

The Management of the Shevaroy Bauxite Products Co. (P) Ltd.

Vs

The Workmen

Civil Appeal No. 1199 Of 1966

(V. Bhargava, Mitter JJ)

05.08.1971

JUDGMENT

MITTER, J. -

1. This appeal arises out of an award of the Labour Court, Coimbatore, dated December 31, 1965. Reference was made under Section 10(1)(c), read with proviso to Section 10(1) (d) of the Industrial Disputes Act to the Labour Court, the dispute being under three heads :

- (1) Whether the demand for bonus for 1963-64 was justified; and if so, to fix the quantum.
- (2) Whether the demand for house rent allowance is justified, and if so, to fix the rate.
- (3) Whether the demand for the classification of the staff into different categories and fixation of scales of pay and dearness allowance for such categories is justified; and if so, to make classification and fix scales and fit the present incumbents in the scales so fixed.

It is agreed between the parties that the first and third heads of dispute no longer survive because of agreements entered into and we are called upon only to go into the second head of dispute. Evidence was led before the Labour Court on this head and it was found that on driver and two watchmen alone were given residential quarters by the management. The management sought to prove letters from other companies in the area to show that these others did not allow their workers any amount by way of house rent allowance. The Labour Court found that none of the letters had been received from the managements of the same region or of the same climatic condition as that of the company before it. The management's witness stated that the company was not capable of paying any house rent allowance. On behalf of the workmen evidence was adduced to show that the Associated Drug Company situated in the same region paid Rs. 25/- to the staff and Rs. 15/- to the workmen as house rent allowance. Reliance was strongly placed by the appellant on the settlement arrived at between the company and its workmen in 1963 to repel any claim for house rent allowance. The settlement shows that unskilled workers were to be put in the grade of Rs. 1.75 to 2.35 per day, semi-skilled workers from Rs. 1.75 to Rs. 2.70 with an efficiency bar at Rs. 2.25, skilled workers at Rs. 2.50 to 3.75 with an efficiency bar at Rs. 3.13, etc., but the recital of the facts shows that the workmen of the company were demanding revision of the existing rates of dearness allowance and basis wage due to the increase in the cost of living. The settlement was to remain good and binding on both till December 31, 1968, and there was clause in it reading :

"The workmen undertake not to raise any further demand on the Company for increase of wage or dearness allowance which may place further financial burden on

the company till this settlement continues to hold good as per clause (ix)".

It will be noted at once that as the claims of the workmen were settled only with regard to wages and dearness allowance and nothing was said about house rent allowance. In view of the financial position of the company and other relevant facts and circumstances, the Labour Court allowed a house rent allowance to the workers as well as staff of the company equal to 10 per cent. per mensem of the basic wages or pay of the workmen or staff as the case may be, subject to a minimum of Rs. 5/- and maximum of Rs. 25/-.

2. The award seems to be eminently reasonable in view of the very low terms of remuneration of the workmen. It might have been different if the company's financial position did not warrant any further payment but the balance-sheet and the profit and loss account of the company show that the profits after providing for depreciation and directors' remuneration amounted to Rs. 2,53,306 and the Directors reported that the working result of the year under review were better than those of the preceding year inasmuch as they revealed an increase of about 20% on the preceding year's profits and in consequence were able to recommend a dividend of 10% on the equity share capital of the company.

3. In our view, no exception can be taken to the meager amount for house rent allowance awarded. It has to be noted that 12 members of the staff of the company put in a petition to this Court that the award for house rent allowance should be set aside so far as they were concerned inasmuch as the staff had not raised any dispute with regard to house rent allowance. We will therefore direct that the benefit of the award should not be available to the said 12 persons who have put in a petition to this Court. Save as above the appeal is dismissed with costs.

</html