



FORM – H

MEMORANDUM OF SETTLEMENT ARRIVED AT UNDER SECTION 12(3) OF THE INDUSTRIAL DISPUTES ACT, 1947 ON 4th JANUARY 2023 BEFORE MRS. SUBAPRIYADARSHINI MUTHUPANDI, REGIONAL LABOUR COMMISSIONER (CENTRAL) (ADD. CHARGE), COCHIN BETWEEN THE MANAGEMENT OF THE FERTILISERS AND CHEMICALS TRAVANCORE LTD (FACT), AND THEIR WORKMEN REPRESENTED BY FACT EMPLOYEES' ASSOCIATION, FACT WORKERS' UNION, FACT EMPLOYEES' CONGRESS (INTUC), FACT (CD) EMPLOYEES' ASSOCIATION, FACT (CD) EMPLOYEES' SANGH, FACT (CD) WORKERS' CONGRESS (INTUC), FACT WORKERS ORGANISATION & FACT EMPLOYEES' ORGANIZATION (BMS) OVER CHARTER OF DEMANDS :

File No.

Date : 4 January, 2023

Representing the Employer :

1. Shri A R Mohan Kumar
Chief General Manager (HR&A)
2. Shri Pradeepkumar C
General Manager (Fin)
3. Smt Maria Varghese
Dy. General Manager (HR)IR
4. Shri M Aravindan
Dy. General Manager (Fin)
5. Shri Dilip Mohan
Dy. General Manager (HR)Est.

Representing the Workmen:

FACT Employees' Association

1. Shri K Chandran Pillai, President
2. Shri Santhosh Babu, General Secretary
3. Shri T S Radhakrishnan, Working President
4. Shri Walter A, Vice President
5. Shri Jishnu Gen P, Secretary
6. Shri Binduraj K G, Secretary
7. Shri Augustian Biju, Secretary
8. Shri Joby Paul, Secretary
9. Shri Somith T S, Secretary
10. Shri Joemon Joy, Treasurer

FACT Workers' Union

1. Shri M T Nixon, Working President
2. Shri Sen P S, Senior Vice President
3. Shri Jose P V, General Secretary
4. Shri Ali P M, Vice President
5. Shri Shaiju J, Secretary

FACT Employees' Congress

1. Shri T M Saheer, Working President
2. Shri V A Nazar, General Secretary
3. Shri Shaju Michael K, Vice President
4. Shri Sajeev Kumar T V, Secretary
5. Shri P S Rajan, Secretary
6. Shri Manoj M K, Secretary
7. Shri U G Thash, Treasurer

FACT (CD) Employees' Association

1. Shri Benny Behanan, MP, President
2. Shri Martin E J, General Secretary
3. Shri C K Joy, Vice President
4. Shri Anoop M K, Vice President
5. Shri A R Rajeev, Joint Secretary
6. Shri Dhijomon V, Joint Secretary
7. Shri P D Jose, Joint Secretary
8. Shri Yedhu M S, Treasurer

FACT (CD) Employees' Sangh

1. Shri P Raju, President
2. Shri T A Marshal, Working President
3. Shri Saji K P, Vice President
4. Shri Jayakanth S, Vice President
5. Shri Thulaseedharan Pillai K, General Secretary
6. Shri Sankunny V, Joint Secretary
7. Shri Jayakumar, Joint Secretary
8. Shri Jithin Sivan, Treasurer

FACT (CD) Workers' Congress (INTUC)

1. Shri Viswanathan A, Working President
2. Shri V Mohankumar, General Secretary
3. Shri P B Shajendran, Vice President
4. Shri T M Shanavas, Vice President
5. Shri O M Peter, Joint Secretary
6. Shri Titus Joseph, Joint Secretary
7. Shri Santhosh K, Treasurer

FACT Workers Organisation

1. Shri George Thomas T, Secretary General
2. Shri K R Suresh, Vice President
3. Shri Sam George, Vice President
4. Shri T A Abdul Samad, Vice President
5. Shri Shinilvas O S, General Secretary
6. Shri M P Tony, Joint Secretary
7. Shri C A Anil, Joint Secretary
8. Shri K F Antony, Treasurer

FACT Employees' Organization (BMS)

1. Shri Vijayakumar K K, President
2. Shri Raveendran Nair A G, Vice President

3. Shri Nandakumar C R, Vice President
4. Shri Thulasidas A G, Vice President
5. Shri Radhakrishna Pillai, Vice President
6. Shri Sasi PA, Vice President
7. Shri Sathyan P K, General Secretary
8. Shri Edhu P S, Dy. General Secretary
9. Shri Prabeesh P, Dy. General Secretary
10. Shri Bibin K S, Secretary
11. Shri Vishnu P R, Secretary
12. Shri Vishnu Mohan, Secretary
13. Shri Govind V, Secretary
14. Shri Rakesh K R, Treasurer

SHORT RECITAL OF THE CASE

The Long Term Settlement dated 14.08.2010 between the Management and the Trade Unions representing the workmen of all the Divisions expired on 31.12.2016 and fresh Charters of Demands were submitted by the Unions. Meanwhile the Department of Public Enterprises, Heavy Industries and Public Enterprises, Government of India authorized the Managements of Public Sector Enterprises to undertake the 8th round of wage negotiations with the Trade Unions subject to the conditions that:

1. Management of the CPSE would be free to negotiate wage revision for workmen where the periodicity of wage settlement of ten years has expired generally on 31.12.2016 keeping in view the affordability and financial sustainability of such wage revision for the CPSEs concerned.
2. No budgetary support for any wage increase shall be provided by the Government. The entire financial implication would be borne by the respective CPSEs from their internal resources.
3. In those CPSEs for which the Government has approved a restructuring/revival plan, the wage revision will be done as per the provisions of the approved restructuring / revival plan only.
4. The Management of the concerned CPSEs have to ensure that negotiated scales of pay do not exceed the existing scales of pay of executives/officers and non-unionized supervisors of respective CPSEs.
5. CPSEs must ensure that any increase in wages after negotiations does not result in increase in administered prices of their goods and services.
6. The wage revision shall be subject to the condition that there shall be no increase in Labour Cost per physical unit of Output. In exceptional cases, where CPSEs are already working at optimum capacity, the administrative Ministry may consult DPE considering industry norms.

With a view to reaching an amicable settlement in a peaceful and cordial atmosphere, the parties held negotiations on the demands raised by the Unions in their said Charters of Demands, as also certain Organizational requirements. The Unions have requested for the intervention of the Regional Labour Commissioner (Central), Cochin to resolve the issue. Accordingly, the issue was registered as an Industrial Dispute and joint discussions were fixed for 4th January, 2023.

On 4th January 2023, the representatives of both the Management as well as Unions attended the joint discussions. During the joint discussions, after prolonged deliberation, the discussion was converted as conciliation proceedings and during the conciliation meeting, due to the constant persuasion and best efforts put in by the Regional Labour Commissioner (Central), Cochin and Conciliation Officer, the parties concerned could reach consensus and an amicable settlement under Section 12(3) of the Industrial Disputes Act., 1947 could be arrived at on the following terms and conditions:-

TERMS OF SETTLEMENT

1.0 Period of Settlement:

It is agreed that the period of this Settlement will be 10 years from 01.01.2017 to 31.12.2026 and continue to be operative until replaced by a new Settlement.

2.0 Scales of Pay:

All the existing scales of pay will stand revised with effect from 01.01.2017 and the revised scales of pay are in **Annexure A**.

3.0 Dearness Allowance (DA):

100% neutralization will be allowed w.e.f. 01.01.2017. DA as on 01.01.2017 will be zero with link point of All India Consumer Price index (AICPI) 2001=100 which is 277.33 as on 01.01.2017. The periodicity of adjustment will be quarterly. DA rates from 01.04.2022 is as in **Annexure B**.

4.0 Fitment method:

Basic pay of workmen who were on scale of pay as on 01.01.2017 and who continue to be in the services of the Company as on 01.04.2022 will be notionally fixed in the corresponding revised scale of pay as in Annexure A as per fitment method given below :

A		B		C		D Revised BP as on 01.01.2017
Basic Pay as on 31.12.2016 (Personal Pay / Special Pay not to be included)	+	IDA @119.5% as applicable on 01.01.2017 (under the IDA pattern computation methodology linked to AICPI 2001=100 series)	+	15 % of (A) + (B)	=	Aggregate amount rounded off to the next Rs.10/- (amounts less than 50 ps ignored)

In case the revised Basic Pay as on 01.01.2017 arrived so is less than the minimum of the revised pay scale, Basic pay will be fixed at the minimum of the revised pay scale.

Workmen who earned annual increments, stagnation increments, placements, promotions on or after 01.01.2017 will be granted the same in the revised scale of pay except those whose annual increment prior to 01.01.2017 was postponed to on or after 01.01.2017 due to LOP. In the case of workmen whose date of annual increment is prior to 01.01.2017 and was postponed to a date on or after 01.01.2017 due to loss of pay, such workmen will be given their increment on the new date only with the amount applicable on the original due date and the amount will be rounded off to the next multiple of ten rupees, and their next annual increment date will be on the anniversary of the increment granted after 01.01.2017.

Workmen on permanent rolls of the Company appointed on scales of pay at the minimum of the scale on or after 01.01.2017 will be fixed at the minimum of the applicable revised scales with effect from their date of appointment on scales of pay. They are not eligible for any fixation benefit. However workmen as on the date of settlement appointed on scales of pay after 01.01.2017, if they have worked on initial consolidated pay period for two years, will be notionally extended the minimum of the revised scale of pay one year prior to the date of appointment on scale of pay or on 01.01.2017 whichever is later, for arriving at the basic pay on appointment in scale of pay, which will be implemented with prospective effect from 01.04.2022 or the date of appointment in the scale of pay, whichever is later.

5.0 If a Senior was getting a higher Basic Pay than his junior on 31.12.2016 including PP, but subsequently the junior gets a higher Basic Pay on grant of annual increment in the revised grade on due date or on promotion to the same category as the senior, by drawing a higher increment rate and promotion fixation benefit in the promoted revised grade, then the Basic Pay of the senior will be stepped up to the Basic Pay of the junior with effect from the date on which the junior gets a higher Basic Pay than the senior and the date of annual increment of the senior will also be the date of annual increment of that of the junior subject to variations if any on account of loss of pay etc. Junior-senior relationship for this purpose will be the same as the junior-senior relationship for the purpose of promotion; the senior should also have more/equal service in the Company and should have drawn a higher Basic Pay consistently in the past, than the junior concerned. The option for this purpose may be exercised by the senior within six months from the date of this Settlement. If the senior employee does not opt for the above stepping up within the specified period, there will be no change in his Basic Pay or in his date of annual increment.

6.0 Increment :

Increments in the scale will be granted at uniform rate of 3 % of Basic Pay applicable for annual and stagnation increments i.e. benefits arising out of stagnation scheme. The aggregate, after adding the annual increment/stagnation increment will be rounded off to the next multiple of Rs.10/-.

If due to grant of increment, the basic pay exceeds the maximum of the scale of pay, the amount of increment shall be so reduced that the basic pay + increment does not exceed the maximum of the relevant pay scale. On reaching maximum of scale, a workman will be allowed to draw increment only one after every 2 years up to a maximum of 3 such

increments. The first biennial increment will be admissible after completion of 2 years from the date of reaching the maximum of the pay scale. The subsequent biennial increment will continue to be admissible after completion of 2 years from the drawal of the last biennial increment. Any such biennial increment after reaching scale maximum will be calculated as a percentage of the scale maximum only and will be treated as Personal Pay (PP). This PP would be absorbed during fixation of pay in higher scale/ pay revision. The PP would not be counted for any purpose including DA. In any case, the basic pay shall not exceed the maximum of the scale of pay applicable to the workman.

7.0 House Rent Allowance:

Payment will be effective from 14.12.2022. Rates are as follows:

Classification of City	Rate of HRA
X - Class (population of 50 lakhs & above)	27 % of Basic Pay
Y - Class (population of 5 lakhs to 50 lakhs)	18 % of Basic Pay
Z - Class (population below 5 lakhs)	9 % of Basic Pay

The rates of HRA shall be revised as 30%, 20% and 10% when IDA crosses 50%.

8.0 Perks and Allowances

All Perks and Allowances will be restricted to the present level. However it is agreed to discuss on revision of perks and allowances taking into account the financial affordability, sustainability and Government directives in this regard for implementation with approval of the Board of Directors of the Company.

9.0 The ceiling of gratuity (Rs. 20 lakhs) shall increase by 25% whenever IDA rises by 50%, subject to Government of India guidelines.

10.0 Manpower Rationalization

Rationalized manpower based on the study report submitted by external consultant will be the new manpower structure/strength of the Company and the strength in workmen categories is accordingly fixed as 1263. The Division/Department wise revised manpower strength will be separately announced by the Management after this settlement. Additional requirements of manpower for new projects/ marketing operations in new States will be supplemented. The available manpower in a Department will work together for attaining the departmental/organizational objectives.

11.0 It is agreed that the Unions will extend full cooperation in attaining and maintaining maximum production and productivity and in removal of restrictive practices.

- 12.0 Payment of arrears on implementation of revised wages will be from 01.04.2022. Amount payable will be arrived after adjusting the amount of pre revised basic pay and applicable DA and Provident Fund, already paid during the period. All advances and amounts due to the Company by a workman will be recovered from the payment as above. Production Incentive and Attendance Bonus paid prior to the date of settlement will not be reworked on revised wages. It is agreed that the terminal benefits of gratuity and leave encashment on the basis of revised wages will be paid to those workmen who left the services on superannuation and died while in service during the period from 01.04.2022 to the date of settlement. Employees who resigned from services, dismissed/terminated from services during this period will not be eligible for pay revision.
- 13.0 All Payments will be subject to deduction of applicable taxes.
- 14.0 Subsequent to the implementation of this settlement, the profitability of the Company will be reviewed after every three years and if the profitability falls in such a way that this pay revision implemented, then entails an impact of more than 20% of average Profit Before Tax of the 3 previous years prior to the year of review, then necessary adjustments will be made in perks and allowances. The first such review shall be in the year 2025-26.
- 15.0 This Settlement is in full and final Settlement of all demands raised by the Unions. The Unions agreed that all issues raised in their Memoranda of demands, other than those specifically referred to herein are waived for the period of this Settlement. The Unions also agree that they will not raise any demands involving financial commitment during the period of operation of this Settlement, except individual grievances if any.
- 16.0 The parties agreed that the rights, benefits, responsibilities and liabilities which are binding on them and which are not improved or varied in the Settlement shall continue unchanged.
- 17.0 Any dispute, difference, disagreement or controversy of any nature or character regarding the interpretation and / or implementation of the Settlement, shall be referred by either parties separately or by the Company and recognized Trade Unions together for arbitration to the appropriate authority under the Industrial Disputes Act and his decision shall be final and binding on both the parties.
- 18.0 Both the parties have agreed to report implementation on or before 4th April, 2023 failing which it will be presumed that the settlement is implemented in toto.

SIGNATURE OF THE PARTIES

Representing the Employer :

1. Shri A R Mohan Kumar
Chief General Manager (HR&A)

Representing the Workmen:

FACT Employees' Association

1. Shri K Chandran Pillai
2. Shri Santhosh Babu

2. Shri Pradeepkumar C
General Manager (Fin)
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3. Shri Shaju Michael K
4. Shri Sajeev Kumar T V

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3. Shri Saji K P
4. Shri Jayakanth S
5. Shri Thulaseedharan Pillai K
6. Shri Sankunny V
7. Shri Jayakumar
8. Shri Jithin Sivan

FACT (CD) Workers' Congress (INTUC)

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7. Shri Santhosh K

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4. Shri Thulasidas A G
5. Shri Radhakrishna Pillai
6. Shri Sasi PA
7. Shri Sathyan P K
8. Shri Edhu P S
9. Shri Prabeesh P
10. Shri Bibin K S
11. Shri Vishnu P R
12. Shri Vishnu Mohan
13. Shri Govind V
14. Shri Rakesh K R

WITNESS :

1. Shri Siju Jose, Senior Manager (HR), FACT
2. Shri Syamkumar S, Officer (Estate), FACT

SIGNED ON THIS 4th JANUARY 2023 AT ERNAKULAM.

**(SUBAPRIYADARSHINI MUTHUPANDI)
REGIONAL LABOUR COMMISSIONER (CENTRAL)(ADD. CHARGE)
COCHIN**

Annexure - A

WG	Pre-Revised Scale	Revised Scale
1	6950-15200	15000-43000
2	7150-16600	16000-48000
3	7500-18000	18750-59000
4	8050-19400	19500-61000
5	8450-22100	20500-70000
6	8650-23300	21650-76000
7	8850-24500	22000-80000
8	9250-25700	23350-83000
9	9850-27300	23500-85000
10	10400-29800	24000-91000
11	11200-31400	26500-98000
12	12000-32000	29000-115000

Elongated Scales of Pay

WG	Pre-Revised Scale	Revised Scale
14	8650-27300	21650-85000
15	8850-27300	22000-85000
16	9250-29800	23350-91000
17	9850-31400	23350-98000
18	9250-32000	23350-115000

Dearness Allowance on Revised Scales of Pay

Quarter Beginning	Rate of DA (%)
April 2022	30.00
July 2022	32.50
October 2022	34.80