A STUDY OF LABOUR MANAGEMENT RELATIONS IN RAZA TEXTILES LTD. RAMPUR

DISSERTATION SUBMITTED FOR THE AWARD OF THE DEGREE OF Master of Philosophy IN COMMERCE

BY

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INTRODUCTION

Labour management relations which occupies a prominent place in the modern industrial set-up, has assumed dynamic importance. With the rapid industrialisation in India, the problems of labour management relations have multiplied. Consequently, since the beginning of the industrial era, efforts have been made to foster a constructive climate of harmonious relationship between labour and management. In a developing country like India, the maintenance of industrial peace and harmony is of greater significance for accelerating the pace of economic growth, social security and political stability. Further, it will also result in the progress and prosperity of the country. These aims can only be achieved through the recognition of labourer's role in framing, executing and implementing the policies. In this regard, harmonious labour management relations will require labour and management to discuss and solve their problems between them in a spirit of mutual trust and confidence as well as without causing frictions. Thus, it will fulfill the economic needs of the country in the best possible manner.

In the present study an attempt has been made to evaluate the labour management relations in Raza Textiles Ltd. Various issues which affect the relationship between labour and management have been critically examined and measures have been suggested to make them more effective contributors to increase the productivity
and prosperity of the company. The coverage of various aspects related to labour management relations in the Raza Textiles Ltd. is both intensive and pragmatic. The author has been particularly anxious to cover all important aspects of labour management relations with the maximum degree of thoroughness so as to make this study useful, but in this earnest endeavour sometimes, author is limited by non-availability of authentic and adequate data. Nevertheless, even as it is, the study is very exhaustive and brings with in its fold almost all vital issues relating to labour management relations in Raza Textiles Limited.

Objectives of the Study:

The following objectives are formulated to achieve the goals of study.

(1) To review the conceptual approach of labour management relations.
(2) To examine the historical background of Raza Textiles Ltd.
(3) To discuss the Labour Management Pattern of Raza Textiles Ltd.
(4) To analyse the growth of trade-unions, their functions and problems in Raza Textiles Ltd.
(5) To deal with the nature and causes of industrial disputes and the settlement procedure in Raza Textiles Ltd.
(6) To explain the position of wages, labour welfare, and working conditions in Raza Textiles Ltd.
(7) To suggest measures for maintaining harmonious relations between labour and management in Raza Textiles Ltd.
Research Methodology:

The present work, "A Study of Labour Management Relations in Raza Textiles Ltd. Rampur" is based on published and unpublished data, collected from both primary and secondary sources. All the information based on primary sources is collected through a sample survey which was carried out with the help of interview schedules. A schedule was constructed with questions according to the objectives of the study. The portion based on the secondary information is collected from, books, journals, annual reports and various other publications related to Labour Management relations.

Finally, all the information and data collected are analysed and important inferences have been drawn from them.

Plan of the Study:

The present study has been divided into seven chapters. The first chapter is a conceptual approach of Labour management relations. The second chapter deals with the historical background of the Raza Textiles Ltd. as well as the financial analysis of the company. Third chapter entitled "Labour Management Pattern of Raza Textiles Ltd." is devoted to examine the organisational structure and pattern of employment of the company.

In chapter fourth an effort has been made to explain the trade unions, their functions and problems in Raza Textiles Ltd. Industrial disputes and settlement procedure has been analysed in fifth chapter. The chapter sixth is intended to give a profile of Labour
Welfare facilities in Raza Textiles Ltd., wages and working conditions have also been studied in this chapter.

The Seventh and the last chapter highlights the summary, conclusions and suggestions of this study.
LABOUR MANAGEMENT RELATIONS - A CONCEPTUAL APPROACH

Origin, Growth and Development of Labour Management Relations

Concept:

Labour management relations have passed through distinct economic social and political situations prevailing in different countries. To have a proper knowledge of labour management relations, it is essential to have a broader idea of their origin, growth and development.

Industrial relations are as old as industry and being inherent in industry, will always remain as a feature of industrial life. In the primitive and agrarian societies the master and slave relationship was simpler. In the medieval era the master craftsman imparted training to Journeymen, and exercised control over them. However, with the change in the industrialization pattern, the structure the size of industrial establishments and the problems in employer-employee relations have also changed. After the industrial revolution of the 18th century, master and servant relationship has undergone a complete

transformation. Industrial capitalism which entered in India with the advent of the Britishers, gave rise to a new class i.e. industrial proletariat. Industrial relations during the 19th century were governed by the free market forces of supply and demand since labour was treated as a commodity which could be easily procured and replaced under the policy of Laissez-Faire.

The doctrine of supply and demand influenced the relations of labour and management. The employer who was in a dominating position freely exercised his authority in dictating wages and other conditions of services, which was exploitation of workers under the policy of Laissez-Faire. This policy gave a strong jolt to the relations of workers and management. With the establishment of ILO in 1919 due attention was given to the relations of labourers and management. ILO declared that labour is not a commodity. Due to the declaration of ILO the workers realized their importance. The feeling of class consciousness was generated which resulted in strikes, lockouts and industrial conflicts. On account of this awakening various legislations viz. the workmen's compensation Act, 1923, the Trade Union Act, 1926, and the Trade Dispute Act 1929 based on the British Industrial Court (BIC) 1919, were enacted to improve the pattern of industrial relations.

The Impact of Industrial Revolution:

The development of industrial relations in the United Kingdom and other countries is determined by the industrial revolution and is closely linked with the pace of industrialisation. Experience of these countries provided assistance to workers, employers and governments of various countries where industrialisation began very late. India's industrialisation is of a recent origin, as a result she benefited from the experience of other industrialised countries. Industrialisation took place in India particularly after independence. The development of industrial relations is linked to the industrial growth.

After Independence:

Industrial relations have undergone a significant change after independence. The new idealism of democracy and planned economic development has given new way to the slightly beyond control industrial relations.

In free India, this legacy was given statutory recognition when the legal provisions for regulating industrial relations were embodied in the Industrial Disputes Act, enacted in 1947. This Act provided for: (1) the establishment of a permanent machinery for the settlement of disputes in the

shape of certain authorities like works committees, conciliation officers, Industrial Tribunals, Labour Courts, etc. and (ii) making an award of a Tribunal or any settlement brought by the conciliator binding on the parties and legally enforceable.

During this period, the Government of India enacted the Indian Factories Act 1948, the Employees State Insurance Act 1948, and Minimum wages Act, 1948 regarding industrial relations, wage policy, and social security for amelioration and welfare of labour force and industry as a whole.

DEFINITIONS OF LABOUR MANAGEMENT RELATIONS

Labour Management relations is a dynamic socio-economic process. It is a collaboration of men and women in their work in Industry. Healthy and harmonious labour management relations are essential in minimising grievances, ensuring industrial peace, increasing industrial efficiency and in developing a contended labour force.

The term labour management relations has been defined differently by various authors according to their needs, circumstances and degree of industrialisation. The following are some important definitions:

In the words of T.N. Kapoor "Industrial relations should be understood in the sense of labour management relations as it percolates into a wider set of relationships touching extensively all aspects of labour such as union policies, personnel policies and practices including wages, welfare, and social security, service conditions, supervision and communication, collective bargaining etc., attitudes of the parties, and governmental action on labour matters." 5

According to V.B. Singh "Industrial relations are an integral aspect of social relations arising out of employer employee interactions in modern industries, which are regulated by the state in varying degree, in conjunction with organised social forces and influenced by prevailing institutions. This involves a study of the role of the state, the legal system, workers' and employer's organisations, on the institutional level; and that of the pattern of industrial organisation (including management) capital structure (including technology), composition of labour force and the force of market on the economic level." 6

Richard A. Lester says that "Industrial relations involve attempts to arrive at workable compromises and balances between

conflicting objectives and values between incentives and economic security, between discipline and industrial democracy, between authority and freedom, between bargaining and cooperation".7

Dale Yoder defines Industrial relations as "It is a designation of a whole field of relations that exist because of necessary collaboration of men and women in employment process of industry".8

J. Henry Richardson is of the view that "Industrial relations is an art of living together for purpose of production and it applies principles derived from many other studies."9

John T. Dunlop is of the opinion that "Industrial relations comprise the behavior, activities and attitudes of all the actors i.e. labour, management and community, certain i.e. technological and budgetary contents and the content of the locus and distribution of power in the larger society, an ideology that is expected to bind the system together and a body of rules created to govern the actors at the work place and work community.10

In the words of Ordway, Teade & Met Calfe "Industrial relations is the composite result of the attitudes and approaches of employers and employees towards each other with regard to planning, supervision, direction and co-ordination of activities of an organisation with a minimum of human efforts and frictions with an animating spirit of co-operation and with proper regard for the genuine well being of all members of the organisation."  

H.A. Clegg says that "the field of industrial relations includes the study of workers and their trade unions, management, employers association and the state institutions concerned with the regulation of employment."  

Paresh Majumdar Opines that "Industrial relations is an objective study of human relations without value judgements and it is incorrect to believe that it is concerned with changed values for the better of employers towards employees. The study of industrial relations is concerned not only with attitude of the employers but with those of employees as well."  


According to Richard Hyman "Industrial relations is the study of processes of control over work relations, and among these involving collective workers organisation and action are of particular concern".  

According to Encyclopaedia Britiannica "The concept of industrial relations has been extended to denote the relations of the state with employers, workers and their organisations the subject, therefore includes individual relations and joint consultation between employers and workpeople at their work place, collective relations between employers and their organisations and trade unions and the part played by the state in regulating these relations".

In the light of above definitions it can be said that industrial relations is the relationship between labour and management in Industry. It is the composite result of the attitudes and approaches of both the parties towards each other.

Industrial relations is an approach towards the betterment of not only the labour and management but also of industry and economy as a whole. It is concerned with the prevention of industrial disputes and maintenance of harmonious relations between labour and management.


MEANING OF LABOUR MANAGEMENT RELATIONS:

With the development and expansion of industrial enterprise, the management of human labour has begun to claim more attention during the last two decades than it had formerly received. This the result of growing democratic spirit of labour which has become vocal and aggressive and has made the management to realize the necessity of co-operation with labour which is must for the success of an enterprises.16

The term 'Labour-management relations' is a comprehensive one and it covers both industrial relations and the problem of human relation. The former deals with matters regulated by law or by specific collective agreements arrived at between the trade unions and the employers. Problems of human relations are personal in character and are related to the behavior of workers.17

Labour management relations may be described as the sum total of all relationships between organisation and its unionised employees which bring about honest and objective consideration of each other's problems, and result in sincere and equitable offers of solutions of problems and misunderstandings from both sides. 18

18. Ibid.
Industrial relations are legal and conventional norms, methods and techniques of regulated behaviors, interactions and co-operation between persons involved in production. It is a set of functional interdependence involving historical, economic, social, psychological, demographic, technological, occupational, political and legal variables. Industrial relations have been derived essentially from economic relations (i.e. from the process of hiring out labour services for money incomes) but it is also rooted in social as well as psychological foundations. Industrial relations today are largely determined by the conditions of the industrial revolution and continue changing as the economic system evolves. They are bound to be affected by environmental changes. These changes are caused by economic conditions, recession in business, shift in political power structure or change in government.

Industrial relation is concerned with maintaining economic stability and order. Various rules, regulations and institutions under the system are compatible and well integrated and that conflict is temporary phenomenon arising out of the occasional disequilibrium caused by the maladjustment of various variables composing the system which has ultimate qualities of

20. Singh V.B. op.cit p.1
consensus and therefore, largely self-correcting. Industrial relations is indicative of a state of relationship between organised bodies of labour and management where a highly positive and powerful problem solving and cordial approach to the various human and economic situations in industry is developed, resulting in prevention of industrial disputes and maintenance of industrial peace.

Finally it can be said that, 'the Industrial relations has been interpreted variously. At one extreme, it is seen as encompassing all activities connected with human resource utilisation, at the other end, it is restricted exclusively to relations with organised labour'. But when taken in its wider sense it includes 'the relations between an employee and an employer in the course of running of an industry. It may also project itself in spheres which may transgress to the areas of quality control, marketing, price fixation and disposition of profits among others'.

It may also be mentioned that the term industrial relations is itself used synonymously with labour relations, employee-relations, Union-management relations. Even the terms:

personnel management is used interchangeably with industrial relations. Industrial relations has become that part and parcel of the science of management which deals with the manpower of the enterprise and, hence, it is closely linked with personnel management. The term Industrial relations and personnel management were not sharply distinguished and were very often used interchangeably. According to Breach, "Personnel management mainly deals with executive policies and activities regarding the personnel aspects of the enterprise while industrial relations is mainly concerned with employee employer relationship."

**IMPORTANCE OF LABOUR MANAGEMENT RELATIONS:**

Industrial relations is a vital pre-requisite for industrial progress and a situation when requirements of management and the work force are discussed between them in a spirit of mutual trust and confidence and without causing friction. An alive workforce with a healthy attitude to work can alone be a good partner for harmonious industrial relations rather passive and subdued workforce.

Good Industrial relations, therefore, are sine-quo-non for increasing production and improved productivity as without industrial harmony, economic progress is severely retarded. But the problem is that workers have quite a different angle from that of their employers. Extensive use of machines has led to unemployment, exploitation of workers, raised the problems of energy, social destruction, pollution and strained relations between labour and management. However, stable labour-management relations are the pre-requisite for industrial progress, and a basis for the development of industrial democracy, in the absence of which industrial peace and harmony is difficult to be achieved.

Healthy and harmonious labour management relations pave the way to economic growth and social change. Industrial harmony is undoubtedly an essential pre-condition for minimising grievances and complaints, maintaining industrial discipline, ensuring industrial peace and tranquility, increasing industrial efficiency and developing a committed and contented labour force. Industrial harmony is inextricably linked with the economic progress of the country. Industrial harmony brings about greater co-operation between workers and management which ultimately results in better production that leads to the economic progress and prosperity of the country.

Further, a quest for industrial harmony is indispensable when a country plans for economic progress. Economic progress is bound up with industrial harmony inevitably leads to more co-operation between employer and employees, which results in more productivity and there by contributes in all-round prosperity of the country.  

Human problems are increasing day-by-day in modern industrial society. The labour management relations have assumed greater significance, because harmonious relationship increases the productivity of working class which will ultimately increase production. Profit will be more with the increase in production. More profit will provide more wages, bonus and various other amenities to labour. Ultimate result of these increases would be that national income will also increase. Harmonious labour management relations will fulfil the economic needs of the country in the best possible manner. On the other hand, bad industrial relations would cause strikes and Lockouts, unemployment and will bring the national income down. 

Finally, it can be said that good labour management relations are necessary to increase production, profit, wages, national income etc. Good relationship between both the parties should be maintained as it is the call of the day.

Labour Management Relations in India during Five Year Plans:

As indicated earlier industrial peace and harmony are the essential pre-requisites for growth and development. Without the cooperation of labour and management economic activities can not achieve the desired goals. This is all the more time in planned economics. The plan targets and objectives can be achieved through cooperation of all the parties including labour in the task of national economic development. Keeping this in view, the Government of India laid emphasis on harmonious labour management relation in the successive five year plans.

The First Five Year (1951-56) pointed out that "Harmonious relations between capital and labour are necessary for the realization of the targets of the plan in the industrial sector. The prime importance was given to the maintenance of industrial peace. Industrial relations are, therefore, not a matter between employers and employees alone but a vital concern of the community, which may be expressed in measures for the protection of its larger interests."\(^{35}\) The plan emphasised the significance of setting up a tripartile body

consisting of representatives of employees, employers and government to minimise the industrial conflicts. During plan period, the provident Fund Act 1952 was passed and Industrial Disputes Act 1947 was amended in 1953 to compensate the workers in case of lay off and retrenchment.

The plan conceived the "Works Committees" at plant level as the key system for settlement of differences between the workers and the management. It also recommended the setting up of Joint Committees at plants and for the industry as a whole for tackling problems of wider interest. The idea of Joint Management Councils was sponsored by the Government with a view to encourage joint consultation between workers and management.  

The Second Five Year Plan (1956-61), envisaged a marked shift in industrial relations policy consequent on the acceptance of socialistic pattern of society and the goal of planning. The plan stated that greater stress should be laid on the creation of industrial democracy in which a worker feels himself to be a part and parcel of industrial apparatus that was to usher in socialistic pattern of society.  

plan period, the tripartite machinery, the India Labour Conference setup in 1942, was effective in evolving certain norms such as mechanisms and practices - formulated for need based minimum wages, wage boards, guidelines for rationalisation, code of discipline, code of conduct, scheme for workers participation in management, list of items on which works committees could conduct their business, model grievances procedure, evaluation and implementation machinery and emphasis on voluntary arbitration.  

The Third Five Year Plan (1961-66) recommended no major change in the Industrial Relations Policy. During the emergency caused by the Chinese war in 1962, the Industrial Truce Resolution was adopted, and employers and workers pledged themselves to maximise the production. The Bonus Act was passed in 1965 with a view to resolving the most important item of discord between the two parties. The rights of an individual worker came to be better safeguarded when the Industrial Disputes Act of 1947 was amended, granting to an individual worker the right to raise a dispute even if his cause was not espoused by any Union.

39. Ibid p. 265
The plan also elaborated the policy of associating labour more and more with management and accepted the progressive extension of the scheme of Joint Management Councils (JMCs) as a major programme. It recommended the setting up of JMCs in all industrial undertaking found suitable for the purpose so that, in due course, the scheme might become a normal feature of the industrial system. 40

The Fourth Five Year Plan (1969-74) also stressed the need of effective labour administration for better enforcement of labour laws. By the end of 1966 the Government of India appointed the "National Commission on Labour", which submitted its first report in 1969," for studying and making recommendations on various aspects of Labour including, wages, working conditions, welfare, trade unions development and labour management relations". 42

Fifth Five Year Plan (1974-79) highlighted the importance of strengthening industrial relations, conciliation machinery, active participation of workers in decision making, better enforcement of laws, productivity linked incentive scheme and improvement in productivity and communication. 43

42. Agerwale, D.V. op.cit., p.35.
43. Fifth Five Year Plan, Planning Commission, Govt. of India.
The Sixth Five Year Plan (1980-85) did not introduce any major change in the industrial relations policy. However, there were two aspects which drew the attention of planners. Firstly, it stressed the need of simplifying the procedure for the settlement of industrial disputes in order to ensure "quick justice" to workers and a feeling of certainty among employers. Secondly, it emphasised the need of increasing the number of existing labour courts and Tribunals and for setting up new machinery for speedy settlement of industrial disputes.

Seventh Five Year Plan (1985-90) has emphasised on improving the capacity utilisation, efficiency and productivity. The responsibility of unions and employees has to be identified. Inter union rivalry and intra union divisions should be avoided. Further the quality of training imported to the workers must be upgraded. Due attention has been given to industrial safety. Provisions have been made for the welfare, working and living conditions of un-organised labour not only in rural areas but also in urban areas. Working conditions of women and child labour have also been given attention.

The above discussion about the labour management relations in India during five year plans clearly leads to the

45. Seventh Five Year Plan, Planning Commission, Govt. of India, (1985-90) pp.119-120.
conclusion that all measures undertaken by the Government during the plans are for the promotion of healthy and harmonious relations between labour and management. Further, there is a strong commitment for the development of strong trade unions and collective bargaining in Indian Industries. With new developments in industrial field, the relationship between labour and management has changed. Thus, the ultimate aim of the Government is to promote peaceful relationship between labour and management to improve production, working conditions and to promote the interest of country at large.
In the previous chapter an attempt has been made to review the conceptual approach of labour management relations, in which origin, growth and development, definitions, meaning and importance of labour management relations have been discussed. It has also highlighted the emphasis laid by the Government of India on labour management relations during successive five year plans.

The present chapter entitled, 'Historical Background of Raza Textiles Ltd. has discussed three important things, viz. precise sketch of Rampur District, brief history of the Raza Textiles Ltd. and financial appraisal of the company.

Introduction:

It is believed that the present town of Rampur was founded by Naweb Faizullah Khan in 1775, who gave it the name of Faizabad. There were some towns of the same name so it was changed to Mustafabad urf Rampur, which is confirmed by the old records. The district of Rampur was merged into the state of Uttar Pradesh on December the 1, 1949. "It lies between 28°25' and 29°10' north latitude and 78°54' and 79°28' east longitude. In configuration it is almost heartshaped. According to the Surveyor General of India the area of the district is 2367 sq.kms. Rampur is bounded on the east by District Bareilly on the west by Moradabad, on the north by Nainital and on the
the south by Budaun district. Geographically it lies in the north west region of the U.P. state. Ramganga and Kosi rivers pass through it.¹

According to census 1981, it sustains a population of 1,178,621 giving a population density of 498 persons per sq. km. The total population of the district constitutes a proportion of 1.06 per cent and the district stands 56th in area and 44th in population amongst the 56 districts of the U.P. state. There are 1,54,356 occupied residential houses in the district.²

**A Brief History of Raza Textiles Ltd.³:**

The Late Ruler H.H. Sir Syed Raza Ali Khan Bahadur of the erstwhile state of Rampur, realising the backwardness of his state and appalling poverty of its people, mooted out in 1932, the vital question of setting up industries in the state was to generate employment potential and thereby alleviate the economic distress of its subjects.

With this idea in mind well known Business Magnates of the country were consulted and were offered all kinds of facilities to allure them to invest their capital. Free land, cheap labour, no octroi duty and power at very nominal rates etc., proved effective incentives and consequently two

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2. Ibid.
3. Secretary, Raza Textiles Ltd.
sugar mills, one Textile Mill, one match Factory and one Engineering unit besides a host of other smaller units came into existence.

The Raza Textiles Limited was incorporated in 1933 by its enterpreneurs, Sir, J.P. Srivastava Group of Industries at Rampur between Bareilly and Moradabad on the Northern railway. It started functioning in 1940, as the first shipment of plant and equipment shipped out of England was sunk in the high seas by the Germans in 1939. Raza Textiles Ltd. commenced functioning with 300 looms and 12500 spindles which were immediately increased within six months to 440 looms and 20000 spindles. Between 1950-54, the Mill was further expanded by 160 looms and 15000 spindles. Upto this stage, it was exclusively manufacturing Grey Varieties of Cloth.

Later on a processing house was also added in the Mill, making it fully comprehensive unit with a present capacity of 600 looms and 37149 spindles.

The company was started with an original paid up capital of Rs. 22,50,000 which was thereafter increased to 47,50,000 in 1947 and now stands at Rs. 77,50,000.

Since its inception, the management of this unit has remained in the hands of Sir J.P. Srivastava Group of Industries.
Originally, and till late 60's all policy decisions were used to be taken by the central office of Sir J.P. Srivastava Group of Industries at Kanpur. However, now the complete management control is vested in its staff at the Mills under the directions of Managing Director and the Board of Directors. The Management staff is professional. Various changes have been made in the managerial control system including the recent in corporation of sophisticated costing system, both standard and marginal. Better inventory controls and testing facilities have been incorporated.

Modernisation:

The company took various steps for modernisation between 1985 and 1987, to have a larger product mix of synthetic yarn and fabrics. The modernisation programme of 1987 was financed by the IDBI under the scheme of soft loan and Rs. 265 lakhs were sanctioned against a total project cost of Rs. 335 lakhs. This helped the company to diversify its products into synthetic yarn and fabrics. 4

SHARE CAPITAL

The company was started with an initial paid up capital of ₹225 lakhs which was thereafter increased to ₹47.5 lakhs in 1947. Now it amounts to ₹77.5 lakhs. The company entered in the capital market in April 1986 with a total share capital of ₹77.5 lakhs divided into 6 lakhs ordinary shares of ₹10/- each, 7500 6½ % Cumulative 'A' Preference shares of ₹100/- each and 1 lakh 6½ % cumulative 'B' Preference shares of ₹10/- each. In the Annual General Meeting of the company held on 30th June, 1986. Board of Directors passed a resolution to increase the share capital of the company from ₹77.5 lakhs to ₹150 lakhs divided into the following.

1. 20,000 Cumulative 'A' preference shares of ₹100/- each 20,00,000
2. 1,00,000 Cumulative 'B' Preference shares of ₹10/- each 10,00,000
3. 12,00,000 ordinary shares of ₹10/- each 1,20,00,000

Total ₹1,50,00,000

6. From unpublished Records of Raze Textils Ltd.
The following statements would clearly specify the increase in share capital of the company from 1977 to 1987.

**Table (1)**

The share capital of Raza Textiles Limited Rampur as the end of December 1977.

**AUTHORISED CAPITAL**

- 20000 6½% cumulative 'A' preference shares of Rs. 100 each - 2000000
- 100000 6½% cumulative 'B' preference shares of Rs. 10 each - 1000000
- 600000 Ordinary shares of Rs. 10 each - 6000000

**ISSUED AND SUBSCRIBED CAPITAL**

- 7500 6½% cumulative 'A' preference shares of Rs. 100 each - 750000
  fully paid up in cash.
- 100000 6½% cumulative 'B' preference shares of Rs. 10 each - 1000000
  (includes 52500 shares allotted as fully paid-up bonus shares by way of capitalisation of general reserve)
- 600000 Ordinary shares of Rs. 10 each (includes 300000
  share allotted as fully paid-up bonus shares by way of capitalisation of general reserve and dividend equalisation reserve of Rs. 25,00,000 and 4,00,000 respectively).

Source -
Table (2)

Showing the Share Capital of Raze Textiles Limited as at 31st March 1988.

AUTHORISED CAPITAL

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>20,00,000 6½% Cumulative A preference shares of ₹. 100/- each</td>
<td>₹ 20,00,000</td>
</tr>
<tr>
<td>10,00,000 6½% Cumulative B preference shares of ₹. 10/- each</td>
<td>₹ 10,00,000</td>
</tr>
<tr>
<td>1,20,000 ordinary shares of ₹. 10/- each</td>
<td>₹ 1,20,00,000</td>
</tr>
</tbody>
</table>

ISSUED AND SUBSCRIBED CAPITAL

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>7,50,000 6½% Cumulative A preference shares of ₹. 100/- each</td>
<td>₹ 7,50,000</td>
</tr>
<tr>
<td>10,00,000 6½% Cumulative B preference shares of ₹. 10/- each</td>
<td>₹ 10,00,000</td>
</tr>
<tr>
<td>47,500 fully paid-up in cash and 52,500 fully paid-up bonus shares by way of capitalisation of general reserve.</td>
<td>₹ 77,50,000</td>
</tr>
<tr>
<td>60,00,000 Ordinary shares of ₹. 10 each (3,00,000 shares fully paid-up in cash and 3,00,000 shares fully paid-up bonus shares by way of capitalisation of general reserve and dividend equalisation reserve of ₹. 26,00,000 and 4,00,000 respectively)</td>
<td>₹ 60,00,000</td>
</tr>
</tbody>
</table>

Source -

Funds

The total assets at the end of March 1987 stood at Rs. 555.86 lakhs. The gross fixed assets expanded rapidly from Rs. 512.51 lakhs in 1983 to 689.69 Lakhs in 1987 (an average growth of 8.64 percent) over 1983.

Table (3)

Showing the Financial Resources of Reza Textiles Ltd. during 1977-87.

<table>
<thead>
<tr>
<th>Year</th>
<th>Paid up share capital (in lakh Rs.)</th>
<th>Reserves &amp; surpluses (Rs. in lakh.)</th>
<th>Loans Fund (Rs. in Lakh)</th>
<th>Total capital (Rs. in Lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>77.50</td>
<td>68.03</td>
<td>79.67</td>
<td>225.20</td>
</tr>
<tr>
<td>1978</td>
<td>77.50</td>
<td>95.05</td>
<td>32.16</td>
<td>204.71</td>
</tr>
<tr>
<td>1979</td>
<td>77.50</td>
<td>115.87</td>
<td>47.39</td>
<td>240.76</td>
</tr>
<tr>
<td>1980</td>
<td>77.50</td>
<td>128.70</td>
<td>97.80</td>
<td>304.00</td>
</tr>
<tr>
<td>1981</td>
<td>77.50</td>
<td>135.63</td>
<td>163.69</td>
<td>377.82</td>
</tr>
<tr>
<td>1982</td>
<td>77.50</td>
<td>153.62</td>
<td>170.05</td>
<td>401.17</td>
</tr>
<tr>
<td>1983</td>
<td>77.50</td>
<td>161.80</td>
<td>187.38</td>
<td>426.68</td>
</tr>
<tr>
<td>1984</td>
<td>77.50</td>
<td>165.70</td>
<td>221.31</td>
<td>464.51</td>
</tr>
<tr>
<td>1985</td>
<td>77.50</td>
<td>176.91</td>
<td>201.63</td>
<td>456.04</td>
</tr>
<tr>
<td>1986-87*</td>
<td>77.50</td>
<td>177.07</td>
<td>301.29</td>
<td>555.86</td>
</tr>
</tbody>
</table>

* The Company changed financial year from 31st December, 31st March.

Above table reveals that the company has built up a large reserves over the years. The reserves and surpluses improved substantially from 161.80 lakhs to 177.07 lakhs showing an increase of 9.4 percent over the same period. The loans fund showed an average annual increase by 278 percent i.e. from ₹79.68 lakhs in 1977 to ₹301.29 lakhs in 1987.

The ratio analysis is one of the most important tools of financial analysis, and a way to analyse the financial position of the company. For this purpose over-all profitability ratios has been computed which reveals that book value per share as at 31st March 1987 works out at ₹19.75 and earning per share at ₹1.17. The price earning ratio and cover works out at 16.9 and 3.1 times respectively. 8

Production:

The Raza Textiles Ltd. has mainly two manufacturing divisions viz.,

Textiles Division:

In this division, large scale production of cloth and Yarn is being carried out since 1940. This division has been modernised and is having larger product mix of synthetic yarn and fabrics.

Jwala Fabrics Division:

This division is engaged in the production of mosquito netting and hosiery webs from basic stage on 10 mosquito

netting machines, 24 hosiery knitting machines and 12 stitching machines.

The company has been increasing the scale of production and diversification of its products since its establishment. The annual production figures of cloth, Yarn, mosquito netting and hosiery webs and their indices are given in table (4) which shows that production of all products has increased rapidly.

**TABLE -4**

<table>
<thead>
<tr>
<th>Year</th>
<th>Cloth (in lakh mts)</th>
<th>Index Number</th>
<th>Yarn (in lakh kg)</th>
<th>Index Number</th>
<th>Mosquito Netting &amp; Hosiery Webs (in lakh Mts.)</th>
<th>Index Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>135.97</td>
<td>100.00</td>
<td>29.59</td>
<td>100.00</td>
<td>7.32</td>
<td>100.00</td>
</tr>
<tr>
<td>1978</td>
<td>131.57</td>
<td>97.06</td>
<td>32.50</td>
<td>109.83</td>
<td>7.84</td>
<td>107.10</td>
</tr>
<tr>
<td>1979</td>
<td>134.17</td>
<td>98.68</td>
<td>30.36</td>
<td>102.60</td>
<td>9.39</td>
<td>128.28</td>
</tr>
<tr>
<td>1980</td>
<td>116.06</td>
<td>85.36</td>
<td>24.74</td>
<td>83.60</td>
<td>9.37</td>
<td>128.00</td>
</tr>
<tr>
<td>1981</td>
<td>95.38</td>
<td>70.45</td>
<td>22.71</td>
<td>76.75</td>
<td>9.34</td>
<td>127.59</td>
</tr>
<tr>
<td>1982</td>
<td>134.97</td>
<td>99.26</td>
<td>33.09</td>
<td>111.83</td>
<td>10.73</td>
<td>146.58</td>
</tr>
<tr>
<td>1983</td>
<td>141.55</td>
<td>104.10</td>
<td>36.08</td>
<td>121.93</td>
<td>12.85</td>
<td>175.55</td>
</tr>
<tr>
<td>1984</td>
<td>140.99</td>
<td>103.69</td>
<td>34.58</td>
<td>116.86</td>
<td>12.77</td>
<td>174.45</td>
</tr>
<tr>
<td>1985</td>
<td>158.62</td>
<td>116.66</td>
<td>35.85</td>
<td>121.16</td>
<td>12.69</td>
<td>173.36</td>
</tr>
<tr>
<td>1986-87</td>
<td>171.38</td>
<td>126.04</td>
<td>47.75</td>
<td>161.37</td>
<td>15.28</td>
<td>208.74</td>
</tr>
</tbody>
</table>

*The Company changed Financial year from 31st December to 31st March.*

Table noted above shows that the company has produced 171.38 lakhs metres cloth and 47.75 lakhs kgs. yarn in 1966-67 while it produced 135.97 lakhs metres cloth and 29.59 lakhs kgs. yarn in 1977 (as increase of 26 percent and 61.4 percent respectively over a period of 10 years). Indices of 1980 and 1991 showed a sharp decline in the production of cloth and yarn due to strike in the Textiles Division during the said period.

Indices of mosquito netting and hosiery webs show a rising trend over the period reviewed. Its production has increased from 7.32 lakhs metres in 1977 to 15.28 lakhs metres in 1986-97 registering an increase of 108.7 percent over 1977.

SALES STRUCTURE AND PRODUCT MIX:

The sale in the beginning was entirely made in U.P. and was controlled by the company's sole selling agents, to whom sales were made. This system of sales was revamped in 1970 and sales were made directly to dealers and brokers of the agents, instead of the sales being made directly to the agents. This was again changed
1973 when the Mill started invoicing directly to all agents for all sales negotiated and sole selling agents took responsibility for payment and sales promotion. The areas of sale have been vastly enlarged to cover Punjab, J & K, Delhi, K.P., Rajasthan, Bihar, Haryana, West Bengal, Himachal Pradesh and Karnataka. This system of sole selling agents was not successful. August, the 1st, 1977 seen the end of sole selling agents in Raze Textiles Ltd. and sales promoters and indemnity guarantors have been appointed. They not only reduce selling expenses but also enable the management to get a greater feedback as to the demands and requirements of the market.

The production pattern of the Mills took a change with the inception of process house when the grey dhoti, Saree, Chadras produced were converted to processed varieties. The trend in the manufacture from the basic course and heavy material was diverted to poplin and cambric in the year 1970-71 and recent experiments on blended fabrics have proved successful. The company
has installed 56 automatic looms to manufacture synthetic fibre. Sales and income of the company have increased considerably. The following table (5) shows the sales, other income and total income of the company during 1977-87.

**TABLE 5**

Showing the Sales, Other Income, and Total Income during 1977-87

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (Rs. in lakh)</th>
<th>Other Income (Rs. in lakh)</th>
<th>Total Income (Rs. in lakh)</th>
<th>Percentage of Sales to Total Income</th>
<th>Percentage of Other Income to Total Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>755.60</td>
<td>8.56</td>
<td>764.16</td>
<td>98.9</td>
<td>1.1</td>
</tr>
<tr>
<td>1978</td>
<td>890.69</td>
<td>5.10</td>
<td>895.79</td>
<td>99.4</td>
<td>0.6</td>
</tr>
<tr>
<td>1979</td>
<td>901.86</td>
<td>2.69</td>
<td>904.55</td>
<td>99.7</td>
<td>0.3</td>
</tr>
<tr>
<td>1980</td>
<td>865.40</td>
<td>2.42</td>
<td>867.82</td>
<td>99.7</td>
<td>0.3</td>
</tr>
<tr>
<td>1981</td>
<td>760.12</td>
<td>97.88</td>
<td>858.00</td>
<td>88.6</td>
<td>11.4</td>
</tr>
<tr>
<td>1982</td>
<td>1204.83</td>
<td>20.41</td>
<td>1225.24</td>
<td>98.3</td>
<td>1.7</td>
</tr>
<tr>
<td>1983</td>
<td>1328.72</td>
<td>27.33</td>
<td>1356.05</td>
<td>98.0</td>
<td>2.0</td>
</tr>
<tr>
<td>1984</td>
<td>1417.16</td>
<td>95.26</td>
<td>1512.42</td>
<td>93.7</td>
<td>6.3</td>
</tr>
<tr>
<td>1985</td>
<td>1556.89</td>
<td>43.74</td>
<td>1600.63</td>
<td>97.3</td>
<td>2.7</td>
</tr>
<tr>
<td>1986-97</td>
<td>1779.05</td>
<td>102.82</td>
<td>1881.87</td>
<td>94.5</td>
<td>5.5</td>
</tr>
</tbody>
</table>

*The Company changed Financial Year from 31st December to 31st March.*

Above table reveals that the sales of the company touched a peak of ₹ 1779.05 lakhs in 1987 from ₹ 755.60 lakhs in 1977—(an increase of 135 percent over a period of 10 years). Percentage of sales to total income has been fluctuating since 1977. It declined in the year 1980-1981 due to strike in the textiles division. Other income of the company has also increased from ₹ 8.56 lakhs in 1977 to ₹ 102.82 lakhs in 1987 registering an increase of 1101 percent over the same period. There has been sharp fluctuations over this head in the years 1980, 1982 and 1983. Inspite of these variations, there has been a rising trend in the total income of the company. It increased from ₹ 764.16 lakhs in 1977 to ₹ 1881.87 lakhs in 1987. Though the year 1980 indicates a little decline in the total income of the company due to strike.

PROFIT:

The basic objective of the company is to earn profits. It is considered a pre-requisite for the survival of the business. In the words of Lord Keynes," Profit is the engine that derives the business enterprise" A company needs profit not only for its existence but also for expansion and diversification. Briefly speaking, profit is an index of economic progress. The Raza Textiles Ltd. has been earning huge profits since 1977. Gross profit before depreciation but after interest has been fluctuated

from year to year. It went up from ₹ 27.69 lakhs in 1977 to ₹ 79 lakhs in 1985 but declined in 1987 by 14.4 percent.

The following table shows profit before tax and after tax during 1977-1987.

**TABLE- 6**

Showing the profit Before Tax and Profit After Tax during 1977-87. (₹. in lakhs)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Income</th>
<th>Total cost</th>
<th>Profit Before Tax</th>
<th>Profit After Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>764.16</td>
<td>760.50</td>
<td>3.66</td>
<td>2.76</td>
</tr>
<tr>
<td>1978</td>
<td>895.79</td>
<td>820.59</td>
<td>75.20</td>
<td>26.20</td>
</tr>
<tr>
<td>1979</td>
<td>904.55</td>
<td>834.25</td>
<td>70.30</td>
<td>28.30</td>
</tr>
<tr>
<td>1980</td>
<td>867.82</td>
<td>827.52</td>
<td>40.30</td>
<td>19.52</td>
</tr>
<tr>
<td>1981</td>
<td>858.00</td>
<td>844.86</td>
<td>13.14</td>
<td>12.34</td>
</tr>
<tr>
<td>1982</td>
<td>1225.24</td>
<td>1180.78</td>
<td>44.46</td>
<td>24.46</td>
</tr>
<tr>
<td>1983</td>
<td>1356.05</td>
<td>1328.51</td>
<td>27.54</td>
<td>12.54</td>
</tr>
<tr>
<td>1984</td>
<td>1512.42</td>
<td>1502.50</td>
<td>9.92</td>
<td>7.92</td>
</tr>
<tr>
<td>1985</td>
<td>1600.63</td>
<td>1567.21</td>
<td>33.42</td>
<td>15.42</td>
</tr>
<tr>
<td>1986-87*</td>
<td>1831.87</td>
<td>1865.53</td>
<td>16.34</td>
<td>15.84</td>
</tr>
</tbody>
</table>

*The Company changed Financial Year from 31st December to 31st March.

Source: Annual Reports of Raza Textiles Ltd.
Table (6) exhibits that profit before tax has marginally rised from Rs. 3.66 lakhs in 1977 to Rs. 16.34 lakhs in 1987 (as average annual increase of 34.6 percent over 1977), while it is a steep fall by 104.05 percent over previous year. The profit after tax has increased from Rs. 2.76 lakhs to Rs. 15.84 lakhs over the same period. However, it is a decline by 16.3 percent over 1985. With a decline in profits, the profitability ratios were lower than those in 1985. Gross return on net sales were lower at 9 percent than 22 percent of the 1985. Net profit as a percentage of shareholders funds dropped from 7.2 percent to 6.2 percent over the same period.

Dividends:

The company has been distributing attractive dividends since its establishment. It is maintaining the rate/dividend in respect of preference shares i.e. @ 6.45 per cent. The rate of dividend in respect of ordinary shares has been fluctuating between 5 per cent to 10 per cent per annum. In 1977, due to adverse market situation, the company could not pay any dividend on ordinary shares. But in 1978, the company distributed dividend @ 7.5 per cent. A total amount of Rs. 6.35 lakhs was paid as dividends to its share holders in 1986-87 while merely Rs. 2.95 lakhs were distributed in 1977. It shows an average annual increase of 11.5 per cent over a short span of 10 years. The following table reveals the amount of dividends distributed from 1977-87.
**TABLE -7**

Showing the amount of Proposed Dividends during 1977-87.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount ordinary shares</th>
<th>Amount 6½ % cum. 'A' Prf. share</th>
<th>6½% Cum. B. Prf. share</th>
<th>Amount Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>-</td>
<td>1.26</td>
<td>1.69</td>
<td>2.95</td>
</tr>
<tr>
<td>1978</td>
<td>4.50</td>
<td>1.90</td>
<td>2.54</td>
<td>8.94</td>
</tr>
<tr>
<td>1979</td>
<td>6.00</td>
<td>0.63</td>
<td>0.85</td>
<td>7.48</td>
</tr>
<tr>
<td>1980</td>
<td>6.00</td>
<td>0.63</td>
<td>0.85</td>
<td>7.48</td>
</tr>
<tr>
<td>1981</td>
<td>3.00</td>
<td>0.63</td>
<td>0.85</td>
<td>4.48</td>
</tr>
<tr>
<td>1982</td>
<td>6.00</td>
<td>0.63</td>
<td>0.85</td>
<td>7.48</td>
</tr>
<tr>
<td>1983</td>
<td>6.00</td>
<td>0.63</td>
<td>0.85</td>
<td>7.48</td>
</tr>
<tr>
<td>1984</td>
<td>3.00</td>
<td>0.63</td>
<td>0.85</td>
<td>4.48</td>
</tr>
<tr>
<td>1985</td>
<td>6.00</td>
<td>0.63</td>
<td>0.85</td>
<td>7.48</td>
</tr>
<tr>
<td>1986-87</td>
<td>4.50</td>
<td>0.79</td>
<td>1.06</td>
<td>6.35</td>
</tr>
</tbody>
</table>

* Company changed financial year for 31st December to 31st March.

CONCLUSION:

From the foregoing discussion it can be concluded that the financial position of Raza Textiles Ltd. is sound. The company has improved its performance since 1977 to 1988, quite efficiently. It is likely to improve its profits and profitability ratios in the years to come.
CHAPTER III

LABOUR MANAGEMENT PATTERN OF RAZA TEXTILES LIMITED

In the preceding chapter, a brief history and financial appraisal of Raza Textiles Ltd. has been discussed. It has been pointed out that the company has improved its performance and is likely to improve its profits and profitability ratios in the years to come.

This chapter is devoted to review the pattern of labour management relations in Raza Textiles Ltd. It explains the personnel policy of the company. For the convenience of study the chapter is split-up into two parts. The first part discusses the organisational structure and the second deals with the pattern of employment in the company.

ORGANISATIONAL STRUCTURE:

Sound organisational structure is inevitable for the continuity and success of an industrial organisation. The organising process arranges various factors of production in a manner which facilitates the accomplishment of organisational goals. In this process, a relationship is to be created in different components. It involves binding various parts together in a unified whole for effective operation. The type of structure adopted should be balanced, flexible and suited to the capacities of the present personnel.

Organisational chart of Raza Textiles Ltd. shows that Board of Directors are at the top. They exercise the powers of the company, conduct its business and control its property and funds. The Board of the company consists of 10 members. It is the top management organ responsible for efficient and successful operations of the company. The Board usually acts as a directing authority and it delegates its functions of management to the Managing Director, who in turn delegates to Joint Managing Director.

Powers of the Directors:

Directors of Raza Textiles Ltd. have two types of powers viz. General Powers and specific Powers.

General Powers given to the Directors:

The control of the company and of the business of the company shall be vested in the directors who, in addition to the powers and authorities by these presents or otherwise conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the company and are not hereby or by statute law expressely directed or required to be exercised or done by the company in general meeting but subject nevertheless to the provisions of any statute law and of these presents and to any regulation not being inconsistent with these presents from time to time made by the company in general

2. Memorandum of Association Raza Textiles Ltd.
meeting, provided that no regulation so made shall invalidate any prior act of directors which would have been valid if such regulation had not been made.

Specific Powers given to Directors: -

1. To take such steps as they think fit to carry into effect the draft agreement mentioned in Article 128 hereof.

2. To purchase or otherwise acquire for the company any property rights or privileges which the company is authorised to acquire at such price and generally on such terms and conditions as they think fit and to sell, let, exchange or otherwise dispose of absolutely or conditionally any part of the property, privileges and undertaking of the company upon such terms and conditions, and for such consideration as they may think fit.

3. To pay the cost, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the company.

4. Subject to the provision of article 64 and 65 hereof at their discretion to pay for any property, rights privileges acquired by or services rendered to the Company either wholly or partially in cash or shares, bonds debentures or other securities of the company and any such shares may be issued either as "fully paid up or which such amount credited as paid up thereon as may be agreed up on and any such bonds,
debentures, or other securities may be either specifically charged upon all or any part of the property of the company or its uncalled capital or not so charged.

5. Subject to the provision of article 64 and 65 thereof to secure the fulfilment of any contracts, agreements or engagements entered into by the Company by mortgage or charge of all or any of property of the Company and its unpaid capital for the time being or in such other manner as they may think fit.

6. To appoint and at their discretion remove or suspend such agents (other than Managing Directors) Managers, Secretaries, Officers, Clerks, and servants from temporary, permanent or special services as they may from time think and to determine their powers and duties and fix their salaries and emoluments and to require security in such instances and to such amount as they think fit.

7. To appoint any person or persons (Whether incorporated or not) accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any purpose and to execute and all such deeds, documents and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustee or trustees.

8. To institute, conduct, defend compound or abandon any legal proceedings by or against the Company, or its Officers or otherwise, concerning the affairs of the company, and also to compound and time for payment or satisfaction of any debt due and
of any claim or demands by or against the Company.

9. To refer any claim or demands by or against the Company to arbitration and observe and perform the awards.

10. To make and give receipts, releases and other discharges for money payable to the company and for the claim and the demands of the Company.

11. To act on behalf of the Company in all matters relating to bankrupts and insolvents.

12. To determine who shall be entitled to sign on the Company’s behalf bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents.

13. From time to time to provide for the management of the affairs of the company either in Rembour State or else where in such manner as they think fit, and in particular to establish Branch officers and to appoint any persons to be the Attorney or agents of the company with such powers (including power to sub delegate) and upon such terms as may be thought fit.

14. To invest and deal with any of the moneys of the company not immediately required for the purpose thereof upon such securities (not being the share in the Company) and in such manner as they may think fit and time to time vary or realizes such investments.

15. To execute in the name and on behalf of the Company in favour of any director or other person who may incur or be
about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (Present or Future) as they think fit any such mortgages may contain a power of sale and such powers, covenants and provision as shall be agreed on.

16. Give to any person employed by the Company or commission on the profits of any particular business or transactions or a share in general profits of the Company, and such commission on share of profit shall be treated as part of the working expenses of the company.

17. From time to time to make, vary and repeal by laws for the regulation of the business of the Company, its Officers and servants.

18. To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.

19. To support and subscribe to any normal charitable trade customs to give pensions, gratuities or charitable aid to any person who have served the Company or to the wives, children or dependents of such person or persons, that may appear to the directors just or proper whether any such person, his widow, children or dependents have or have not a legal claim upon the company.
20. Before recommending any dividends to set a side portion of the profits of the company to form a fund to provide for such pensions, gratuities or compensation, or to create any provident fund or benefit fund in such or any other manner as to the directors may seem fit.

21. To make and alter rules and regulations concerning the time and manner of payment of the contributions of the employees and Company respectively to any such fund and the accrual, employment suspension and forfeiture of the benefit of the said fund and application and disposal thereof and otherwise in relation to working and management of the said fund as the directors shall from time to time think fit.

22. To delegate all or any of the powers hereby conferred up on them to the Managing Director or they may from time to time think fit.

Managing director is subordinate to the Board of Directors. He is the Chief Management Executive In charge of the Company, and directly controls and supervises all executive staff. He is appointed by the Board of Directors for a period of five years at a time.

Below the managing director is a joint managing director who has been delegated all the powers of managing director. Managerial staff reports directly to joint managing director. The joint managing director is the centre of interactional pattern of all departmental heads of the company.
He is the final co-ordinator of all decisions and interactions which take place within the organisation and internal entities. The major role of Joint managing director is to manage internal reciprocal interdependent of the divisions and to adjust them in accordance with the internal independence.

General Manager (works) is below the rank of joint managing director. He will report directly to joint managing director. General Manager's position is above all departmental heads. He is responsible for planning, co-ordination, motivation and control. General Manager, in turn has various superintendents of spinning, weaving and processing. Cotton Manager, Warehouse Incharge and chief Marketing Executive are all under the direct control of general manager.

The Spinning Superintendent is assisted by Spinning Masters followed by Shift Incharges and Supervisors. The Weaving Superintendent is the head of weaving department. He is assisted by Shift Incharge and Supervisors followed by jobbers and workers.

The processing Superintendent is the chief of processing department. Bleaching Master, Dying Master and Finishing Master followed by their respective senior assistants and supervisors provide assistance to him in day-to-day affairs of processing.
Chief Marketing Executive is the Incharge of Marketing Division. He is a responsible authority to carry out all the marketing activities of the company with the help of sales managers.

**PERSONNEL DEPARTMENT:**

There is no separate department set up for the management of the Personnel in Raze Textiles Ltd. Personnel Officer, Labour Welfare Officer, Labour Officer and Assistant Labour Officer look after day-to-day problems pertaining to labour. The following is the brief description of the functions of these officers:

**Personnel Officer:**

Personnel Officer plays a vital role in the affairs of the company. He looks after total functions of personnel such as recruitment, selection, training, transfers and promotion. He maintains the records of wages and salaries and designs the activities concerned with the labour welfare. Personnel Officer works in the interest of both management and workers. He guides them in their social and civic activities. Thus, he plays a dual role in interpreting the grievances of the workers to the management and explaining them (workers) about the attitude of management and making a clear-cut understanding between workers and management. He is a close liaison between the trade unions and management.

1. Personnel Officer, Raze Textiles Ltd.
Further, he plays an important role in solving disputes by removing the differences, and in solving the problems and demands of workers to maintain healthy and harmonious relations between labour and management.

**Labour Welfare Officer:**

The Royal Commission on Labour 1931, recommended the appointment of a labour officer to eliminate the influence of jobbers in the practice of recruitment, discharge and dismissal of workers. Thus, the post of labour officer was instituted initially.

1. to eliminate the evils and malpractices of jobber system in the recruitment of workers,
2. to develop and improve labour administration in mills, and
3. to serve as a liaison with the State Labour Commissioner.

After Second World War, the designation of labour officer was changed to labour welfare officer which means any officer employed by the company under the legislative provision of Factories Act, 1948, Sec. 49(1). In every factory wherein 500 or more workers are ordinarily employed, the occupier shall employ in the factory such number of welfare officers as may be prescribed, (II) The State is authorised

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to prescribe the duties, qualification and conditions of service of officers employed under sub. section (I). 4

The Report of the National Commission on Labour in 1966, states that laws were made to ensure that the management appointed a person to look after the welfare of workers and help them in discharging their statutory obligations in respect of welfare measures. Welfare officers should form part of administration in order to discharge their responsibilities effectively. Therefore, the eligibility of a welfare officer must be ensured before his appointment. The labour welfare officer should not be called upon to handle labour disputes on behalf of management. 5

The Malaviya Committee's Report on Labour Welfare in 1969, following the model rules framed under Factories Act, 1948, has specified the following functions of labour welfare officer. 7

(A) Supervision of: 1) Safety, health and welfare programmes like housing, recreation, sanitation services as provided under the law or otherwise;

(ii) Working of Joint Committees;

(iii) Earned permanent leave with wages as provided, and

(iv) Redress of workers grievances.

(B) Counselling workers in: (i) Personal and family problems;

(ii) Helping them to adjust to their environment,

(iii) Helping them to understand their rights and privileges.

(C) Advising management on: (i) Formulating labour and welfare policies;

(ii) Apprenticeship training programme;

(iii) Meeting Statutory Obligations to workers;

(iv) Providing fringe benefits and;

(v) Workers education and use of communication media.

(D) Liaison with workers so that they may: (i) Understand the limitations under which they work;

(ii) Appreciate the need of harmonious industrial relations in the plant;

(iii) Interpret company policies to workers and;

(iv) Persuade workers to come to a settlement in case of disputes.

(E) Liaison with management so that the latter may: (i) Appreciate workers viewpoint on various matters connected with the plant;
(ii) Welfare officer should intervene on behalf of workers in matters under the consideration of the management;

(iii) Help different departmental heads to meet their obligations under the act;

(iv) Maintain harmonious relations in the plant; and

(v) Suggest measures for the promotion of general wellbeing of the workers.

(7) Liaison with the workers and management: (i) for harmonious industrial relation in the plant;

(ii) For prompt redress of grievances and quick settlement of disputes; and

(iii) For improving the productive efficiency of the enterprise.

(G) Liaison with outside agencies such as: (i) Factory inspectors, medical officers and other inspectors with a view to secure as applicable to the plant; and

(ii) Other agencies in community with a view to help workers to make use of community services.

Thus, it can be said that Labour welfare officer plays an important role in providing maximum welfare facilities,
maintaining proper working conditions and industrial peace and harmony within the company. He is a liaison between workers and management and performs his duty in the light of above mentioned functions.

Labour Officer:

Raza Textiles Ltd. has appointed a labour officer of its own to work in collaboration with the Government Labour Welfare Officer. His main functions are to: supervise recruitment practices, prevent industrial abuse, ensure a fair deal to workers and to assist the management in all matters pertaining to labour. Labour officer possesses the expert knowledge not only of labour laws but also of personnel management and industrial relations. He looks into the legal requirements relating to workers and maintains their personal records as well as acquaints them regarding statutory obligations under the Factories Act 1948 and other related laws. He assumes greater importance when the company faces any serious labour problem.

Labour officer also strives to exert his influence in settling the minor grievances and problems of the workers. He attends the negotiations, conciliation and adjudication proceedings. Drafting changesheets and conducting inquiries
end even drafting of suspension and dismissal orders are the parts of his daily routine.

Thus, labour officer is an important authority to maintain law and order within the company by taking appropriate actions against workers in case of misconduct and negligence as well as providing them necessary assistance pertaining to law.

Assistant Labour Officer:

The company has also appointed an assistant labour officer. The main functions of assistant labour officer are same as of labour officer. He provides assistance to labour officer in daily routines.

SECURITY DEPARTMENT:

Security department of Raza Textiles Ltd. is headed by a security officer designated as Watch & Ward Superintendent. He is assisted by an assistant security officer designated as Assistant Watch & Ward Superintendent followed by gate jamadars, gate supervisors and watchmen. This department plays a very important role for the security of workers, executives and property of the company. The duty of security staff is to check that workers do not take away any thing with them while going out of the mills. To ensure this, they search the workers physically at the gate.

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9. Watch & Ward Superintendent, Raza Textiles Ltd.
Further, whenever, the situation of tension among workers arises, it is controlled by this department. In case of failing to control, they call the police and hand over the situation to maintain the law and order in the premises of the company.

**SAFETY DEPARTMENT:**

Safety officer is the head of safety department. He is assisted by respective assistants. Day-to-day problems of workers pertaining to safety are looked after by him. He performs his duties in the two following situations.

1. **In Case of Accident:**

   Safety officer plays a very important role in case of an accident of any worker in the mills. For minor injury, he sends the workers to Ambulance-Room (First-Aid Dispensary) at the gate of mills. If the worker is having major injury, he is referred to district hospital. There is a separate annexe for the workers of the company in the hospital under the Employees State Insurance Scheme.

2. **In Case of Fire:**

   Safety officer being a responsible authority of the company plays a unique role in case of fire. As we know that Raza Textiles Ltd. is a textile industry. Usually in textiles, cotton catches fire. To prevent and control fire, he uses

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9. Safety Officer, Raza Textiles Ltd.
all fire fighting measures. The following is a brief description of various devices to control fire.

(1) Extinguishers System: This is the first measure to prevent fire. There are two hundred (200) fire fighting extinguishers in the company in the following three forms:
   a) Bucket System,
   b) CO₂ type system,
   c) Soda Extinguishers.

(2) Sprinkler System: If it is seen that extinguisher system has failed to prevent and control fire, in such a situation sprinklers are used to control the situation.

(3) Hydrant System: This is the last resort in the hands of safety officer available in the mills to prevent fire.

(4) Fire-Brigade: When safety officer fails to control the situation by using all devices available in the mills. He informs fire brigade and fire brigade services control and prevent fire.

In conclusion, it may be said that the management and control of the company is vested in the hands of family members. Managing Director is the father of joint managing
director and subsequently has delegated his all powers to joint managing director. Further, too much interference and influence of joint managing director was observed. All managerial staff is directly accountable to him. Instead of reporting to general manager (works), all directly report to joint managing director which shows that there is no proper channel in contacting a higher authority.

Joint managing director is therefore, a hinderence in the way of independent decision making of higher staff. Consequently, it can be said that management is not independent in decision making but depends largely on joint managing director in framing-up even the basic policies. Besides, the company has never made efforts to maintain separate personnel department. Even the appointment of the personnel officer has been done recently.

Therefore, there is a greater need to minimise the interference of joint-managing director. Further, managerial staff should be given powers to have their independent decisions and programmes and personnel department should be established as early as possible.
The Raza Textiles Ltd. holds the pride of place amongst the industries of Uttar Pradesh. It is important to the economy of the state because of its multiple contribution in the shape of employment. The company employed 2519 persons on permanent as well as temporary and casual basis at the end of 1998. It is a means of sustaining about 15000 persons. The employees of the company have been classified into managerial staff, supervisory staff, clerical staff, operatives and others.

Total number of workers (skilled, semi-skilled and unskilled) was 2093, managerial staff numbered 97, supervisory and clerical staff numbered 40 and 114 respectively at the end of 1998.

The company has divided the workers in three classes according to service conditions (1) Permanent, (2) Substitute or Badli Worker, (3) Casual. Those workers who are having permanent jobs are called permanent workers. The substitute or badli workers are engaged in connection with the work
of a permanent nature if required, to maintain the continuity of work. On the other hand, the casual workers are employed for work of a casual nature caused by the day-to-day leave or absenteeism by the permanent workers. The first preference is given to badli workers if there exists any vacancy. The company has also started the method of recruitment through the licenced contractors in 1982, as provisions of the Contract Labour Act, 1970 to meet the sudden demand of labour for performing the work at boiler, building, warehouse and watchmen. These workers not only receive less than regular employment but also have to suffer for longer hours. For example, a bandhani (worker on Boiler)'s minimum wage is fixed up by the Government at the rate of ₹. 35 per day, but company pays only ₹. 14 per day to the contractor who in turn pays only ₹. 13 per day to each worker. This system is full of severe evils. The following table shows the number of workers recruited through contractor at the end of 1988.

**TABLE - 8**

<table>
<thead>
<tr>
<th>Item</th>
<th>Number</th>
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<tr>
<td>Boiler Workers</td>
<td>33</td>
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<tr>
<td>Building Workers</td>
<td>15</td>
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<tr>
<td>Watchmen</td>
<td>20</td>
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<td>Ware House</td>
<td>25</td>
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<td><strong>Total</strong></td>
<td><strong>93</strong></td>
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</table>

Source: Personnel Officer, Raza Textile Ltd.
Above data reveals that the company's contractor recruited 93 workers to perform the temporary jobs of bandhani, building labour, watchmen and plucking threads in warehouse numbering 33, 15, 20 and 25 respectively.

**Classification of Workers:**

The company has classified various jobs into five main categories viz., managerial, supervisory, clerical, operatives and others. This classification helps the company in recruitment, selection, promotion and determining the wages and salaries.

The managerial staff has been appointed to maintain the organisational equilibrium of the company. They spend much time in rounds in the departments to inspect the work done by the workers. The supervisory staff is in close contact with the process of production. Their main function is to supervise the workers engaged in various operations. The clerical staff performs the office work in the mill office and general office of the company.

The operatives are comprised of skilled and semi-skilled workers working in different departments of the company e.g. weaving, spinning, processing and engineering etc. They have been placed at the bottom in the flow chart of the company. Workers like watchmen and sanitation have been kept in the category of others, due to different nature of their job.

Quarterly strength of the employees of the company since 1977 to 1995 has been shown in table (9).
<table>
<thead>
<tr>
<th>Year</th>
<th>Division</th>
<th>March Male</th>
<th>March Female</th>
<th>March Total</th>
<th>June Male</th>
<th>June Female</th>
<th>June Total</th>
<th>September Male</th>
<th>September Female</th>
<th>September Total</th>
<th>December Male</th>
<th>December Female</th>
<th>December Total</th>
<th>Average</th>
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</table>

*The number of workers decreased due to strike.

Source: Employment Exchange, Ramnur U.P.
Data set out in table (9) reveals that average employment figures of the company range between 2374 to 2573 with minor fluctuations in certain years since 1977 to 1985. But this range decreased to 2186 and 2113 in 1980 and 1981 respectively due to partial strike from November to May 1981. As far as the employment of women is considered, the company employed 2 women in 1979 which increased to 3 in 1985. The company started Jwala Fabrics Division in June 1979 with 103 workers which ranges between 75 to 127 workers under the period review.

Thus, it can be said that the company employed about 2400 workers on average since 1977.

Further, the total number of employees according to employment status during 1986 to 1988 has been shown in table (10).

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Managerial</td>
<td>86</td>
<td>98</td>
<td>97</td>
</tr>
<tr>
<td>Supervisory</td>
<td>40</td>
<td>41</td>
<td>40</td>
</tr>
<tr>
<td>Clerical</td>
<td>110</td>
<td>114</td>
<td>114</td>
</tr>
<tr>
<td>Workers:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Raza Textiles Ltd.</td>
<td>2098</td>
<td>2050</td>
<td>2093</td>
</tr>
<tr>
<td>2. Jwala Fabrics</td>
<td>114</td>
<td>115</td>
<td>115</td>
</tr>
<tr>
<td>Others (Watchmen &amp;</td>
<td>82</td>
<td>62</td>
<td>70</td>
</tr>
<tr>
<td>Sanitation)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2530</td>
<td>2477</td>
<td>2519</td>
</tr>
</tbody>
</table>

Source: Time Keeper, Raza Textiles Ltd.
From the foregoing table it can be observed that company had managerial staff numbering 66 in 1986, 88 in 1987 and 87 in 1988. Supervisory staff numbers 40, 41 and 40 in 1986, 1987 and 1988 respectively. Number of clerical staff was 110 in 1986, 114 in 1987 and 114 in 1988. There was improvement in the number of workers as compared to 1987. Number of others (Watchmen and Sanitation) has decreased in 1987 and increased marginally in 1988.

RECRUITMENT:

Recruitment is a process to discover the source of manpower to meet the requirement of the staffing schedule and to employ effective measures for attracting that manpower in adequate numbers to facilitate effective selection of an efficient working force. It involves scrupulous care in analysing the job requirements and finding out the most appropriate candidate for the job. Within a modern industrial organisation, there are varieties of jobs which require different human qualities and attainments for their efficient performance. On the other side, human beings also differ widely amongst themselves in intelligence, physical make-up, special attitudes, temperamental structure and attainments. The object of recruitment and selection is to find the right man for the right job and to avoid putting square pegs in round holes.

In Raza Textiles Ltd., it has been found that there does not exist any systematic recruitment programme. In the earlier days, the company used 'jobbers' for the purpose of recruitment, discharge, dismissals etc. But on account of obvious defects and malpractices of the jobber system, various attempts were made to regularise this system.

In this way, the establishment of badli control system was the first important step to dissociate the jobbers from the function of recruitment and to provide regular employment to badli workers. Badli workers are given special badli passes and day to day vacancies caused by the leave and absenteeism of permanent workers are filled up from among them. They are required to present in the departments at the time of beginning of their shifts. Casual workers are not provided work as long as workers holding badli passes are available. Passes of badli workers are changed after one month. If it is seen that there exists no vacancy in the mills, badli worker is laid off and paid 50 per cent of wages. It would be worthwhile to note that bulk of the badli workers is generally required to substitute weavers, ring piecers and ring doffers in weaving and spinning departments. Permanent posts are filled up amongst the badli workers in accordance with their seniority, regularity and efficiency. Further distribution of work among badli workers is not uniform, the jobbers take decisions regarding selection of workers from the badli pool.
SELECTION:

The task and process of selection is to ensure the right man for right job, i.e. matching the man with job. This is initial stage but of paramount importance responsible for the success and failure of a business organisation. Nothing can serve the organisation if a sound and systematic procedure of selection is not adopted. This involves preparation of the job description and job specification in order to ensure right selection at all levels.12

Further, 'the object of manpower selection is to ascertain clearly the type of person required and to secure an appropriate candidate for filling that position.13 Procedure of selection of workers is simple in Raza Textiles Ltd. There are two aspects in the selection of workers,

1. To fill up vacancies in permanent posts, and
2. To fill up vacancies in badli pool.

Both of these aspects are related to each other. When a permanent vacancy exists, the vacant post is usually filled up by the selection of a badli worker. A badli worker is required to submit an application mentioning his capabilities

for consideration to management. Thus, the selection is done on merit-cum-seniority basis. Before selecting a worker, his seniority is considered and efficiency is judged by the respective heads and then final report is given.

Jobbers hold prominent position in recommending the names of particular workers for selection. Consequently, recruitment and selection of workers is still fraught with bribery and favouritism. Hence, right person is not placed on right job.

To fill up the vacancies in the bedli pool is another problem in the company. Vacancies in bedli pool are filled up by new workers instead of those who are serving the company for a long time. The vacancies in bedli pool should be filled up by selecting the casual workers.

To conclude, it can be said that selection procedure is not fair in the company. Favouritism and bribery is given preference which do away the able workers.

TRAINING:

Training is one of the areas of management in which employer and employee have a mutual interest. It is a process by which the aptitudes skills and abilities of employees to perform specific jobs are increased. This task may be contrasted with that of increasing the knowledge, understanding, or attitude

of employees so that they are better adjusted to their working environment. Training is the effort of the company to improve the individuals ability to perform duties on the job. It increases the skill and knowledge of the workers about the job which ultimately results in reducing waste and improving the quality. Subsequently, it is the next step after recruitment and selection.

Raza Textiles Ltd. follows the rudimentary system of training i.e. Apprenticeship Training under the Apprentice Act, 1951. Apprenticeship is important because proficiency can be acquired only after a relatively long period of time in direct association with the work and under direct supervision of experts. The company provides training to those apprentices who are sanctioned by Government as well as unpaid apprentices recruited at the gate of factory. Minimum qualification for an apprentice is VIIIth pass in the age group of 18-20 years. Apprentices may be classified into two categories:

1. Technical,
2. Clerical.

Technical apprentices are given training for a period of six months in different departments. Company pays an stipend of

16. Ibi, 228-
Rs. 330-450 per month to each apprentice during the period of training. Clerical apprentices are also kept under training of one year in the offices of the company. An stipend of Rs.290 is paid to each apprentice every month.

At present, the company is providing training to 25 apprentices in different departments by spending about one lakh rupees on them. Further, it was reported by personnel officer, that company gives training to 25 apprentices every year. Unpaid apprentices as it explains itself, nothing is paid except training on the recommendations of the employees to their friends and relatives. In the past, the company was having unpaid apprentices numbering upto 150, but now due to worsening conditions of textile industry merely 15 unpaid apprentices are getting training in different departments.

There is also no systematic and specific programme for the training of the supervisory staff in the company. No development programme is designed for managerial staff. Company offers the higher positions to experienced executives of other industries.

TRANSFERS AND PROMOTIONS:

A transfer is, generally, regarded as movement of an employee from a task or position to the other within the organisation which does not involve any significant change in the degree of skill and responsibility and has no effect
on earning. A promotion, on the other hand, refers to the placement of a worker on a task requiring more skill and greater responsibility which is also, usually, accompanied with an increase in earnings and status. 17

In Raza Textiles Ltd., the situation of transfer of employees from one job to another does not arise very often because they are recruited for the specific jobs. Administrative staff is rarely transferred from one department to another but technical staff under no circumstances may be transferred.

Similarly, workers in Raza Textiles Ltd. are not provided with systematic plans of promotion, whenever any promotion is to be made in a department, the preference is given to the workers working in lower grades with sufficient knowledge and experience. For example, in weaving department, a worker may be promoted as under:

From Weaver

to

Reliever

to

Helper

to

Jobber

Thus, maximum promotion of a weaver may be done to the post of a jobber. Departmental heads refer the posts to the masters of the departments. Now it is at the discretion of the Sahab (officer) to promote the worker according to his choice.

For supervisory and clerical staff, generally outsiders are recruited on the vacant posts. They are not provided with any promotion programme. Every regarding promotions depends upon the sweet will of joint managing director.

In conclusion, it may be said that recruitment and selection procedure of Raza Textiles Ltd. is not scientific. The company has not so far developed training facilities for the new entrants in the mills. Further the employees of the company are not provided with systematic plans of promotions. This practice creates discontentment among the workers and they do not take interest in increasing the productivity,
CHAPTER IV

TRADE UNIONS IN RAZA TEXTILES LIMITED

The labour-management pattern of Raza Textiles Ltd. has been discussed in the previous chapter. This chapter is devoted to the discussion of the trade union movement in Raza Textiles Ltd.

In the modern industrial set up, the workers feel alienated. They find themselves helpless sometimes and in a very weak bargaining position when compared with the employer. Profit maximisation motive of the employer leads to the exploitation of labour force. Labour has to work for longer hours in bad working conditions and are paid low wages. Consequently they stand united to fight for their rights through collective efforts and rely on the principle 'Union is strength.' The workers thought to join in a group which will be called union.

Thus, trade unions are effective instrument for improving the economic conditions of their members. The role of a union in our developing economy has been emphasised in

2. Ibid...
successive Five Year Plans.

The First Five Year Plan has clearly stated, "the workers right to association, organisations and collective bargaining is to be accepted without reservations as the fundamental basis of mutual relationship. The attitude of trade Unions should not be just a matter of toleration. They should be welcomed and helped to function as part and parcel of the industrial system".

The Second Five Year Plan declared "A strong trade union movement is necessary both for safeguarding the interests of labour and for raising the targets of production.

"Third Five Year Plan document said "trade unions have to be accepted as an essential part of the apparatus of industrial and economic administration of the country and should be prepared for the discharge of the responsibilities.

In the modern industrial set up the trade unions pay greater attention to the basic needs of their members. "According to the National Commission on labour, they perform the following important functions for the betterment of members. 3

1) To secure for workers fair wages;
2) To safeguard security of tenure and improve conditions of service;

3) To enlarge opportunities for promotion and training;
4) To improve working and living conditions;
5) To provide educational, cultural and recreational activities,
6) To co-operate in facilitate technological advance by 
broadening the understanding of workers on its underlying 
issues;
7) To promote identity of interests of the workers with their 
industry;
8) To offer responsive co-operation in improving levels of 
production and productivity, discipline and high standard 
of quality and generally;
9) To promote individual and collective welfare.

Trade unions are voluntary organisations of workers 
formed to promote and protect their interests by collective 
action. The origin of the trade union movement in India may 
be traced back to the earliest times when guilds and panchayats 
in every village settled disputes between their members and 
their masters. If the washermen (dhobies) or barbers or any 
other class of artisans had grievances against their employers 
in respect of wages or conditions of service, the panchayat of 
that occupation decided the course of action for the redress of 
their grievances. 4

4. Giril, V. V., "Labour Problems in Indian Industry, Asia 
Trade unions were organised by the end of the 19th century and beginning of the 20th century in India. ILO 1919, gave strength to the trade union movement in the country. The first trade union on the national level was founded in 1920 in the name of All India Trade Union Congress (AITUC) which had its affiliation with communist party. In 1922, the All India Railwaymen's Federation was formed. Government passed Trade Union Act in 1926 and by the enactment of the act the trade unions grew fast. Political parties took keen interests in worker's organisations. Subsequently, Indian National Trade Union Congress (INTUC) was established by the Indian National Congress in 1947. The Hind Mazdoor Sangh (HMS) was founded by Praja Socialist Party of India in 1948 and 'United Trade Union Congress' (UTUC) was established in 1948 by the communist party. The general objective of these four organisation is to promote the economic, political, social and cultural interests of workers. Thus, trade unions play a significant role in the modern industrial society for maintaining industrial peace and tranquility. "In the industrially advanced countries of the world, trade unions had played a very important role in the social, political, civic and economic life of the people. For example, participation of Unions in France, besides joint consultation at plant/industry level, extends to work on bodies like Economic and social councils. They work on bodies like the Planning Commission in Sweden, Economic Councils in Denmark etc."
Both in France and in Netherland Unions according to law are consulted in any draft legislation dealing with economic and social issues.  

Trade Unions are essentially associations of manual and/or non-manual work people, including professional grades, formed to safeguard and improve the working conditions of their members and more generally to raise their status and promote their vocational interests.

According to Karl Marx, trade unions are 'organising centres' to finish or at least to reduce the competition among the workers for available employment and to raise their status above the bare sloves.

A trade union has been defined by the Indian Trade Unions Act, 1926 as "any combination whether temporary or permanent founded primarily for the purpose of regulating the relations between workmen and employer, or between workmen and workmen, or between employers and employers, or for imposing restrictive conditions on the conduct of any trade or business, and


includes any federation of two or more unions. It is "a monopolistic competition of wage earners who as individual procedures are complementary to one another, which stands to the employer in a relation of dependence for the role of their labour and even for its production and that the general purpose of association is in view of that dependence to strengthen their powers to bargain with the employer."  

Thus, trade union is an association which has got important role for maintaining industrial peace and harmony in the company. The pace of trade unionism was accelerated by the enactment of Industrial Disputes Act, 1947, which emphasized the necessity of labour's unions. The Labour began to think in term of organising themselves.

GROWTH AND DEVELOPMENT OF TRADE UNIONS IN RAZA TEXTILES LTD.

In 1946, Nazir Beba laid the foundation stone of the first Union. 'Raza Textiles Labour Union' with a membership of 1500 workers. This union was registered in the office of Registrar Trade Unions Uttar Pradesh under Indian Trade Unions Act 1926, on 5th July 1951, and affiliated with INTUC. Working Committee of this union consisted of 32 members which is more or less same in all unions.

8. Trade Unions Act, 1926, Section 2(h).
President  1
Vice President  2
General Secretary  1
Office Secretary  1
Propaganda Secretary  1
Joint Secretary  2
Treasurer  1
Office members  23

Total  32

There are many objectives of the establishment of Labour Union. Main objectives were to fight for the rights of workers and safeguard their interests. The following objectives were put together at the time of the establishment of this union.

1) Permanent posts should be given on the basis of seniority.
2) Wages must be appropriate, according to wage policy,
3) False charge sheets should not be issued,
4) Wrong dismissal and suspensions should be avoided,
5) Overtime should be paid as soon as possible,
6) Bonus problem,
7) No harassment of workers,
8) Safety arrangements
9) Medical leaves.

Raza Textiles Labour Union, after registration, got furnished office accommodation at the cost of company within
the premises of the Mills in Labour colony. The general body of the Labour Union meets twice a year while the executive committee once a month or more if needed and discusses disputes related to a particular worker/ workers. Various other matters like social security, strikes, wages, bonus, working conditions, housing etc are discussed in a general body meeting.

The union has been taken from time to time positive steps for the welfare of its members, and has played an important role in the strikes till 1980. The workers went on strike on the 30th August, 1979. Raza Textiles Labour Union put 26 demands on workers before the management, but the management did not pay any heed to their demands. The following were the 26 demands put forth by Labour Union.

1. Government ordered to place the textiles mills outside Kanpur in category 'B' in 1974. Keeping it in view, Raza Textiles and its branch Jwala Fabrics should be placed in category 'B'. The payment due after keeping in category 'B' should be made with effect from the enforcement of law.

2. After placing Jwala Fabrics in category 'B' workers are getting Rs. 16/- less than textiles mills of Kanpur. This difference should be removed.

3. An increment of Rs. 45/- has been given in textiles mills of Kanpur. This increment should also be given to the workers of Jwala Fabrics division.
4. Basic difference between textiles mills of Kanpur and outside Kanpur should be removed.

5. Payment of balance bonus for the year 1974, should be made.

6. Payment of Ahsan Award should be made for nine months.

7. Arrears of 1975, Rs. 12/- per worker which has been deducted should be given.

8. Payment of Bonus should be made @ 20 % for 1978.

9. D.A. must be paid @ Rs. 1.35 per point because it is being distributed in textiles mills of Kanpur since July 1979.

10. Further increments should be given in both divisions (Textiles division & Jwala Fabrics division) of company equally.

11. Payment of laid-off should be made.

12. Work load in printing department should be reduced.

13. Some lines of Spinning department which were operated in their respective shifts are being operated in 'C' shifts. These lines must be returned to their duties.

14. Those workers who have completed 240 days should be given permanent posts and laid off practice should be removed.

15. These workers who have completed 120 days should be placed in the positions of those who have completed 240 days.

16. Rates should be written on slips of looms in weaving department.

17. Loom workers should be given permanent posts.

18. Style of writing should be changed in weaving department.
19. Workers working in 'C' shift in weaving department should be given permanent posts. Rest interval should also be given because as per standing order, a worker may not work continuously for more than 5 hours.

20. Workers in all shifts should be put to equal working e.g. length of than (cloth) should be equal irrespective of shift. Slips should be given daily.

21. Basic pay of watchmen should be revised and uniform should be provided according to weather. They should be provided woolen coats and cabins in winter.

22. Badli workers in reeling department are sent back after 2 hours every day. Either this system should be removed or they should be paid.

23. Break up in spinning department should be done as per Ahsan Award.

24. D.A. is being deducted because of increase in basic pay of department workers engaged in winding. It should be stopped and collie should be provided to carry goods from spinning department to winding department.

25. Workers engaged in engineering department should be provided uniform and glasses. Bathing arrangement should also be made for them.

26. Badli workers should be given work instead of contractor’s workers. Those workers who are operating machines in Dye house should be placed in permanent posts.

On the 6th April 1988, labour union signed an agreement with management regarding D.A., workers opposed this agreement.
and went on strike which continued from 6-4-88 to 11-5-88 and the case has been referred to conciliation officer now Deputy Labour Commissioner, Rampur for mediation.

It was observed during the survey that agitating workers set on fire the office of Raza Textiles Labour Union and author could not get adequate information as all the record files were burnt.

This union is totally management owned due to lack of proper leadership and instead of safeguarding the interests of labourers the union plays in the hands of management.

Workers from outside Rampur did not agree with the activities of Raza Textiles Labour Union. Consequently, outsiders formed 'Raza Textiles Mazdoor Sangh ' in 1953 with a membership of 700 workers under the presidency of Pandit Ram Charen.

Zamiruddin was its first general secretary. It was registered on the 1st October 1954 and affiliated with Hind Majdoor Sangh in 1955.

'Raza Textiles Mazdoor Sabha ' was registered on 23rd October 1967 with 10 objectives. Abdul Wahab Khan was its first President and Safdar Ali Khan was its first general secretary. This Union was affiliated with AITUC. The main idea behind this union was to solve those demands of workers which were not solved by Labour Union and Mazdoor Sangh.
The objectives of Mazdoor Sabha were:-

1) To unite the workers of Raza Textiles Ltd.
2) To develop the feeling of co-operation service and unionism among the members and provide them maximum welfare amenities.
3) To make efforts to increase productivity, skillfulness and develop the idea of discipline and responsibility towards work.
4) To improve the standard of living of the members.
5) To minimise industrial disputes through negotiations and make cordial relations between labour and management.
6) To carry-on strike peacefully and try to fizzle out strike in earliest possible time.
7) To give emphasis on the enforcement of those laws which will provide better safety measures to workers.
8) To make arrangement of education (Social & religious) for the members and their wards and provide the members with funeral benefit in case of death.
9) To co-operate the Regional Conciliator in settlement of the disputes.
10) To safeguard the interests of members and provide them maximum benefits.

The Raza Textiles Mazdoor Sabha could not file annual returns, due to the resignation of its general secretary.
and inefficiency of its Leaders. The members disowned the union by joining other unions and ultimately its registration was cancelled in 1971.

In 1981, a union was registered in the name of the 'Suti Wastre Udhyog Workers' Union'. Zakkan Khan was its founder president and Bhagwan Dass, general secretary. This union organised the workers successfully but could not bargain with the management of Raza Textiles Ltd. consequently, 'Wastre Udhyog Karamchari Sangh' in affiliation with AITUC was registered in 1986 by President Man Singh to look after the interests of workers.

This was a strong union to fight and safeguard the interests of its members. But due to the murder of its president, it is not working efficiently. Now Om Pal Singh and Mahendra Pal are president and general secretary respectively.

Subscription:

All the Unions of Raza Textiles Ltd. Collect ₹1/- as monthly subscription from the members directly. This subscription is deemed as a general fund. In the earlier days 25 paisa was collected as subscription.

Structure of Trade Unions:

The structure of all the trade unions in the company is more or less the same. The general body of each union elects
representatives for the executive committee, which in turn elects office bearers numbering up to 23 by direct method in accordance with the needs and strength of the union. All the trade unions are organised and affiliated by outside leaders of JNTUC, AITUC, HMS. The general body of each union meets once or twice a year while the executive committee once a month or more if needed. The main aims of all the unions are to make an improvement in service conditions of the members and safeguard their interests.

The executive committee considers the disputes related to a particular worker/workers. The matters of social security, wages, D.A., bonus, housing, medical and decision of strikes is taken in consultation with a general body meeting.

CASES REFERRED TO CONCILIATION OFFICE BY TRADE UNIONS:

Conciliation is an extension of collective bargaining. Trade unions of Raza Textiles Ltd have referred the cases to conciliation office (now office of the Deputy Labour Commissioner) from time to time. The following table shows the cases referred to conciliation officer, Rampur during 1980 to 1988 on behalf of workers.
TABLE -11

Showing the number of cases referred to conciliation office during 1980-88.

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of cases</th>
<th>Compromised</th>
<th>Rejected</th>
<th>Under Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>4</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>1981</td>
<td>2</td>
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<tr>
<td>1982</td>
<td>11</td>
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<td>1983</td>
<td>5</td>
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<td>1</td>
<td>2</td>
</tr>
<tr>
<td>1984</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>1985</td>
<td>5</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1986</td>
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<td>-</td>
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<tr>
<td>1987</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>1988</td>
<td>9</td>
<td>6</td>
<td>-</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Office, Deputy Labour Commissioner, Rampur.

Above data reveals that in 1980, 4 cases were registered in conciliation office, 2 in 1981, 11 in 1982, 5 in 1983 and 9 in 1988. About 50% cases have been compromised and cases rejected numbers 1 in 1982, 1 in 1983, 1 in 1985, and 1 in 1987, remaining cases are under consideration.
It would be necessary here to explain that above mentioned cases have been filed by all unions separately. Separate information is not available, so total figures have been shown.

FUNCTIONS OF TRADE UNIONS:

Trade unions in Reza Textiles Ltd. perform various functions for the welfare of workers in relation to their employment as well as in time of need. Trade unions ensure adequate wages, better working and living conditions. They also help the workers in the time of sickness and accident. Further, they provide other welfare facilities as recreation, education and financial aid in the time of strikes. 10

PROBLEMS OF TRADE UNIONS:

The survey of trade unions reveals that there are four registered trade unions and two or more unregistered trade unions. Data regarding unregistered trade unions was not easily available, due to which, author has discussed only registered trade unions of the company. There are many problems which hampered the growth of trade unions and due to which they have not developed on sound lines. The following are the main problems of trade unions.

Firstly, migratory character of labour is an obstacle in the growth of trade unions in Reza Textiles Ltd. 10

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10. Trade Union Leader, Reza Textiles Ltd.
Most of the labour force is drawn from rural areas of district Rampur or eastern U.P. They do not take interests in the Union activities permanently. They use to go to their respective villages to meet their friends and relatives and to sow and harvest the crops.

The second problem is that the majority of workers is illiterate. They are unable to think over the benefits of organised efforts. Illiteracy has made them the slaves of political parties. They do not have their own programmes, consequently, political leaders get the benefit of illiteracy and ignorance of workers. All the Unions are dominated by politicians.

Thirdly, due to low wages, workers are unable to contribute to the funds of the unions. Consequently trade unions do not have adequate financial resources.

Fourthly, there is lack of unity among workers in Raza Textiles. They are divided according to race, religion, caste, language and region. They have formed various unions and in the absence of a strong union, they are exploited by the management.

Fifthly, workers have to work for 8½ hours per day. They are tired after work. In such a situation, neither they have time nor energy to participate in trade union activities.
Sixthly, there are four Unions in the company, so the membership has been divided in all unions. Further, workers do not take active interest to subscribe due to low wages. Trade Union suffer from low membership.

Finally, it can be said that there is lack of unified trade union due to existence of various unions. Trade Union leaders are not strong, the unions are influenced by the political leaders and they exploit the workers for their political aims. Jabbers have always been hostile to the unions and want to create disunity among the workers as they would loose their powers and earnings (bribery). Management of the company is also indifferent towards the trade unions. They think trade union as a challenge to their powers and authority. So they have purchased all the unions, and the unions leaders are in the grip of management.

The state government is also responsible for the slow progress of trade unions. No act has been passed to strengthen trade unions except trade union Act, 1926.

In this way trade unions suffer from various problems. These problems have to be removed for healthy development of trade unions in the company.

From the previous discussion it can be said that there are four trade unions registered in the office of Registrar Trade unions, Uttar Pradesh, under Trade Unions Act, 1926.
1) Raza Textiles Labour Union,
2) Raza Textiles Mazdoor Sangh,
3) Suti Westra Udhyog Worker's Union,
4) Westra Udhyog Keramcheri Sangh.

All these unions are working for management. Their leaders have not provided any thing for the betterment of workforce. Neither they provide any benefit nor fight for the interests of workers, consequently. The labour conditions in Raza Textiles are fast deteriorating. The unions have lost their grip. Demands of workers are on increase as their problems are mounting up. All the unions are in the hands of management and their leaders do not raise any demand. It was observed that since last 10 years, there has been no election of trade unions in Raza Textiles Ltd. Management does not like the growth of workers unions.
CHAPTER V

INDUSTRIAL DISPUTES AND SETTLEMENT PROCEDURE IN RAZA TEXTILES LTD.

In the previous chapter trade unions their functions and problems in Raza Textiles Ltd. have been discussed, which reveals that trade unions of the company are in the grip of management. They are not safeguarding the interests of the workers.

This chapter deals with the industrial disputes in Raza Textiles Ltd. with special reference to industrial disputes in India. It also analyses the procedure of settlement of industrial disputes in the company.

Healthy and harmonious relations between the workers and management pave the way for economic growth and social change. Industrial harmony is undoubtedly an essential precondition to minimising grievances and complaints, maintaining industrial discipline, ensuring industrial discipline, ensuring industrial peace and tranquility, increasing industrial efficiency and developing a committed and contented labour force.¹ Worker is considered an important productive agent in industry the management never thought of the welfare of workers. Extensive use of machines has led to unemployment and exploitation of

workers, raised the problems of energy, social destruction, pollution and bred strained relations between workers and management.

In such a situation neither management thinks of the workers welfare nor workers have any interest in co-operating the management. A situation of tension and disagreement between workers and management has become a common feature of industrial relations. This situation of tension and disagreement between workers and management is called Industrial Dispute, which has assumed enormous significance in the industrial world today.

Industrial Dispute has been defined under section 2(K) of Industrial Disputes Act, 1947, "Industrial Dispute means any dispute or difference between the employer and employee or between employer or workmen or between workmen and workmen which is connected with the employment or non-employment or the terms of employment and with the conditions of labour, of any person."

Industrial Disputes in India:

Various methods have been used to assess the labour-management relations in India. An attempt has been made to examine the labour management relations aspect of Raze Textiles Ltd. As well as a brief description of India has been given to

highlight a trend since 1961. Industrial disputes in India were rare before first world war, because labour class was ignorant of their rights, and suffered from class consciousness as they lacked organisation among them.

Industrial disputes have increased since the establishment of International Labour Organisation (ILO), because workers became aware of their rights. Indeed, the industrial disputes pose a serious threat to industrial peace and harmony. The following table gives a detailed picture of industrial disputes, workers involved, and mandays lost doing 1961-88.
### TABLE -12

Analysis of Mandays Lost and Workers Involved due to Industrial Disputes in India during 1961-83.

<table>
<thead>
<tr>
<th>Year</th>
<th>Disputes Number</th>
<th>Disputes Index</th>
<th>Workers Involved (,000) Number</th>
<th>Workers Involved Index</th>
<th>Mandays Lost(,000) Number</th>
<th>Mandays Lost Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>1357</td>
<td>100.0</td>
<td>512</td>
<td>100.0</td>
<td>4919</td>
<td>100.0</td>
</tr>
<tr>
<td>1963</td>
<td>1471</td>
<td>108.4</td>
<td>562</td>
<td>109.8</td>
<td>3261</td>
<td>66.3</td>
</tr>
<tr>
<td>1965</td>
<td>1833</td>
<td>125.2</td>
<td>991</td>
<td>193.6</td>
<td>6470</td>
<td>131.5</td>
</tr>
<tr>
<td>1967</td>
<td>2815</td>
<td>207.4</td>
<td>1491</td>
<td>291.2</td>
<td>17148</td>
<td>348.6</td>
</tr>
<tr>
<td>1969</td>
<td>2627</td>
<td>193.6</td>
<td>1826</td>
<td>356.6</td>
<td>19048</td>
<td>387.2</td>
</tr>
<tr>
<td>1971</td>
<td>2752</td>
<td>202.8</td>
<td>1615</td>
<td>315.4</td>
<td>16545</td>
<td>336.3</td>
</tr>
<tr>
<td>1973</td>
<td>3370</td>
<td>248.3</td>
<td>2358</td>
<td>460.5</td>
<td>20626</td>
<td>419.3</td>
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<tr>
<td>1975</td>
<td>1942</td>
<td>143.2</td>
<td>1143</td>
<td>223.2</td>
<td>21901</td>
<td>445.2</td>
</tr>
<tr>
<td>1977</td>
<td>3117</td>
<td>229.7</td>
<td>2194</td>
<td>428.5</td>
<td>25320</td>
<td>514.7</td>
</tr>
<tr>
<td>1979</td>
<td>3048</td>
<td>224.6</td>
<td>2874</td>
<td>561.3</td>
<td>43854</td>
<td>894.5</td>
</tr>
<tr>
<td>1981</td>
<td>2509</td>
<td>190.8</td>
<td>1588</td>
<td>310.2</td>
<td>36584</td>
<td>743.7</td>
</tr>
<tr>
<td>1983</td>
<td>2488</td>
<td>183.3</td>
<td>1461</td>
<td>285.4</td>
<td>46858</td>
<td>952.6</td>
</tr>
<tr>
<td>1985</td>
<td>1755</td>
<td>129.3</td>
<td>1079</td>
<td>210.7</td>
<td>29239</td>
<td>594.4</td>
</tr>
<tr>
<td>1987</td>
<td>1622</td>
<td>119.5</td>
<td>1496</td>
<td>292.2</td>
<td>28827</td>
<td>589.0</td>
</tr>
<tr>
<td>1988*</td>
<td>471</td>
<td>34.7</td>
<td>571</td>
<td>111.5</td>
<td>9689</td>
<td>196.9</td>
</tr>
</tbody>
</table>

*Figures are available only upto April 1988.

Data set out in above table show the number of industrial disputes in India during the period 1961-88. In 1961, there occurred 1357 disputes in industry; the number rose to 2770 in 1973, registered a decline in 1975; thereafter it started increasing and stood at 3117 in 1977. It tapered off, started declining and come down to merely 471 till April 1988. Taking 1961 as the base year (100), it was observed that the index of disputes recorded its lowest at 34.7 in 1988, highest at 248.3 in 1973 and registered a steady decline thereafter. The table also reveals an increase in the workers involvement in industrial disputes numbered over 512 thousands in 1961 to 2358 thousands in 1973, registering a decline in 1975, it increased to 2874 thousands in 1979; thereafter it started declining till 1985. It also reflects a further decrease in the involvement of workers in 1988 i.e. 571 thousands. The Index of workers involved was lowest at 109.8 in 1963 and highest at 561.3 in 1979, which registered a sharp decline till 1988. Inferences to be drawn from the analysis of number of mandays lost shows that there was a loss of 4919 thousands mandays due to industrial disputes in 1961. However the number declined thereafter and stood at 3261 thousands in 1962, against rose marginally to 43854 thousands in 1979 and 46858 thousands in 1983. There prevailed industrial peace in 1987 as evident from as low number of mandays lost as 28827 thousands.
Till April 1988, merely 9689 thousands man-days lost have been placed on records which is less than what it was in the previous year. The index of man-days lost reveals its lowest at 66.3 in 1963, that after it increased rapidly and stood 952.6 in 1983 and since then registered a steady decline.

Labour relations appear to be cordial and satisfactory. Improvement in industrial disputes promises healthy growth of industrial sector.

Causes of Industrial Disputes:

Workers are susceptible to agitation mainly due to economic or non-economic causes; Major economic causes of industrial disputes are related to wages and allowance, payment of bonus, retrenchment, dismissal and discharge, leave and hours of work and several such other causes as conditions of work and employment, methods of job evaluation, changes in the method of production, non-recognition of trade unions, inter-union rivalry, non-implementation of awards and agreements, lack of job security, incentives and fringe benefits, etc.

There are many non-economic causes which lead to industrial disputes as the workers may oppose the scheme of nationalisation which may lead to retrenchment of workers. Sometimes, workers go on strike in sympathy with their fellow-workers on strike in other industries. On basic factor
underlying disputes in recent times has been the industrial
discipline, because of which the relations between workers
and management do not remain cordial as it is a denial of
"freedom to the workers."

Growing number of disputes occur in connection with
the ill treatment of workers by the supervisory staff and
refusal of management to recognise workers organisation. Lastly
politicians encourage workers to go on strike as all the
trade unions in India are dominated by them. Thus a magnitude
of economic and non-economic causes blended together result
in industrial disputes. Percentage of industrial disputes on
account of causes has been shown in table 13.

\textbf{TABLE -13}

\textbf{Analysis of Industrial Disputes by Causes in Percentages during 1961-84.}

<table>
<thead>
<tr>
<th>Year</th>
<th>Wages &amp; Allowance</th>
<th>Bonus</th>
<th>Personnel &amp; Retrenchment</th>
<th>Leave &amp; Hours of Work</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>1961</td>
<td>30.4</td>
<td>6.9</td>
<td>29.3</td>
<td>3.0</td>
<td>30.4</td>
</tr>
<tr>
<td>1963</td>
<td>27.8</td>
<td>10.0</td>
<td>25.9</td>
<td>4.6</td>
<td>31.7</td>
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<tr>
<td>1965</td>
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<td>9.9</td>
<td>27.3</td>
<td>2.5</td>
<td>26.8</td>
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<td>1967</td>
<td>39.9</td>
<td>10.9</td>
<td>23.6</td>
<td>1.0</td>
<td>24.6</td>
</tr>
<tr>
<td>1969</td>
<td>36.4</td>
<td>10.0</td>
<td>26.6</td>
<td>2.2</td>
<td>25.2</td>
</tr>
<tr>
<td>1971</td>
<td>34.3</td>
<td>14.1</td>
<td>23.0</td>
<td>1.4</td>
<td>27.2</td>
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<td>10.3</td>
<td>24.3</td>
<td>1.5</td>
<td>29.3</td>
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<tr>
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<td>8.0</td>
<td>29.8</td>
<td>2.3</td>
<td>27.3</td>
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<td>1977</td>
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<td>15.2</td>
<td>23.0</td>
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<td>28.4</td>
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<td>8.8</td>
<td>21.7</td>
<td>2.4</td>
<td>33.3</td>
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<tr>
<td>1981</td>
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<td>7.8</td>
<td>21.4</td>
<td>2.2</td>
<td>39.0</td>
</tr>
<tr>
<td>1983</td>
<td>27.7</td>
<td>6.0</td>
<td>21.4</td>
<td>1.9</td>
<td>43.0</td>
</tr>
<tr>
<td>1984</td>
<td>26.6</td>
<td>7.7</td>
<td>18.8</td>
<td>1.8</td>
<td>45.1</td>
</tr>
</tbody>
</table>

Source : 1. Indian Labour Statistics, Ministry of Labour, Govt. of
An analysis of the cause of industrial disputes shows that wages and allowance were a major cause responsible for industrial unrest during 1961 while personnel and retrenchment came next. Leave and hours of work were only a minor issue, the other causes were also as important as wages and allowance.

By 1967, the share of wages and allowance and bonus increased from 30.4 percent to 39.9 percent and 6.9 percent and 10.9 percent respectively, while the share of personnel and retrenchment as well as leave and hours, and other causes declined.

Wages & allowance and bonus causes revealed a decline in 1973 from 39.9 percent to 34.1 percent and 10.9 percent to 10.3 percent respectively. There is an increase in disputes as personnel and retrenchment causes recorded a minor increase. Share of leave & hours of work and other causes also rose.

In 1979, the contribution of wages and allowance and bonus and personnel and retrenchment causes showed a declining trend, while leave & hours of work and other causes increased over 1977.

Since 1981, the share of wages and allowance, bonus personnel and retrenchment and leave and hours of work causes displayed rising trends. In 1984, the same above mentioned economic causes showed a declining trend and other non economic causes went up considerably.
The first and foremost need to avoid industrial disputes is to improve the economic conditions of the workers. Maximum number of disputes are related to unfair wage policies. It calls for proper wage policy. The wage structure should be rationalised and anomalies should be removed.

Personnel policy is a very important tool to be effectively deployed. The personnel department consists of competent and experienced staff, they should deal properly with the workers. Personnel policy depends upon the attitude, belief and honesty of the purpose of management in handling the workers problems, ranging from recruitment to retirement of the workers. Modern techniques of management should be introduced for the evolution of better labour management relations.

Management should not refuse to recognise workers organisations to avoid discontentment among workers. Supervisors and jobbers must be considerate towards workers.

When parties concerned fail to reach an agreement, at that time arbitration is a very good method of settling disputes. Both the parties concerned agree to depute a third party and are bound to abide by its decisions legally.

Workers participation in management plays a very important role in minimising industrial disputes. It envisages involvement of workers in programmes to improve productivity and progress of industry. Thus workers participation in management should be encouraged.
Trade unions also play significant role in the development of harmonious industrial relations. Trade union leaders should put forward their genuine and real demands and develop mutual confidence and traditions of give and take to solve industrial disputes.

Industrial disputes cannot be completely avoided, but surely they can be minimised. This can be done by the intervention and regulation of the government. The Government must come forward with strong policies such as labour laws and its implementation at the right time.

In conclusion, timely measures suggested above would go a long way in smoothing industrial relations to accelerate the industrial growth.

**STRIKE:**

Strike is an effective instrument of the modern democratic industrialism which is used by workers for maintaining and improving their standard of living. Usually, workers organise the strike by their mutual agreement to fulfill their demands. It may be for a longer or shorter period because time is not an important factor for determining the word strike.

Strike is a deliberate refusal to work in the organisation or in other words, strike is an organised or concerted withdrawal of the supply of workers which is used as a last resort when all possibilities of reaching a settlement fail.
It is one of the ways adopted by the workers to settle their issue with management.

The Industrial Disputes Act, 1947, defines a strike as, "a cessation of work by a body of workmen acting in combination, or refusal by workmen under a common understanding to continue to work or accept employment."

Therefore, the use of strike is sanctioned with proper manner in all the democratic societies to safeguard the interests of workers. Strike has become an important instrument in the hands of workers to fight for their rights and to show the management their strength and unity.

Gherao:

The history of gherao is two decades old. It is one of the methods to pressurise the management to fulfill the demands of workers. In other words, gherao is an effective weapon in the hands of unions for fulfilment of their demands.

"Gherao" has been defined as coercive confinement, siege or encirclement. In which, workers roam around the premises and officers and close all the gates.

The first gherao in the Raza Textiles Ltd. took place in 1968 by 2320 workers. Main cause of that gherao was the change of the duty time. The workers adopted the way of gherao to settle their issue, later workers went on strike which continued for two days and achieved success.

Another gherao took place in 1969 on the issue of bonus because due to adverse marketing situations, the company denied to pay bonus but after gherao, the company agreed to pay the bonus.

Recently, an incident of gherao happened in the month of April 1988. About 2208 workers were involved in this gherao. Dearness Allowance was the main cause of this gherao which resulted into a sit-in-strike on 6th April 1988 and continued till 11th May, 1988.

**Strikes in Raza Textiles Ltd.**

There was no strike before 1952 in Raza Textiles Ltd. In 1952, Raza Textiles Labour Union organised the first strike. Bonus and long hours of work were the main causes of strike. Bonus was not paid to the workers as well as a worker was required to work for 10 hours per day. About 2772 workers were involved in this strike. Consequently, the management accepted the demands and strike was called off.

5. Labour Officer, Raza Textiles Ltd.
In 1957, all workers abstained from work. This was the total strike and lasted for one month. Reza Textiles Labour Union was responsible for this strike. Main cause of this strike was that workers were required to work on 4 looms while they were preferring the 2 looms. Any may INTUC took keen interest and reached an agreement with management on behalf of workers that 2 looms will be given on the basis of seniority. Thus, workers went on work after one month.

Wages and Dearness Allowance were the major causes of the strike held in 1962 but very soon compromise was made between union and management. Case was sent to the high court and was rejected on the grounds of its fictitious norms.

The strike of 1969 was unsuccessful because 50 percent workers were in the mills and remaining on strike. Duty time was the main cause of this strike. It continued for two days and came to an end by an agreement between unions and management.

In 1975, despite the emergency the workers went on unjust strike in December, demanding bonus in excess of that permissible under new Bonus Ordnancee. Soon a settlement was reached with the labour force and mills started working smoothly.

The following table shows the strikes in Reza Textiles Ltd. during 1977 to 1988.
TABLE - 14
SHOWING THE INDUSTRIAL DISPUTES IN RAZA TEXTILES LIMITED DURING 1977 to 1988

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Strikes</th>
<th>Number of Workers involved</th>
<th>Number of Man-days lost</th>
<th>Wage Lost</th>
<th>Production Lost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1978</td>
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<td>1979</td>
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<td>-</td>
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<tr>
<td>1980</td>
<td>1</td>
<td>1447</td>
<td>N.A.</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>1981</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
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<td>1982</td>
<td>-</td>
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<td>-</td>
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<td>-</td>
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<td>1983</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
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<td>1984</td>
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<td>1986</td>
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<td>-</td>
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<td>1987</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1988</td>
<td>1</td>
<td>2554</td>
<td>78303.13</td>
<td>2655525.71</td>
<td>19837574.41</td>
</tr>
</tbody>
</table>

Source: Labour Officer, Raza Textiles Ltd.
A persual of the above table reveals that labour relations were strained from November 1980 when an strike was motivated by a recently elected MLA of Rampur. The strike was held because on 15th August 1979, Raza Textiles Labour Union put 20 demands of workers before management related to wages, D.H. and bonus but no response was given by the management. The strike was partial and it was called off in Jawa Textiles Division in February 1981 and reasonable level of production activity was maintained in the textiles division. About 1447 workers were involved in this strike. The strike was the longest in the history of the company. Workers inside the mills were paid for three shifts and other facilities as boarding and lodging were provided in the mills.

The striking leaders thwarted all efforts of conciliation and mediation of Uttar Pradesh Government. The strikers indulged in numerous acts of violence and atrocities against the non-striking workers and damaged company's properties and installations. An arbitrator was appointed as per the provisions of the U.P. Industrial Dispute Act and approved by the U.P. Government. The arbitrator gave an award. However striking leaders opposed this award. The strike, however was fizzled out to normalcy in May 1981 and full production was restored.

On 6th April 1988 a group of workers in violation of the agreement reached with the Raza Textiles Labour Union in
favour of management. Main cause of this strike was that as per Government Rule 1979, it was enforced that above 300 points D.A. should be paid at the rate of Rs. 1.35 per point while company paid at the rate of Rs. 1.23 per point. The workers demanded D.A. in accordance with the Textiles Mills of Kanpur.

On 10th May 1988, an agreement was made between the workers and management. The case has been referred to the Conciliation Board which has not been settled as yet. Consequently, strike was fizzled out on 11th May 1988. This strike played havoc with the operations of the mills.

This strike involved 2554 workers, mandays lost numbered 78303.13, wages and production loss amounted to Rs. 2655525.71 and Rs. 19837574.41 respectively.

Procedure for settlement of Industrial Disputes:

The procedure for the settlement of industrial disputes in Raza Textiles Ltd. is a combination of Collective Bargaining, conciliation, Arbitration and adjudication.

Collective Bargaining:

Collective Bargaining is negotiation between the employer or a group of employers and a group of work people
to reach agreement on working conditions. If negotiations are between an employer and a group of his own work people, the dependence of the work people on the employer for their jobs weakens their bargaining powers, and therefore collective bargaining is more usually understood to be negotiations between one or more trade unions and an employer or group of association or employers. Trade Union organisation gives the work people greater strength to providing means for the expert presentation of demands by skilled officials not dependent on the employers for their jobs. Further a Union has funds and means of obtaining information outside any one undertaking and can secure for the work people at any one firm the support of their followers in other firms.

In the process of collective bargaining the Labour and management reach a solution by a collective agreement. Labour tries to improve their conditions through this system. Collective bargaining is considered one of the most important methods to integrate the interests of trade unions with the interests of the management. "It is an effective and logical system in establishing industrial peace and settlement of

industrial disputes. In democratic countries the scope of collective bargaining is getting ground. Now the collective bargaining is the most effective and widely adopted technique of dispute settlement. It is most democratic method as well. It is highly institutionalised in all the industrialized democratic societies where more than 90% of the disputes are settled through direct negotiation. Collective bargaining provides ample opportunities to labour and management for adjusting their differences and accommodating each other. Its scope is both wide and limited defined by the negotiations themselves.

The management of Raza Textiles Ltd. always tries to solve the disputes through combined efforts of both the parties. Process of collective bargaining started in 1947 in the company. It brings change in the attitude of trade unions vs change in the attitude of management and many disputes of Labour Unions and management are resolved through it. Even the strike of 1975, on bonus issue was fizzled out through collective bargaining and day to day individual disputes are also settled through it. Therefore, collective bargaining is a process of settling industrial disputes, but it is not an end itself. When the settlement of industrial disputes is not possible through collective bargaining then efforts are made to solve it through conciliation, or arbitration.
or adjudication. The brief description of these processes is as the following.

**Conciliation**:

The conciliation process is nothing but an extension of collective bargaining when it is requested by the parties to assist them to reach an agreement. "This conciliation machinery is an impartial agency which plays a decisive role in preventing stoppage of work, removing distrust and in bringing about a psychological rehabilitation of trust and confidence between the two opposing interests on the basis of goodwill, sympathy and compromise." Hence, the main object of conciliation, according to Industrial Disputes Act is to bring a settlement through the mediation of third party. During the conciliation process the conciliator/s offer advice and suggestions on controversial issues. The programme for conciliation will arise not only when a dispute is brought to its notice but also for an apprehend disputes either on its own or when approached by either of the parties, viz. labour or management or by the Government also. Thus, prevention and settlement of industrial disputes is the main function of conciliation.


8. The Industrial Dispute Act 1947, Sec.12(1).
The conciliator (now Deputy Labour Commissioner) as per the rules shall without any delay investigate the dispute and all matters affecting the merits and reach a proper settlement of disputes. He will try to find out the points of difference between the parties, ascertain the grounds on which respective claims are based and explore the possibilities to settle the dispute. However, each dispute has to be disposed off within one month from the date of reference. If the settlement of the dispute is arrived at in the course of conciliation proceedings between the parties, the Deputy Labour Commissioner shall prepare a memorandum of settlement duly signed by the parties before him. A report for settlement is sent to the concerned parties and the Government (State). If there is no settlement between the parties, the Deputy Labour Commissioner reports to the U.P. State Government along with the facts and circumstances on account of which a settlement could not be arrived at between the parties. If the Government is satisfied with the report, the case is referred to labour court or industrial tribunal. The popularity of conciliation as an effective tool of settling industrial disputes in Raza Textiles Ltd. has been shown in the following table (15).
TABLE - 15

Showing the Industrial Disputes Referred to Conciliation Office : 1980-88.

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Disputes</th>
<th>Conciliated</th>
<th>Rejected</th>
<th>Referred to Labour Court</th>
<th>Percentage of Settlement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>4</td>
<td>2</td>
<td>-</td>
<td>2</td>
<td>50.00</td>
</tr>
<tr>
<td>1981</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>100.00</td>
</tr>
<tr>
<td>1982</td>
<td>11</td>
<td>3</td>
<td>1</td>
<td>7</td>
<td>27.30</td>
</tr>
<tr>
<td>1983</td>
<td>5</td>
<td>2</td>
<td>1</td>
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<tr>
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<td>5</td>
<td>2</td>
<td>1</td>
<td>2</td>
<td>40.00</td>
</tr>
<tr>
<td>1988</td>
<td>11</td>
<td>6</td>
<td>-</td>
<td>5</td>
<td>54.60</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>55</td>
<td>23</td>
<td>6</td>
<td>26</td>
</tr>
</tbody>
</table>

Source : Office of the Deputy Labour Commissioner, Rampur U.P.
The table mentioned above reveals that conciliation process is not an effective way for settling the industrial disputes in Reza Textiles Ltd. because only 55 disputes are taken to conciliation process over a period of 8 years i.e. from 1980 to 1988 out of which 23 disputes have been settled, rejected and referred to labour court numbered 5 and 26 respectively over the same the period.

Percentage of settlement was 50 in 1980, 100 in 1981, 27.3 in 1982, 40 in 1987 and 54.6 in 1988. On the whole, 41.82 percent disputes have been settled, 10.91 percent have been rejected and 47.27 percent have been referred to labour court since 1980 to 1988.

Thus, it can be concluded that conciliation process is not so common to settle the disputes as should be. The percentage of disputes referred to labour court is marginally higher as compared to settlements.

Arbitration:

Arbitration may either be voluntary or compulsory. Voluntary arbitration implies that the two parties, unable to settle their differences between themselves or by the help of a mediator or conciliater, agree to submit their cases to an arbitrator whose decision they agree to accept.
Thus, the essential element in voluntary arbitration is
the voluntary submission of cases to an arbitrator, and
the subsequent attendance of witnesses and investigations
and enforcement of awards may not be necessary, because
there is no compulsion. Compulsory arbitration, on the
other hand, implies that parties must submit their cases
to a arbitrator. 9

Actually voluntary arbitration came to be known
with the advocacy of Mahatma Gandhi in 1920 for the settlement
of dispute in Ahmedabad Textile Industry. To make voluntary
arbitration more acceptable, Government set up a National
Arbitration Promotive Board in 1967.

Voluntary arbitration during the year 1980 to 1988
has been very nominal in Raza Textiles Ltd. The strike of
1980 was settled through it. It shows that voluntary arbitration
is not so popular in the company.

Adjudication:

Adjudication is the ultimate method for the settlement
of unresolved disputes by the Government. The adjudication
machinery in the state of Uttar Pradesh comprises of Labour
Courts and Industrial Tribunals. The following matters are
referred to adjudication:

1. The proprietary or legality of an order passed by an employer;
2. The application and interpretation of standing orders;
3. Discharge and dismissal of workers;
4. Withdrawal of any customery;
5. Illegality or otherwise strike or lockout.

In Raza Textiles Ltd., the disputes are settled mainly through collective efforts of representatives of workers and representatives of management, in case of failure the case is referred to conciliation officer. In all 26 industrial disputes of the company were referred to the adjudication machinery of state during the period 1980-93, numbering 2 in 1980, 7 in 1982, 2 each in 1983 and 1984, 4 in 1985, 2 each in 1986 and 1987 respectively and 5 in 1988. Thus, as per information available about 47.27 percent of disputes are settled through this process.
Conclusion:

To conclude it may be said that the labour management relations practices are governed by the legislative framework. The majority of settlements is done on the basis of negotiations, through collective efforts of the representatives of workers and representatives of management. Conciliation and adjudication machinery have their own significance in solving the industrial disputes. Consequently, labour management relations have assumed dynamic importance with the changing industrial relations laws.
CHAPTER - VI

WAGES, LABOUR WELFARE AND WORKING CONDITIONS IN RAZA TEXTILES LIMITED

In the preceding chapter the trends of industrial disputes in Raza Textiles Ltd. with reference to India have been analysed, as well as settlement procedure has been discussed. The present chapter entitled wages, labour welfare and working conditions has been split up into three parts, first deals with wages, second discusses the labour welfare and third highlights the working conditions.

Wages:

Wages means all remunerations, capable of being expressed in terms of money, which would, if the terms of the contract of employment, were fulfilled, be payable to a person employed in respect of his employment of work done in such employment and includes house rent allowance but does not include the value of any house accommodation, supply of light, water, medical attendance or any other amenity excluded by general or special order of the appropriate government any contribution paid by the employer to any pension fund or provident or any other scheme of social insurance, any T.A., any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment or any gratuity payable on discharge.¹
The productive capacity of a worker ultimately depends upon his wages, other incomes, benefits derived from the employer and the welfare measures provided by the Government. Wages and salaries have two facets; one from the standpoint of industry and the other from the point of view of the employees. From the standpoint of industry, wages and salaries constitute an important item of cost, the importance depending upon the industrial development of a nation. In a nation a general increase in the cost of labour without an equal increase in productivity will result in inflation. But an increase in the cost of labour in a certain sector and in certain key jobs without an equal increase in productivity may not result in general inflation to the same extent. Wages and salaries are important to workers because, their attitude towards and standard of living is determined through it. Employer thinks it as a share in the total cost of production while it is a means of livelihood for an employee. Payment of fair wages may prevent industrial conflict and tension.

Wages and salaries have always remained main cause of dissatisfaction among the workers in Raza Textiles Ltd.

because in the early years, the wages and salaries were not paid according to the provisions of the Minimum Wages Act, 1948.

In 1962, Textiles wage Board presented its recommendations regarding the wages of workers of textiles mills in two parts. (1) For the textiles mills of Kanpur; and (2) For the mills outside Kanpur.

The Kanpur mills were placed in category 'B'. The wages for the workers of textiles mills of Kanpur were fixed Rs. 130 more than Raza Textiles Ltd., the main reason as shown was the higher cost of living in Kanpur, it caused discontentment among the workers of Raza Textiles Ltd.

Further, in 1974, the Government ordered to place the textiles mills outside the Kanpur in category 'B' but the company did not enforce this law. Due to which workers were getting Rs. 16 less than the textiles mills of Kanpur. Inspite of various demand notices, the management made lame excuses and ultimately, workers went on strike on this issue along with other causes in November 1980. The strike continued for six months and many workers suffered heavy financial losses. Later, the case was solved by an arbitrator. But
still the wages are below the recommendations of Second Textiles Wage Board.

The workers and staff of Raza Textiles Ltd. are getting the wages and salaries according to the following table.

**Table - 16**

Showing the Monthly Wages and Salaries of employees of Raza Textiles Ltd. since 1988.

<table>
<thead>
<tr>
<th>Category</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Managerial staff</td>
<td>1000</td>
<td>6500</td>
</tr>
<tr>
<td>2) Shift Incharges</td>
<td>800</td>
<td>2000</td>
</tr>
<tr>
<td>3) Supervisory staff</td>
<td>600</td>
<td>1200</td>
</tr>
<tr>
<td>4) Clerical staff</td>
<td>875</td>
<td>1175</td>
</tr>
<tr>
<td>5) Jobbers: (Piece Rate for 26 days)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) Weaving Department</td>
<td>-</td>
<td>950</td>
</tr>
<tr>
<td>(b) Spinning Department</td>
<td>-</td>
<td>980</td>
</tr>
<tr>
<td>6) Weavers (Piece Rate for 26 days)</td>
<td>-</td>
<td>880</td>
</tr>
<tr>
<td>7) Piecers</td>
<td>-</td>
<td>885</td>
</tr>
<tr>
<td>8) Doffer Boy</td>
<td>-</td>
<td>880</td>
</tr>
<tr>
<td>9) Watch men</td>
<td></td>
<td>850</td>
</tr>
<tr>
<td>10) Sanitation</td>
<td></td>
<td>840</td>
</tr>
</tbody>
</table>

Source: Pay Section Incharge Raza Textiles Ltd.
A persual of the table shown above reveals that managerial staff which includes secretary, General Manager, Managing director, joint managing director, Materials manager, cotton manager, sales manager, superintendents and masters of weaving spinning and processing departments, ware house incharge, quality control Incharge. Financial accountant, chief accountant, cost accountant etc. are drawing salaries in the range of Rs. 1000 to Rs. 6500. Salaries of shift incharge range between Rs. 300 to Rs. 2000. Supervisors and clerks salaries range from Rs. 600 to Rs. 1200 and Rs. 975 to Rs. 1175 respectively.

Jobbers get wages on piece rate for 26 days which is maximum of Rs. 950 and Rs. 980 in weaving and spinning departments respectively. Weavers, piecers and doffer boys are getting a maximum of Rs. 880, Rs. 885 and Rs. 880 respectively. Watchmen and Sweepers are drawing Rs. 850 and Rs. 840 per month respectively.

Table also reveals that there is no minimum limit of wage for jobbers, weavers, piecers, doffers, watchmen and sweepers because they are paid on piece rate and will draw as much as they work.
The annual reports of the Raza Textiles Ltd. from 1977 to 1988 provided only the jumbled figures for wages and salaries, bonus, wages to contractors Labour, provident fund, contributions, ESI contribution, gratuity and other welfare expenses under one item in the respective profit and loss accounts.

From these figures various types of expenditures under each item have been reclassified. Thus, management was not able to help in assessing and estimating the actual wages and salaries. Yet, an attempt has been made to show the amount of wages and salaries. The following table shows the amount (total inclusive of wages, salaries, Bonus, gratuity and wages to contractors Labour, Provident fund, ESI Contribution of company and other welfare expenses) during 1977-88.

**TABLE-17**

Showing the amount of wages and salaries paid to employees by Raza Textiles Ltd. during 1977-88.

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Number of workers</th>
<th>Amount (Rs. in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>2374</td>
<td>160.00</td>
</tr>
<tr>
<td>1978</td>
<td>2390</td>
<td>173.31</td>
</tr>
<tr>
<td>1979</td>
<td>2527</td>
<td>181.58</td>
</tr>
<tr>
<td>1980</td>
<td>2186</td>
<td>197.26</td>
</tr>
<tr>
<td>1981</td>
<td>2113</td>
<td>211.24</td>
</tr>
<tr>
<td>1982</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1983</td>
<td>2451</td>
<td>317.84</td>
</tr>
<tr>
<td>1984</td>
<td>2573</td>
<td>352.31</td>
</tr>
<tr>
<td>1985</td>
<td>2522</td>
<td>390.47</td>
</tr>
<tr>
<td>1986-87*</td>
<td>2504</td>
<td>530.07</td>
</tr>
<tr>
<td>1988</td>
<td>2519</td>
<td>432.20</td>
</tr>
</tbody>
</table>

*Company changed financial Year from 31st December to 31st March.
A perusal of the table mentioned above exhibits that the company paid ₹169.00 lakhs in 1977 for wages and salaries to its workers and staff. However, the amount has increased continuously to ₹432.20 lakhs in 1988—an increase of 170 percent over 1977. The total number of employees has increased marginally from 2,774 in 1977 to 2,519 in 1988 registering an increase of 6.1 percent over the same period.

Thus, it can be concluded that the amount has increased to about 23 times as compared to number of workers and staff. It shows that the company has paid attractive wages and salaries.

**Dearness Allowance (D.A.):**

D.A. has been defined by the Study Group on Wage policy set up by the National Commission on Labour, thus "the words 'Dearness Allowance' primarily suggests and refers to allowance paid to employees in order to enable them to face the
Increasing dearness of essential commodities. In the words of Supreme Court of India. The whole purpose of dearness allowance is to neutralise a portion of the increase in the cost of living. D.A. leads to industrial harmony. It is treated as an extra allowance to maintain the standard of living. At present, Raza Textiles Ltd. is paying D.A. separately at the rate of .80 paisa per point from 201 to 300 points. Above 300 points, the D.A. is paid at the rate of Rs. 1.25 per point, while it is being paid at the rate of Rs. 1.35 per point in textiles mills of Kanpur. This issue caused strike in the year 1988, because Raza Textiles Labour Union made a wrong agreement in favour of management.

Annual Increments & Grades:

Annual increment is given to those employees who complete 240 days work in a year. Managerial and supervisory staff is paid from Rs. 50 to Rs. 200 as annual increment. Workers' earnings increase as per cost of Index.

As far as grade is concerned neither workers' nor managerial and supervisory staff is employed into any grade. Workers are paid wages on piece rates and salaries of managerial and supervisory staff are fixed. However, clerical staff is employed in the grade of Rs. 60 + 5 = 90 + 6 = 120 + 7.50 = 127.50 + 10 = 200 + 15 = 215.

Payment of wages & Salaries:

Wages are paid to workers on the 10th of every month. The company has provided the facility of advance against wages which is paid on the 22nd of every month.

Managerial, supervisory and clerical staff of the company is paid salary on the 1st of every month and advance on the 15th of every month. The payment is made at the cash window in general office, if it exceeds Rs. 1000 it is paid by cheque.

Payment of overtime, work on paid holidays and weekly off:

Extra payment for overtime enables workers to work more efficiently. The company pays overtime payment to those workers who work in weekly offs, paid holidays or more than their regular duties. Overtime payment is made at the single rate to workers. In other words, they are paid equal to their hourly wage rates. The overtime payment is paid daily at the cash counter of the mill.

LABOUR WELFARE:

A worker does not live by bread only. The hazards of industrial life have necessitated a consideration of physical
and mental well being of workers in business. Whole field of welfare is one in which much can be done to combat the sense of frustration of industrial workers, to relieve them of personnel and family worries, to improve their health, to afford them a means of self-expression, to offer some sphere in which they can excel and to help them to a wider conception of life.  

According to a report of International Labour Organisation (ILO) the "labour welfare, includes such services, facilities and amenities adequate working conditions, canteen, rest and recreational facilities, arrangement of conveyance to and from work and for the recommendation of workers employed at a distance from their houses and such other service, amenities and facilities as contribute to improve the conditions under which workers are employed." In the words of Dr. Panandihar "Labour Welfare is a work for improving health, safety, and general well being and the industrial efficiency of workers beyond the minimum standard laid down by labour legislation."


The Encyclopaedia of Social Science defines welfare as voluntary efforts of an employer to establish within the existing industrial system, working and sometimes living and cultural conditions of his employees beyond what is required by law, the customs of industry and conditions of the market.

Labour welfare makes substantial contribution towards happy industrial relations. It refers to any effort by the employers, Government or any other agency either voluntarily or statutorily which aims at the betterment of workers conditions.

A number of welfare facilities have been provided by the management of Raza Textiles Ltd for improving the working conditions of the workers inside and out side the mills. The company has appointed a labour welfare officer to look after the interests of workers and provide maximum welfare facilities. The establishment of Raza Textiles Ltd. spreads over 140 acres of land which includes, Labour Colonies, Staff quarters, canteen, club, playground and parks. The existing Labour Welfare facilities in Raza Textiles Ltd. may be classified conveniently into two parts, (i) Financial facilities, and (II) Non-financial facilities.

Financial Facilities:

The financial facilities are provided for general well-being of workers. These may be beneficial in times of needs, i.e., sickness, old age, etc. Further, the habit of thrift may be encouraged with financial incentives. At present, the company is providing the following financial facilities to workers for their well-being and efficiency.

Bonus:

Bonus is an amount paid to workers, besides their wages, out of the surplus profits of the company. Workers have become accustomed to this system and they appreciate it as a means of providing them once a year with a substantial extra amount of money which they can use either for the purchase of expensive items of clothing and household equipment, for entertainment and amusements beyond their ordinary means, or to pay off debts.9

The Payment of Bonus Act, 1965, is applicable in all industrial establishments which employ 20 or more persons. In Raza Textiles Ltd., a minimum bonus at the rate of 8.33 percent is given to employees every year who work for at least 30 days in a year. The following table shows the amount of bonus paid to employees of Raza Textiles Ltd. its branch Jweli Fabrics during 1977-78.

9. ILO, Report to the Government of India on Labour Management Relations and some aspects of wage policy, 1960, p. 34.
**TABLE - 12**


<table>
<thead>
<tr>
<th>Year</th>
<th>Percent</th>
<th>Average Number of Employees</th>
<th>Amount (in Rs. lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Textiles Division</td>
</tr>
<tr>
<td>1978</td>
<td>8.33</td>
<td>2390</td>
<td>10.26</td>
</tr>
<tr>
<td>1979</td>
<td>8.33</td>
<td>2527</td>
<td>N.A.</td>
</tr>
<tr>
<td>1980</td>
<td>8.33</td>
<td>2186</td>
<td>10.70</td>
</tr>
<tr>
<td>1981</td>
<td>8.33</td>
<td>2113</td>
<td>10.88</td>
</tr>
<tr>
<td>1982</td>
<td>8.33</td>
<td>2382</td>
<td>14.49</td>
</tr>
<tr>
<td>1983</td>
<td>8.33</td>
<td>2451</td>
<td>16.14</td>
</tr>
<tr>
<td>1984</td>
<td>8.33</td>
<td>2573</td>
<td>18.89</td>
</tr>
<tr>
<td>1985</td>
<td>8.33</td>
<td>2522</td>
<td>20.65</td>
</tr>
<tr>
<td>1986-87*</td>
<td>8.33</td>
<td>2504</td>
<td>22.61</td>
</tr>
<tr>
<td>1988</td>
<td>8.33</td>
<td>2519</td>
<td>23.82</td>
</tr>
</tbody>
</table>

* The Company changed financial Year from 31st December to 31st March.

Source: Office, Deputy Labour Commissioner, Rampur U.P.

The aforesaid table shows that company paid a total amount of Rs. 9.24 lakhs in 1977 for bonus which increased continuously to 24.72 lakhs in 1988 i.e. an increase of 167.5 percent over 1977.
The amount of bonus paid in Jwala Fabrics Division in 1979 amounted to Rs. 37 lakhs which increased to .90 crores in 1988 showing an increase of 143.24 percent over the same period. However, the average annual number of employees increased merely by 6.12 percent over the same period.

Thus, it can be said that bonus paid by company has been more than two and half times over a short span of 10 years. The number of workers has not increased frequently. It shows that company is closely looking after the employees.

Provident Fund:

The employees will be motivated for hard work when they know that employer will pay them after retirement. The main idea behind this contributory scheme is to stimulate savings for the old age or to give family pension to dependents of the industrial worker in case of his death.

The Employees Provident Fund Act, 1952, applies to every establishment, engaged in any industry specified in Schedule 1 to the Act or which the central Government notifies in the official Gazette and, in which 20 or more persons are employed.¹⁰

Since 1962, the workers contributed 8 percent of their monthly salary monthly with a matching contribution by company. Now, with effect from August 1988, the rate of contribution has been increased from 8 percent to 8.33 percent with an equal contribution by the company for each employee.

There are some regulations of this scheme which provides:

1. That a worker will get non-refundable advance for the purpose given in Provident Fund Act, 1952.
2. That a worker will get full contribution of the company with interest in the event of death or retirement after completing 10 years of service.
3. That if a worker puts in less than 10 years service, the company will pay its contribution in the following way:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Employer's contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>below 3</td>
<td>25%</td>
</tr>
<tr>
<td>3-5</td>
<td>50%</td>
</tr>
<tr>
<td>5-10</td>
<td>75%</td>
</tr>
<tr>
<td>10 and above</td>
<td>100%</td>
</tr>
</tbody>
</table>

SOURCE: Pay Section Incharge, Raza Textiles Ltd Rampur.
1. Inferences drawn from the foregoing table reveals that 25 percent of the company's contribution and interest accruing thereon, will be paid if the period of his service is less than 7 years.

2. 50 percent of the company's contribution and interest accruing thereon, if the period is 3 years or more but less than 5 years.

3. 75 percent of the company's contribution and interest accruing thereon, if the period of service is 5 years or more but less than 10 years.

4. 100 percent of the company's contribution and interest accrued thereon, if the period of service is 10 years or more.

Thus, the company pays contribution according to above mentioned criteria. However, the workers' own contribution must be paid in full under all circumstances.

The following table shows the amount of provident fund scheme, incurred by the company during 1977-88.
### TABLE 2C

Showing the amount incurred under the Provident Fund Scheme during 1977-1988.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (Rs. in Lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>7.52</td>
</tr>
<tr>
<td>1978</td>
<td>8.29</td>
</tr>
<tr>
<td>1979</td>
<td>8.89</td>
</tr>
<tr>
<td>1980</td>
<td>8.91</td>
</tr>
<tr>
<td>1981</td>
<td>8.79</td>
</tr>
<tr>
<td>1982</td>
<td>12.45</td>
</tr>
<tr>
<td>1983</td>
<td>13.91</td>
</tr>
<tr>
<td>1984</td>
<td>15.47</td>
</tr>
<tr>
<td>1985</td>
<td>17.81</td>
</tr>
<tr>
<td>1986-87*</td>
<td>25.91</td>
</tr>
<tr>
<td>1988</td>
<td>23.07</td>
</tr>
</tbody>
</table>

Source: Annual Reports of Raza Textiles Ltd. (1977-1988)

From the above table it can be observed that during the year 1977, Rs. 7.52 lakhs were incurred by the company under provident fund scheme which increased to Rs. 23.07 lakhs in 1988 - an increase of 206.78 percent over 1977.
Gratuity:

Gratuity is a lump sum payment paid by the company to the employees on the termination of job, which may be due to retirement, voluntary retirement after specified years of service or death. Main object behind this scheme is to help the employees after retirement to maintain their livelihood. A qualifying period of at least 240 days service every year has been provided for getting the payment of gratuity. If a worker completes 40 years service, he will be given gratuity equal to a salary of 15 days per year.

The following table shows the amount of gratuity paid to workers by the company during 1977-88.

**Table - 21**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (₹. in lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>34.08</td>
</tr>
<tr>
<td>1978</td>
<td>34.20</td>
</tr>
<tr>
<td>1979</td>
<td>-</td>
</tr>
<tr>
<td>1980</td>
<td>32.71</td>
</tr>
<tr>
<td>1981</td>
<td>40.03</td>
</tr>
<tr>
<td>1982</td>
<td>40.27</td>
</tr>
<tr>
<td>1983</td>
<td>60.42</td>
</tr>
<tr>
<td>1984</td>
<td>65.51</td>
</tr>
<tr>
<td>1985</td>
<td>70.41</td>
</tr>
<tr>
<td>1986 -87*</td>
<td>75.88</td>
</tr>
<tr>
<td>1988</td>
<td>55.01</td>
</tr>
</tbody>
</table>

Source: General office, Raza Textiles Ltd.
The above table reveals that company made payments of ₹34.08 lakhs in 1977 and ₹55.01 lakhs in 1988. It shows an increase of 61.4 percent over a period of 10 years.

**Travelling Allowances:**

All employees while travelling on Company's business will be entitled to charge daily allowance per day and travel by the class or Railway and/or by Air as shown here under:

<table>
<thead>
<tr>
<th>TABLE -22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monthly Basic Salary</strong></td>
</tr>
<tr>
<td><strong>Delhi</strong></td>
</tr>
<tr>
<td><strong>(a)</strong></td>
</tr>
<tr>
<td>1. Non-Clerical and subordinate staff</td>
</tr>
<tr>
<td>2. Upto ₹99/-</td>
</tr>
<tr>
<td>3. ₹100/- to ₹199/-</td>
</tr>
<tr>
<td>4. ₹200/- to ₹299/-</td>
</tr>
<tr>
<td>5. ₹300/- to ₹399/-</td>
</tr>
<tr>
<td>6. ₹400/- to ₹499/-</td>
</tr>
<tr>
<td>7. ₹500/- to ₹699/-</td>
</tr>
<tr>
<td>8. ₹700/- to ₹899/-</td>
</tr>
<tr>
<td>9. ₹900/- to ₹999/-</td>
</tr>
<tr>
<td>10. ₹1000/- to ₹1499/-</td>
</tr>
<tr>
<td>11. ₹1500/- to ₹1999/-</td>
</tr>
</tbody>
</table>
12. Rs. 2000/- to Rs. 2249/- , , , 75 65 60
13. Rs. 2250/- to Rs. 3000/- , , , 60 70 60
   1) Heads of Mill Dept. & Mill staff , , ,
   11) Others ACC Air , , , 80 70 60
14. Rs. 3000/- and above , , , 100 90 80
15. Travelling salesman II Tier with Bus/ sleeper local accomodation on train / tonga night journey 50 40 30
16. Cotton Touring Clerk , , , 35 30 25
17. Where round expenditure of essential the JMD may allow travel by Air
18. Transit T.A. will be at 50% of category C. (other) but should not exceed Rs. 25/- per day in any group.
19.(i) Staff drawing a remuneration of Rs. 1500 & above is entitled to actual reimbursement of board / lodging charges in hostels to the maximum level as stipulated in 19.2 when the T.A. will for actual hotel expenses is made, no D.A. can be charged.
   However, permission to stay in a hostel must be taken prior to the journey from the Jt. M.D.
19.(ii) Officers entitled to charge hotel expenses in lieu of daily allowance will be required to produce bills and receipts with supporting vouchers to claim the expenditure. The minimum claimed for board & lodging per day shall be as follows:
Delhi Towns Others
Bombay with
Madras Population
Calcutta of 10
lakhs above

a) Persons drawing Rs. 3000/- per over
   275  170  120
b) ..., ..., Rs. 2250-2999 225
   140  90
c) ..., ..., Rs. 1500-2249 150
   120  70

Expenses in excess of these limits will be borne by staff concerned.

19(iii) Where fooding is not available at a hotel and
       sanction to stay in a hotel is given, 75% addition to
       hotel bill may be sanctioned, as long as the total bill
       and plus 75% D.A. does not exceed the minimum limits as
       stated in /19 (ii).

20. Employees with whom the Company has executed contract of service
    will be entitled to the Daily allowance, if
    any mentioned in the contract and they will not be
    entitled to the above scales. The class of travel,
    however, will be applicable to them.

21. In towns, where scooters, Tongas, Ricksaws and other
    similar mode of transport is not in vogue, alternately
    transport including taxi may be used.

22. The daily allowance shall be charged as follows :-
    For less than 6 hours  25%
    6 to 12 hours  50%

23. When Guest House facilities are available and availed by
    the staff D.A. can only be charged at the rate of 50% of
food is not served in the Guest House. Where the food is also taken in the Guest House on company expenses, no D.A. is allowable, however, a sum of 10% of D.A. per day is chargeable to cover incidental expenses.

24. In addition to the D.A. the employee will be entitled the actual amount spent on telephone, truck, telegrams, teleax and postage on account of company for which receipt together with details and copies should be submitted by employee concerned.

25. When officers use their private cars for proceeding on tour on company's business they will be entitled to reimbursement on the following basis:-

(a) Ambassador, Fiat, Standard, and like India made cars registered in the name of employee and maintained by him 0.85 p/km.

(b) Imported cars registered in the employee's name and run and maintained by himself 1.10 p/km.

(c) Motor cycle, Scooter, registered in the employee's name and run and maintained by himself 0.40 p/km.

26. Where Air Travel is entitled and availed of a receipt of purchase of ticket must be attached to claim such reimbursement or the ticket should be purchased through the company's authorised travel agencies.

27. An employee who avails leave except on account of sickness during the tour on company's duty shall not be entitled to draw any D.A. for the period of leave. However if an employee
falls sick while on tour., he shall immediately inform by telephone / telegram. The company has an option to get the employee examined by appointing a doctor whose report shall be binding on the employee. In case, the doctor is not appointed by the company, the medical expenses or the employee will be reimbursed.

28. The break for holidays shall not be considered as a break and the tour shall be considered from the date of departure of the employee to the date of arrival back to the station.

29. The daily allowance will not be payable if the stay at another place exceeds one month and the employee is informed prior to his departure.

30. In case an employee who is provided board and lodging by the company or who is on training programme, seminar etc. where boarding and lodging are provided, no D.A. is applicable. D.A. shall be allowed to over incidental charges at 10% of D.A. rates applicable.

31. All T.A. Bills must be submitted on prescribed company for each trip within 4 days of the completion of tour. If a tour extends beyond two weeks, T.A. bills must be submitted for each fortnight within 4 days of the end of the fortnight concerned. If a tour extends over the last day of company's financial year, a separate bill is to be submitted up to December 31 and a new bill starting from January, 1.
32. The T.A. bill must be submitted to the Accounts Department through the Head of the concerned department who will countersign the bill after due security. The balance out of the unutilised advance drawn for travelling must be deposited against receipt with the Cashier for submission of T.A. Bill to the Account Department, and the T.A. bill must show either the receipt number or cashier signature in appropriate column.

The above T.A./D.A. rules are to be strictly adhered to. No one is to approach the undersigned for special sanction outside the above T.A./D.A. rules. Amounts charged/ spent in excess of the rules will have to be borne by the employee.

The following table shows the amount of travelling expenses born by Raza Textiles Ltd. during 1977-88.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount (Rs. in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>0.65</td>
</tr>
<tr>
<td>1978</td>
<td>0.71</td>
</tr>
<tr>
<td>1979</td>
<td>0.28</td>
</tr>
<tr>
<td>1980</td>
<td>0.96</td>
</tr>
<tr>
<td>1981</td>
<td>1.22</td>
</tr>
<tr>
<td>1982</td>
<td>1.07</td>
</tr>
<tr>
<td>1983</td>
<td>1.21</td>
</tr>
<tr>
<td>1984</td>
<td>0.96</td>
</tr>
<tr>
<td>1985</td>
<td>4.49</td>
</tr>
<tr>
<td>1986-87*</td>
<td>5.10</td>
</tr>
<tr>
<td>1988</td>
<td>3.02</td>
</tr>
</tbody>
</table>

* The company changed its fiscal year from 31st March to 31st December.

Source: General Officer, Raza Textiles Ltd.
A persual of the table given above reveals that Rs. 0.65 lakhs were incurred on travelling in 1977 which increased to Rs. 3.92 lakhs in 1988 registering an increase of 503 percent over 1977.

Advances and Loans:

It is general practice, in Raza Textiles Ltd. that maximum employees take advance of 40 percent against salary, because the company has provided advance facility. The amount of advance is deducted against the salary of that month.

On the other hand, an employee may take loan against his provident fund at interest for the purpose of making house, marriage or any emergency need. The repayment of loan is done in monthly installments from his monthly salary.

Thus, the company has provided adequate financial incentives to employees. Besides, above mentioned facilities, the employees are also provided with the facility of leave with pay, and monthly production bonus. It shows that company has provided a number of financial facilities for general well-being of employees.

Non-Financial Facilities

Non-financial facilities are also very important to workers because these facilities improve the efficiency of
workers and keep them contented and minimise industrial conflict.

Further these facilities are helpful in promoting a sense of responsibility and dignity among workers. These facilities may be classified into two parts viz;

1) Intra Mural facilities (II) Extra Mural facilities

(I) Intra Mural Facilities:

Those facilities which are provided inside the mills for worker's welfare relating to reduce industrial fatigue, health and sanitation, safety and canteen etc. are called intra mural facilities. The following is the brief introduction of some intra mural facilities in Raza Textiles Ltd.

Canteen:

It is obligatory on the management's part to maintain and run a canteen, where the more than 250 workers under the Factories Act, 1948 are working. "The object of an industrial canteen is to introduce an element of nutritional balance into the otherwise deficient and unbalanced dietary of the workers, to provide cheap and clean food and offer on opportunity to relax near the place of work. Besides, a canteen provides a meeting place for the workers of all departments of a factory, where they not only eat their meals but also talk, rest and receive their energies. It can, thus, have a great influence on the morale of the workers."11

In 1952, Raza Textiles Ltd provided a large tin shade covered from all sides to house canteen. This canteen is managed, controlled and supervised by a local private contractor chosen by the company. The canteen can provide seating facility to 250 workers at a time, rendering 24 hours service. It provides refreshments to the workers at subsidised rates. Presently, Tea, Samose, cold drinks, snacks and sweets are available in the canteen. The following is the rate list of main items available in the canteen.

<table>
<thead>
<tr>
<th>Item</th>
<th>Canteen Price</th>
<th>Market Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tea (counter)</td>
<td>40 paise per cup</td>
<td>75 paise per cup</td>
</tr>
<tr>
<td>Tea (Thumus in the mill)</td>
<td>25 ,, ,,</td>
<td>N.A.</td>
</tr>
<tr>
<td>Matri</td>
<td>25 ,, ,, piece</td>
<td>50 p. per piece</td>
</tr>
<tr>
<td>Rasgulla</td>
<td>-1/- per piece</td>
<td>1.50 per piece</td>
</tr>
<tr>
<td>Sam</td>
<td>14/- per kg.</td>
<td>20/- per kg.</td>
</tr>
<tr>
<td>Dalmoi</td>
<td>14/- per kg.</td>
<td>20/- per kg.</td>
</tr>
<tr>
<td>Jalebi</td>
<td>14/- per kg.</td>
<td>20/- per kg.</td>
</tr>
<tr>
<td>Laddu</td>
<td>14/- per kg.</td>
<td>20/- per kg.</td>
</tr>
<tr>
<td>Dalushai</td>
<td>14/- per kg.</td>
<td>20/- per kg.</td>
</tr>
</tbody>
</table>

From the above rates it can be observed that canteen rates are lower as compared to market, and canteen is running efficiently.

Rest Room (Shelter):

This amenity provides a prescribed number of seats on the shop floor and rest rooms or shelters. This facility helps to reduce fatigue, as it enables a worker to sit down.
occasionally without any break in his work, and contributes
to his comfort and efficiency. The Factories Act, provides
that for the purpose of rest, suitable sitting arrangements
have to be made and maintained for all workers who are
obliged to work standing. The same legislation has also
made a provision for suitable shelters, rest rooms and lunch
rooms in a factory with more than 150 workers.

The Raza Textiles Ltd. has provided one hall where
workers take rest. This rest hall is furnished barely with
the facility of lighting and fan. It can accommodate 250
workers at a time. Thus, it is a good place for workers to
take rest and reduce fatigue. For entertainment, one Television
has been installed in Rest room, where workers can see the
national programmes.

Drinking Water:

Sec. 19 of the Factories Act makes a statutory
duty on the employer that adequate arrangements and provisions
shall be made in every factory so as to secure the drinking
water facilities to workers. 13

The Raza Textiles Ltd. has placed 6 water coolers and
20 water taps in running condition, for facilitating the

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12. Punekar, S. D., Deodhar, S. B., Mrs Saraswathi, Sankaran,
op. cit, p.78.

13. Memoria, C. B., "Industrial Labour and Industrial Relations
supply of drinking water to the workers engaged in work.

**Safety:**

*Factories Act 1948* provides sufficient measures for the safety of workers and prevention of accidents.

Management of Raza Textiles Ltd. has taken greater care for the safety of workers. To create the safety consciousness among workers inside the mills, the company has displayed posters, boards in the form of slogans on the walls in Hindi, English and Urdu. The company has also installed the safety guards or fencing of the machinery, especially, on the moving pulley, belt, prime mover etc. Personal protection equipments have also been provided to workers inside the mills in consideration of the nature of hazards of work they perform. The major safety equipments provided by the company for the safety of workers are, safety goggles, safety boots and helmets etc. Further, the company has also provided the facility of uniform to security staff, jobbers, sweepers, overhaulers and oilmen etc.

With the various safety measures adopted so far, it is found that reportable accident decreased with the passage of time in the mills. The total number of accidents in different departments was 465 in 1985, 615 in 1986 and 523 in 1987 which has come down to 409 in 1988. 14

Worker on the machine is the key factor who has to follow up the rules, regulation and use of available safety devices, thus he himself has greater role to play in prevention of accident. Generally, an accident occurs when a worker is unable to adjust himself to the work, he performs. In the light of above mentioned figures of accidents, it was observed that, maximum injuries were minor and took the time of one or two weeks in recovery during which the injured worker gets the benefit of ESI scheme.

Fatal injuries resulted into death were noticed to be one each in 1986 and 1987 respectively. The death in 1986, occurred due to the negligence of hospital authorities. The death in 1987 was due to ignorance of that worker. There was no fatal injury in 1988 and 1989.

To conclude it can be said that number of accidents has reduced with the appointment of safety officer, in 1986 who has been taking keen interest in minimising the number of accidents by providing necessary guidelines to use the safety devices.

**Fire Service:**

Usually, the cotton catches fire in textiles Raza Textiles Ltd. is not exceptional. To prevent and control fire, the company has been equipped with modern fire fighting extinguishers in the forms of Bucket system, CO₂ type, system and Soda Extinguishers. Further, sprinkless and hydrant systems have also been installed to prevent and control fire under the supervision of safety officer.
First Aid:

Factories Act 1948 provides "at least one first aid box, having prescribed contents, should be kept in all factories. In addition to this, there should be at least one first aid box for 150 workers ordinarily employed at a time. Trained men to dispense first aid should be available during working hours. A first aid register should always be kept along with the box and all dispensations should be entered into it."15

Act further provides, "every factory employing 500 or more workers should maintain an ambulance room, staffed by a doctor, a compounder and a nurse and equipped with at least minimum prescribed articles. Such factories should make arrangements to have an ambulance van available at call."16

The Raza Textiles Ltd has taken more care of workers in case of injury. First aid boxes as required under the Factories Act have been provided in all departments of the mills. Those workers who get minor injury during the course of work are sent to Ambulance Room at the gate of mills for first aid medical relief. One doctor and one compounder have been appointed to attend the injured workers and

cure them. If the worker is thought to be serious, he is referred to district hospital. There is a separate annexe maintained and financed under ESI scheme for the workers.

Besides, above mentioned facilities, the company has provided the facility of free cycle stand. It means that company has provided adequate intra mural facilities to its employees.

**Extra Mural Facilities:**

Extra Mural facilities are those facilities which are provided outside the mills e.g. Housing, medical, educational, recreational etc.

**Housing Facilities:**

The place of housing is very significant amongst the basic necessities of life. It is next to food and clothing. The management is not statutorily obliged to provide housing accommodation to its employees. But many of the progressive managements are taking keen interest. Provision of proper shelter for the employees with the necessary sanitary facilities, Further, attractive conditions may prevent the migratory character of the employee and make him committed to industrial order. Further, provision of housing facilities

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near the plant solves the difficulties of transportation. The need of regular conveyance is minimised to a great extent. As such colony - housing will not only influence the standard and way of life of the employee but also increase the productivity. It would also greatly measure their efficiency because the widely prevalent social evils like drinking, prostitution etc. which can be attributed to a great extent to bad housing conditions. Further the provision of good accommodation for the workers will greatly improve the relations between the employer and employee.

The problem of housing of workers in Raza Textiles Ltd. is a part of general housing keeping in view, the accommodation problems of employees, company established a colony named Jwala Nager in 1942 which is very near to the mills site. It consists of 484 single room quarters, 44 double room quarters and 30 bungalows grading A, B, and C respectively. Thus, there are 558 units in all available to the employees.

Bungalows are provided to senior managerial staff, double room quarters are given to supervisory staff and single room quarters are for workers. The rent of these houses is

nominal ranging from ₹ 2 to 50. Annual repairs and white washing facilities are provided by the company free of charge. Further, the company has also provided free electricity in the following way:

1. 60 units are free for Bungalows,
2. 30 units are free for Double Room Quarters, and
3. 15 units are free for Single Room Quarters.

Besides, these housing units, Uttar Pradesh Government also realized the need of improving workers housing problems. In September, 1952 the substantial housing scheme for industrial workers was started, consequently Government colony was established in Rampur near the premises of company. It has provided units numbering 85 out of which 65 are single room quarters and 20 double room quarters. A minimum rent of ₹ 10 and ₹ 16 is charged for single and double room quarters respectively.

Thus, it may be concluded that adequate housing facilities are available for employees of the Reza Textiles Ltd. yet it is unable to accommodate all employees. So there is a need to increase the number of housing units.

Medical:

Since, the second world war, the importance of preventive care has increased. It is now accepted theory that health care of workers will help to reduce the incidence of sickness and therefore, absenteeism and increase productivity.
The importance of industrial health care in general has also been emphasised by the International Labour Organisation (ILO). In 1931, the Royal Commission on Labour, and the Labour Investigation committee in 1946 underlined the necessity for providing basic health and welfare amenities.21

The Employees' State Insurance, 1948 was passed by Dominion Legislature on 2nd April 1948. The Act applies in the first instance to all factories other than seasonal factories. The Act provides for several types of benefits to the insured persons or their dependents as the case may, be subject to certain conditions.22 The benefits provided under the Act are:22 (a) Sickness Benefit (b) Maternity Benefit (c) Disablement Benefit (d) Dependent's Benefits (e) Funeral Benefit and (f) Medical Benefit.

Raze Textiles Ltd. has provided adequate medical facilities to all employees. Besides, first aid boxes in different departments, Ambulance Room is more or less a first-aid centre, it is kept open round the clock. The injured workers are initially attended here. If the injury is fatal and requires medical aid, the patient is taken to district hospital, Rampur. There is a separate annexe in the hospital which is financed and maintained by Employees State Insurance Scheme. Some times, workers are referred to other hospitals.

like AIIMS Delhi and Mission hospital Bareilly, the expenditure incurred in that connection is born by the ESIC. All the workers are members of ESI scheme so they are supplied all the medicines by the dispensary free of cost. Even the dependents of workers are given free medicines.

The workmen compensation Act is not existing in the company since ESI scheme is existing ESI scheme covers the loss of wages and salaries for the period of sickness of the workers. Compensation in case of death or accident of workers is also paid through this scheme. The following table shows the amount contributed by the company in ESI scheme during 1977-88.

**TABLE -24**

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent</th>
<th>Amount (Rs. in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>5.00</td>
<td>5.08</td>
</tr>
<tr>
<td>1978</td>
<td>5.00</td>
<td>5.61</td>
</tr>
<tr>
<td>1979</td>
<td>5.00</td>
<td>5.61</td>
</tr>
<tr>
<td>1980</td>
<td>5.00</td>
<td>6.59</td>
</tr>
<tr>
<td>1981</td>
<td>5.00</td>
<td>6.89</td>
</tr>
<tr>
<td>1982</td>
<td>5.00</td>
<td>9.23</td>
</tr>
<tr>
<td>1983</td>
<td>5.00</td>
<td>10.43</td>
</tr>
<tr>
<td>1984</td>
<td>5.00</td>
<td>11.59</td>
</tr>
<tr>
<td>1985</td>
<td>5.00</td>
<td>12.90</td>
</tr>
<tr>
<td>1986-87*</td>
<td>5.00</td>
<td>18.73</td>
</tr>
<tr>
<td>1988</td>
<td>5.00</td>
<td>15.48</td>
</tr>
</tbody>
</table>

* Changed financial Year from 31st December to 31st March.
A perusal of the table noted above shows that company had contributed 5 percent per annum. The amount contributed has also increased more than three fold over a period of 10 years i.e. from merely 5.08 lakhs in 1977 to 15.48 lakhs in 1988 thereby registering a growth of 204.7 per cent over 1977.

Though it is a contributory scheme, both employer and employees have to contribute. The following table reveals the amount contributed by employees during 1977-88.

**TABLE -25**

Showing the worker's contribution to ESI Scheme during 1977-88.

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent</th>
<th>Amount (Rs. in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>2.50</td>
<td>2.54</td>
</tr>
<tr>
<td>1978</td>
<td>2.50</td>
<td>2.81</td>
</tr>
<tr>
<td>1979</td>
<td>2.50</td>
<td>2.81</td>
</tr>
<tr>
<td>1980</td>
<td>2.50</td>
<td>3.29</td>
</tr>
<tr>
<td>1981</td>
<td>2.50</td>
<td>3.45</td>
</tr>
<tr>
<td>1982</td>
<td>2.50</td>
<td>4.62</td>
</tr>
<tr>
<td>1983</td>
<td>2.50</td>
<td>5.21</td>
</tr>
<tr>
<td>1984</td>
<td>2.50</td>
<td>5.79</td>
</tr>
<tr>
<td>1985</td>
<td>2.25</td>
<td>5.80</td>
</tr>
<tr>
<td>1986-87*</td>
<td>2.25</td>
<td>8.43</td>
</tr>
<tr>
<td>1988</td>
<td>2.25</td>
<td>6.97</td>
</tr>
</tbody>
</table>

* The company changed financial year from 31st December to 31st March.

Source: General Office, Raza Textiles Ltd.
The above mentioned table shows that workers contributed 2.5 per cent till 1984 which reduced to 2.25 percent in 1985 and onwards. The amount contributed by workers has also increased to 2.7 times. It increased from 2.54 lakhs in 1977 to 6.97 lakhs in 1988 registering a sharp rise of 174.4 per cent over 1977.

Thus it can be concluded that workers are also interested in ESI scheme and allow deduction for the same from their monthly earnings to avail the benefit of the ESI scheme.

Educational Facilities:

Workers education is an attempt on the part of the organised labour to educate its own members under an educational system in which the workers prescribe the courses of instructions, select the teachers and in considerable measure finance it.  

The Royal Commission on Labour (1931) remarked, "In India nearly the whole mass of industrial labour is illiterate, a state of affairs which is unknown in any other country of industrial importance. It is almost impossible to over estimate the consequences of this disability, which are obvious in wages, in health, in productivity, in organisation and in several other directions. Modern machinery industry depends on a peculiar degree on education, and the attempt to build it up with an

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an illiterate body of workers, must be difficult and perilous, we could emphasize the fact that precisely, because of this, the education of industrial labour received special attention.

The Indian Labour is ignorant and illiterate. The labour education is must to maintaining healthy and harmonious relations between labour and management and developing the feelings of solidarity among workers.

The management of Reza Textiles Ltd. has made arrangement for the education of workers. Evening classes are held in the quarters of company for their education under labour welfare officer. It has proved a great boon for the workers. The classes run into three batches consist of 20 workers in each batch daily. Thus, a large number of workers are benefitting through this scheme.

The management is taking keen interest in looking after the welfare of employees with the due emphasis on the field of education of their children. The company has given a building to Government to run a school in the premises to provide educational facilities to the employee's children. Company has also set up an English Medium School in the complex. The children of employees of the company are given first preference in admission, besides some concession is also given to them. These schools have no provision for education after high school.

Recreational Facilities:

Labour welfare is a necessary corollary of industrialisation and recreation occupies its pride of place in the welfare

programmes for industrial workers. Recreation consists of games, play, cultural and social activities undertaken on voluntary, basis for personal satisfaction and pleasure. 26

A number of socio-cultural activities for the recreation of workers are provided by the management of Raza Textiles Ltd. These facilities include games and sports, Mushaira, Qawwali, Musical Nights and other cultural activities. Games and sports have been given due importance by the company, consequently, company boasts of one of the finest hockey team in Uttar Pradesh. The company has also installed one television in rest room, where workers can see the national programmes. Many other recreational programmes on festivals are arranged for the entertainment of workers. There is a Mazar of Shaeed Baba in the premises of company. Urs Shareef is held every year with a lot of celebrations in which Muqabla-e-Qawwali programme is organised, and many Qawwals participate in it.

Besides, above mentioned recreational facilities, Every year, on the 16th August, company celebrates Founder's Day with workers. Various games and sports competitions like cricket, Kabaddi, Rope pulling, Race, etc. are organised for three days. All the workers may participate in it. Prizes are distributed to winners. The workers who participate in these games are paid wages for the period of their absence. Musical

night is also arranged for the entertainment of workers. Sweets are distributed among them, and one leave with pay is given to them. Thus it is a big occasion of entertainment for workers in Raza Textiles Ltd.

**Other Facilities:**

Raza Textiles Ltd. provides various other labour welfare facilities as fair price shop, grain shop, dairy, floor, tailoring, club, and post and telegraph etc. Jobbers, security staff, fitters, sweepers, overhaulers are given 2 suits of uniform every year. Sood is also provided to jobbers and overhaulers (two cakes) every month. Monthly production bonus is given to jobbers on the basis of efficiency to yield more production. The company is also the winner of largest small savings award in the Rohilkhand Division. The company in corporation with its bank has provided the workers many financial schemes to purchase, cycles, sewing machines for their wives and lands etc. The company is also running a school for the labourers' wives to teach them sewing and knitting.

**Working Conditions:**

The conditions in which a person works influence his health, efficiency, and the quality of work. It is said that, environment creates a man and if we improve the environment we improve the man. It has to be realised that good working conditions have a great effect not only on the efficiency of the workers but also on their wages, migratory character and the industrial relations as a whole. The efficiency
of a worker depends directly on his health and willingness to work. In the absence of desirable working conditions, a worker is not comfortable and feels as if his job is very tough and he becomes sluggish which makes him inefficient. In good working conditions not only a worker remains happy but the employer also gains, because with better efficiency, production is greater. The relations between employers and workers will also improve, if the employer takes care of the condition in which the workers have to work. 27

Working conditions are generally determined by hours of work, rest intervals, shift arrangement, leave and holidays, sanitation, lighting etc. The following is the brief description of these working conditions in Raze Textiles Ltd.

**Hours of Work:**

Those hours during which workers are at the disposal of the company are called hours of work. Before 1952, the workers of Raze Textiles had to work for 10 hours per day, because company was taking two shifts working. Subsequently, workers went on strike on this point and since then hours of work have been fixed at 48 hours per week and 8 hours per day for all categories of workers while office staff has to work for 42 hours per week and 7 hours per day.

Rest Intervals:

According to the provisions of Factories Act, 1948, no worker is to work for more than five hours before he has taken an interval of half an hour. There is only one interval in Raza Textiles Ltd. which is called 'half time' in between working hours for half an hour every day for working class and one hour for office staff. This rest of half an hour reduces fatigue and provides mental relaxation to the employees.

The following table shows the spread over and half time of different categories of employees.

<table>
<thead>
<tr>
<th>Category</th>
<th>Spread over</th>
<th>Rest interval</th>
<th>Tea Break</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Staff</td>
<td>8 hours</td>
<td>1 hour</td>
<td>-</td>
</tr>
<tr>
<td>All workers (except 4 loom workers)</td>
<td>8 hours &amp; 30 minutes</td>
<td>30 minutes</td>
<td>-</td>
</tr>
<tr>
<td>4 loom workers</td>
<td>8 hours &amp; 30 minutes</td>
<td>30 minutes</td>
<td>15 minutes</td>
</tr>
</tbody>
</table>

Source: Labour Welfare Officer, Raza Textiles Ltd.

Above table reveals that spread over for office staff is 8 hours with a rest interval of 1 hour per day. They are not provided tea breaks as tea is served at their seats. This table further reveals that all categories of workers except 4 loom workers are engaged in their duties for 8½ hours with a rest interval of half an hour per day. Spread over for 4 loom
workers is also 8½ hours with a rest interval of half an hour but they are given tea breaks of 15 minutes and are relieved by a reliever.

**Shift Arrangements:**

To increase production and for the maximum utilisation of productive capacity, the company has started three shifts working per day in mills. Office staff works in one shift. The timings and duration of various shifts for workers and office staff are as the following -

**TABLE -27**

<table>
<thead>
<tr>
<th>Shifts</th>
<th>Duration From Hour To Hours</th>
<th>Duration Rest From Hour To Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mills:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>6.30 a.m. - 3.00 p.m.</td>
<td>½ hour 10.30 a.m. - 11.00 a.m.</td>
</tr>
<tr>
<td>B</td>
<td>3.00 p.m. - 11.30 p.m.</td>
<td>½ hour 7.00 p.m. - 7.30 p.m.</td>
</tr>
<tr>
<td>C</td>
<td>11.00 p.m. - 6.30 a.m.</td>
<td>½ hour 3.30 p.m. - 4.00 p.m.</td>
</tr>
<tr>
<td>Office:</td>
<td>9.30 a.m. - 5.30 p.m.</td>
<td>1 hour 1.30 p.m. - 2.30 p.m.</td>
</tr>
</tbody>
</table>

Source: Labour Welfare officer, Raza Textiles Ltd.

One thing would be important to note that hours of work and wages are the same for all the shifts. Every worker wants to work in the day shift ('A' shift). To keep workers happy, a system of monthly change-over in duties has been adopted by the company.
Leave and Holidays:

Leave and holidays have their own significance in maintaining harmonious labour management relations. In Raza Textiles Ltd., weekly off is given to all employees, besides, every worker who has completed at least 240 days service during a calendar year shall be allowed during the subsequent calendar year to take leave with pay at the rate of one day for every twenty days of work performed by him during the previous calendar year. This is called Annual Leave. Any employee may take 90 days leave in case of sickness from ESIC, during this period 60 percent payment is made to him by Local Office, ESIC, Rampur.

The company provides separate privilege, casual and sickness leave for 15, 10 and 15 days respectively to clerical and managerial staff every year.

Situation regarding to holidays in Raza Textiles Ltd. is also satisfactory. The following table would clearly show the holidays to be enjoyed by the employees of the company.

**TABLE -28**

List of Holidays to be enjoyed by the employees of Raza Textiles Ltd.

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Name of Festival</th>
<th>No. of days</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Republic Day</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Shiv Ratri</td>
<td>1</td>
</tr>
<tr>
<td>3</td>
<td>Holi</td>
<td>2</td>
</tr>
<tr>
<td>4</td>
<td>Ram Navmi</td>
<td>1</td>
</tr>
<tr>
<td>5</td>
<td>Idul-Fitar</td>
<td>1</td>
</tr>
<tr>
<td>6</td>
<td>Iduż-zuha</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>Independence Day</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>Founder's Day</td>
<td>1</td>
</tr>
<tr>
<td>S.No.</td>
<td>Name of Festival</td>
<td>No. of days</td>
</tr>
<tr>
<td>-------</td>
<td>--------------------</td>
<td>------------</td>
</tr>
<tr>
<td>9.</td>
<td>Moharram</td>
<td>1</td>
</tr>
<tr>
<td>10.</td>
<td>Janemshatami</td>
<td>1</td>
</tr>
<tr>
<td>11.</td>
<td>Gandhi Jayanti</td>
<td>1</td>
</tr>
<tr>
<td>12.</td>
<td>Dushehra</td>
<td>2</td>
</tr>
<tr>
<td>13.</td>
<td>Berewat</td>
<td>1</td>
</tr>
<tr>
<td>14.</td>
<td>Dipawali</td>
<td>2</td>
</tr>
</tbody>
</table>

TOTAL 17

Source: General Office, Raza Textiles Ltd.

Besides, above mentioned holidays, managerial staff is given half day on every second Saturday. So they enjoy a total No. of 23 (17 + 6) holidays.

Of these, Republic Day, Independence Day, Founder's Day and Gandhi Jayanti are to be observed as paid holidays, but only those employees are benefitted who join their duties next day of these festivals.

About other working conditions in Raza Textiles Ltd., it was observed that the factory is kept clean, accumulation of cotton dirt and dust is removed daily by sweepers. There is a proper arrangement for the disposal of waste and effluents.

Adequate lighting is also available in work rooms because all work rooms are single storey. Besides, all work
rooms are well ventilated. In each department exhaust fans have been installed for proper humidification.

Laterines and urinals are important aspects of working conditions. The company has provided 8 laterines and 8 urinals in the factory for employees. These are kept clean by sweepers.

It may, therefore, be concluded that working conditions in Raza Textiles Ltd. are quite tolerable. Management has always tried to improve the working conditions, thus workers are satisfied with present working conditions.
The present study was undertaken with a view to make an assessment of labour management relations in Raze Textiles Limited, Rampur. Good labour management relations, therefore, are sine-quo-nob for increasing production and productivity as economic progress is not possible without industrial harmony. "Industrial harmony is undoubtedly an essential pre-condition to minimising grievances and complaints, maintaining industrial discipline, ensuring industrial peace and tranquility, increasing industrial efficiency and developing a committed and contented labour force.

In order to achieve full cooperation of labour force their dignity should be recognised and feelings and emotions should be appreciated which will ultimately result into harmonious relations between labour and management. The quality of labour management relations depends, upto a large extent on the attitude of management towards its labour force.

In the present study an attempt has been made to examine various aspects which affect the labour management relations in Raze Textiles Ltd. The study reveals that Labour management relations were not quite cordial due to activities of various
• trade unions, behavior of management and dissatisfaction of labour, disparity in their working conditions and wages as compared to textile mills of Kanpur, recruitment, policy of management regarding disciplinary action, poor housing, education and canteen facilities and delay in payment of P.P. and gratuity to workers at the time of leaving organisations.

For the convenience of study, the entire work has been split up in seven chapters.

The first chapter of this study is a conceptual approach of labour management relations which describes the origin, growth and development, definitions, meaning and importance of labour management relations after resuming the related literature already brought into light on the subject. It has also highlighted the emphasis laid by the Government of India on labour management relations during successive five year plans.

Second chapter gives a detailed description of the historical background of Reza Textiles Ltd. and reveals that the company was incorporated in 1939 at Rampur to manufacture Grey varieties of cloth on 300 looms and 12500 spindles which have increased to 600 looms and 37140 spindles at present. The company was started with an original share capital of ₹22.5 lakhs which was increased to ₹47.5 lakhs in 1947 and now stands at ₹77.5 lakhs.
The company started modernisation of its plant between 1985 and 1987 to have a larger product mix of synthetic yarn and fabrics. The financial appraisal of Raze Textiles Ltd. through the parameters of sales, production, income, profit etc. has also been evaluated in this chapter which shows a continuous increase. The ratio analysis is one of the most important tools of financial analysis and a way to analyse the financial position of the company. For this purpose overall profitability ratios have been computed, which reveals that book value per share as at 31st March 1987 works out at Rs. 19.75 and earning per share at Rs. 1.17, the price earning ratio and cover works out at 16.9 and 3.1 times respectively. To conclude, it can be said that financial position of the company is sound and it is likely to increase profit and profitability ratios in the years to come.

Third chapter is devoted to the review of the Labour management pattern of Raze Textiles Ltd. It has been pointed out that Board of Directors is the top management organ responsible for efficient and successful operation of the company. They have been given two types of powers viz. General powers and specific powers. Joint Managing Director has a greater responsibility to see all the business of company besides all executive and administrative staff members are directly accountable to him.
It was reported by the staff during survey that J.M.D. is involved in the activities of company more than necessity. For example payment by cheque worth more than ₹200 is passed by him. Executive Officer is empowered to pass only upto ₹200. Though he is all in all incharge of the company. Yet it is suggested that he should not interfere too much in the affairs of the company.

There is no separate specialised department set up for the management of personnel in Raza Textiles Ltd. A separate personnel Department should be organised in the company to handle the personnel matters and executive personnel policies.

Recruitment and selection procedure of the Raza Textiles Ltd is not scientific. Workers should be recruited through employment exchanges or by personnel department not by jobbers or contractors. Fadli system is to some extent an effective tool in removing influence of jobbers and contractors. Proper standards of selection are not followed. Local persons should be given preference while selecting labour and clerical staff and higher managerial posts should be advertised in National newspapers instead of offering jobs to persons employed in other concerns.

Therefore, recruitment and selection procedure should be redesigned. This process shall enable the management not only to select right person to right job and right job to right
person but will also boost the confidence of workers and they will have a pleasing attitude towards the company. Further it is suggested that contractors labour system which is prevailing in the company should be revamped.

The company has not so far developed training facilities for the new entrants in the mills. Existing training facilities are inadequate and methods of training the workers are obsolete. The rudimentary training system i.e., apprenticeship training is not sufficient to develop the mental horizon of the trainees. The company has modernised its plant to manufacture synthetic fibre and yarn. So the workers should be given proper training in plant functioning. There is also no systematic and specific training programme for the supervisory staff, and managerial and administrative staff is also not designed any development programme. Similarly, workers in Raza Textiles Ltd are not provided with systematic plans of promotion due to which there is dissatisfaction among them. No merit rating procedure is into practice. Consequently able and efficient workers are frustrated. Even there is no concept of seniority, for example, it was noted during survey that a junior worker is promoted to the post of reliever, helper or jobber and senior remains as a weaver in weaving department. Thus favouritism and nepotism play important role in promotion. This practice creates discontentment among workers and they do not take interest in increasing the productivity.
It was also revealed that the vacancies of supervisory and clerical staff are filled up by selecting outsiders. For higher posts, it was observed that there is a practice of offering a better job to a person working in another company.

Keeping in view the promotion policy of the company it can be suggested that the present practice of promotion is not scientific and systematic. It should be changed and employees should be designed some development programme by the company instead of offering higher posts to outsiders.

Discussion on trade unions has been done in Chapter fourth which shows that four registered trade unions in the office of Registrar Trade Unions U.P. under Trade Union Act 1926.
1. Raza Textiles Labour Union,
2. Raza Textiles Mazdoor Sangh,
3. Suti Wastre Udhyog Workers Union,

The trade unions are important agencies for changing the attitude of management and have been established to fight for the rights of workers. The unions of Raza Textiles have lost their grip as they are in the hands of management and do not raise the demands of workers. Besides these unions are influenced by political parties.
The trade unions have no independent programme of their own and consequently fail to protect the interests of workers. Therefore, there is the need for a change in the outlook of trade unions. Strong unions should be formed to guide the workers by diverting their energy towards progressive and constructive works. Trade Unions should understand their responsibilities and create a feeling of confidence and responsibility in workers. Thus, their ultimate objective should be to safeguard the interests of workers and fight for the welfare facilities of the workers. It will remove the feelings of discontentment among workers towards trade unions consequently, they will be organised and will have their own programmes and thus will bring about industrial peace.

Chapter fifth discusses the industrial disputes and settlement procedure in the company. It reveals that industrial disputes have increased in India during last two decades. Reza Textiles Ltd. is not an exception. The main factor responsible for these disputes is that management has failed to recognise the role of workers in the total production efforts. The problem of tension, non-cooperation, inefficiency and indiscipline has developed in workers. There is dissatisfaction among them. The main causes of dissatisfaction are; disparities in their wages and working conditions as compared to textile mills of Kanpur, bonus, policy of management regarding disciplinary action etc. Usually the disputes are settled through
collective efforts of workers and management. Settlement procedure has several defects and number of disputes remain unsettled. Government orders and industrial awards are not properly enforced in the company. Due to which workers have failed to develop a cooperative attitude towards management. In order to secure the cooperation of workers, their dignity should be recognised. Industrial disputes cannot be completely avoided but surely these can be minimised by the management, with a pleasing attitude, solving the basic grievances of work-force. Payment of wages and D.A. according to law and regular payment and increase in bonus.

The study of wages, labour welfare facilities and working conditions in Raza Textiles Limited has been done in sixth chapter. The study reveals that remuneration is a significant matter on which labour management relations depend. It has always been, the
main cause of discontentment among workers in the company. There is no uniform wage structure. The wages paid for the same type of job and same category of worker is generally higher in textile mills of Kanpur. Presently D.A. is being paid at the rate of Rs. 1.35 per point in Kanpur and other textiles mills of U.P. but the Raza Textiles Ltd. is paying at the rate of Rs. 1.23 per point. As far as payment of overtime is concerned company is paying it at single rate. Company has not paid Bonus more than minimum i.e. 8.33 percent to its workers since the beginning. Thus their earnings are extremely low and do not help in raising the living standard.

These causes affect the productivity of company adversely. Therefore, it is suggested that company should adopt a reasonable attitude towards workers, their needs should be properly and adequately met. D.A. should be paid at the rate of Rs. 1.35 per point, payment of overtime should be increased to at least one and half (1½) times, percentage of bonus should be increased. This process would be a powerful incentive for the workers and they shall be motivated to work most efficiently and effectively and will increase productivity.

Labour Welfare is a necessary corollary of industrialisation. It makes substantial contribution towards harmonious
relations between labour and management. Labour Welfare is a Joint responsibility of Government, management and trade unions. In Raze Textiles Ltd. various labour welfare facilities have been chalked out for the betterment of workers. It has been observed that the provided welfare facilities lack in quality as well as quantity because these facilities are neither properly managed and controlled nor adequately provided. Further it would be essential to note that most of the labour welfare facilities are forced by law.

The labour welfare officer appointed by the company under the Factories Act, 1948 generally receives and disposes of minor complaints of workers related to routine matters. He is unable to provide labour welfare facilities in a genuine manner as he is dependent upon Joint-Managing Director. Thus, there is greater need to improve housing, education and canteen facilities. The Labour Welfare officer should be an independent personality having adequate powers to do anything for the betterment of work force, should neither be treated as a commodity nor simply a cog in the industrial wheel. Adequate labour welfare facilities will create an inner urge in workers to cooperate with management.

Similar to welfare facilities, the management should make improvement in working conditions as workers health standard in Raze Text. Ltd is poor due to bad working conditions. The atmosphere in the
weaving and spinning department is full of cotton dust which affects the health of workers. Consequently they remain the victim of mill fever, respiratory illness and cough, etc. Workers working in dyeing, bleaching, printing and finishing departments also suffer from several diseases as the chemicals used in these processes are injurious to health. There is also need of improving cleanliness, proper lighting, humidity and temperature in the mill shed.

Keeping in view the bad working conditions, the management should take keen interest to control the diseases of workers due to working conditions and nature of work. Further proper cleanliness, lighting should be available and proper humidity and temperature should be maintained to have maximum productivity.

The study of Labour Management Relations in Raza Textiles Ltd. concludes that the picture of Labour Management relations is not quite happy one. Inspite of various efforts of management towards the betterment of workers, there is dis-contentment among workers. The main causes of this dis-contentment are the disparity in their wages, working conditions as compared to textile mills of Uttar Pradesh especially of Kanpur, recruitment, selection, training and promotion policy, poor housing, canteen and education facilities.
Thus for the success of company and harmonious labour management relations, the management is required to change its outlook to get full cooperation of labourers as they are not merely wage earners but co-partners of management. In this way improvement is called for not only in the attitude of management, but also in the outlook of workers to have harmonious relations.
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