profit. According to him, there is no document on record produced on behalf of the company to show that workers did not deliver work what they agreed upon and it is also not on record to show that there is reduction in productivity of the workers.

7. The Ld. Counsel Shri. C.P. Audichya for the second party has argued on the aspect of powers of Industrial Tribunal to grant interim relief during pendency of industrial dispute for adjudication. The Ld. Counsel Shri. Unni has not disputed about the said power of Industrial Tribunal. However, according to him, the second party has not established as to why such interim relief is required to be granted.

8. It is not in dispute that both parties have executed settlement for service conditions of employees and the said Settlement came to an end on 31/10/2021. It is also not in dispute that the matter went before the Conciliation Authority and in spite of repeated rounds of discussions, the matter could not be settled. The Ld. Counsel Shri. C.P. Audichya drew my attention towards letter dated 24/11/2022 given by management of the company and addressed to Shri. Vishal Ghodke, Assistant Commissioner of Labour, Pune. I have considered the said letter being part of documents forwarded by the Government with the reference order. The Company has proposed wage rise in Clause 2 of the said letter. cumulative proposed wage rise is shown as Rs. 5,000/- which is to be given to the workers at the rate of Rs. 1,000/- in each year from signing of the Settlement.

9. Anyway, an inference can be drawn from proposal of the Company dated 24/11/2022 addressed to the Assistant Commissioner of Labour, Pune that the Company has accepted certain wage rise, however, has not accepted many Clauses proposed in Charter of Demands submitted by the Union. Though, letter dated 24/11/2022 is not accepted in conciliation by the Union for whatever may be the reason, but fact cannot be ignored that on that date, the company was ready to give some increment in wage to workers concerned.

10. Admittedly, the earlier Settlement has been expired on 31/10/2021 and workers are litigating for their legitimate right in respect of their demands including wage rise. The second party has placed reliance upon statement of Profit and Loss Account of first party Company, which is for the year 2020-21 and 2021-22. Total

profit is shown as Rs. 2,37,45,514/- for the year 2020-21 and for the year 2021-22, it is shown as Rs. 6,11,60,827/-. The Ld. Counsel Shri. Unni has not disputed about the said Statement. Therefore, at least at this prima facie stage, the said Statement can be relied upon in order to infer that the company was running in profit in 2020-21 which is COVID Period. The company was in profit in subsequent year of 2021-22 when also there was impact of COVID pandemic.

11. The Ld. Counsel Shri. Unni has submitted that the Company has spent amount of profit for internal development. However, it is required to mention here that the Company has not produced any record before this Tribunal at this prima facie stage to support the said contention. Moreover, when the company is earning profit, it is responsibility of the Company to distribute its appropriate share to workers, without efforts of whom the Company could not have achieved the said profit.

12. One more objection is raised by Advocate Shri. Unni that at earlier Settlement, the Company had enhanced wages at the rate of Rs. 10,000/- per worker per month, however, the Union and workers have not acted upon as per their commitment in respect of production as per the agreed targets, which resulted into loss of production.

13. In support of this pleadings, nothing has been placed on record by the Company to show that workers concerned have breached conditions of agreement or have not worked as per the agreed target shown in the Settlement. Had it been true, the Company would have definitely taken some action against erring

employees such as issue of notice to workers for less production or charge-sheet for disobedience of terms of agreement. No such document is produced on record to show that during the period of earlier Settlement or thereafter till date, the Company had initiated any action against the workers in respect of less production or breach of Clauses of earlier Settlement. Therefore, at this prima facie stage, contention of the Company that workers have breached conditions of earlier Settlement and therefore, they are not entitled to interim wage rise, cannot be accepted.

14. One more objection is raised on behalf of the company that it has reduced staff from 259 to 61 and work in three shift is now reduced in one shift. The Ld. Counsel Shri. C.P. Audichya drew my attention towards documents at Sr. No. 5 (List Exh. U-9 Annexure 5). There is description about reduction of workers for the year 2018. Out of 74 permanent workers 13 workers are shown to be reduced and 87 contract workers are shown to be reduced in that year. As per Annexure 7 running page No. 34 of List Exh. U-9 in the month of April-2023 total strength of permanent employees is shown as 62 and over all total employees are 161.

15. Therefore, it can be prima facie inferred that though the Company has reduced its employee's strength, but majority of the reduced employees are contract employees and very few members of permanent employees have been reduced. Anyway, prima facie, it is brought on record that the Company has earned substantial profit even during the period of COVID. Nothing is placed on record to substantiate the contention that workers have not abided the terms of earlier Settlement or gave less production during the earlier period

of Settlement or thereafter till date.

16. Earlier Settlement is admittedly expired in the month of October-2021. Considering comparative inflation rate (CPI) prevailing in India for the year 2021-to-2023, the prices of commodities increased during this period, proposal of the Company given before the A.C.L. as per letter dated 24/11/2022, workers concerned are definitely entitled to interim wage rise in their salary till the final disposal of the case. Hence, the following order :-

ORDER

- 1) Interim application (Exh. U-10) is partly allowed.
- 2) First party company shall give interim wage rise of Rs. 6,000/- per month to the members of second party Union since from 01/03/2024 till final disposal of the case.
- 3) To clarify the Company shall pay the said wage rise to workers in their salary for the month of March to be paid in April-2024.
- 4) No order as to costs.

Date : 04/03/2024

amj/-

Sd/----

(Shri. S. G. Dabadgaonkar)
PRESIDING OFFICER,
INDUSTRIAL TRIBUNAL, PUNE.

Sd/----

Secretary,
Industrial Tribunal, Pune.