



दमण और दीव DAMAN AND DIU

00AA 063402

**MEMORANDUM OF SETTLEMENT**

**Under Section 2(p) read with Section 18(1) of the Industrial Disputes Act, 1947**

**Names of The Parties**

Representing  
**Piramal Healthcare Ltd**

Mr. Arvind Bhagwat  
Division Head

Mr. Ashok Grover  
General Manager - HR

Mr. D B Shelatkar  
General Manager - Corporate IR

Mr. Saibal Bhattacharya  
Manager - HR

Representing

**The Professional Service Representatives Of Piramal Healthcare Ltd.** represented by negotiating committee of FMRAI

duly authorised to negotiate & settle the Charter Of Demands dated 27<sup>th</sup> March 2003 & 17<sup>th</sup> November 2007 submitted on behalf of Professional Service Representatives, of Annant and Aakar divisions, of Piramal Healthcare Limited, hereinafter referred to as 'PSRs', and comprising of

*(Handwritten signatures)*  
Rajendra, Anoop Sharma, [Signature], [Signature], [Signature], [Signature]

Mr. G. Narasimha Rao  
Mr. Tanmoy Paul  
Mr. P.K.Sharma  
Mr. Nabin Pal  
Chowdhury  
Mr. anil Jain  
Mr. Subhajit Sengupta

### **SHORT RECITAL OF THE CASE**

WHEREAS Mis Sarabhai Piramal Pharmaceutical Limited had signed settlements dated 26th March 2001 and 5th April 2001 respectively with Ethical and Specialty Divisions with the duly authorized respective negotiating committees of FMRAI representing majority of the Professional Service Representatives (PSRs) of Sarabhai Piramal Pharmaceutical Limited which were in operation till 31.3.2003.

AND WHEREAS Nicholas Piramal India Limited (now known as PI RAMAL HEALTHCARE LIMITED) took over the rest 50% of the equity of the erstwhile Sarabhai Piramal Pharmaceutical Limited, which was a 50:50 joint venture between M/s. Ambalal Sarabhai Enterprises Ltd. and Nicholas Piramal India Limited. The scheme of amalgamation was approved by the Hon'ble Bombay High Court; vide its order dated 27th April 2004.

AND WHEREAS the employees of the erstwhile Sarabhai Piramal Pharmaceutical Limited were absorbed by M/s. Nicholas Piramal India Limited in employment with continuity of service and their then existing terms and conditions of service as per the said scheme,

AND WHEREAS the name of Nicholas Piramal India Limited was changed to PI RAMAL HEALTHCARE LIMITED with effect from 13th May 2008.

WHEREAS FMRAI submitted to the Management a Charter of Demands dated 27th March 2003 and 17th November 2007 on behalf of the Professional Service Representatives of Piramal Healthcare Ltd. Employed all over the country related to revision/rationalization in Wage Scales, Grade, Fitment, Payment of Increment, change in Dearness Allowance scheme, Variable Dearness Allowance (VDA) , House Rent Allowance (HRA), Leave Travel Assistance (LTA), Education Allowance, Conveyance Allowance, Kit Allowance, Vehicle Maintenance Allowance, Sample Storage Allowance, Daily Allowance, Travel Policy, Medical Benefits, Beneyolent Fund, Accident Insurance, Vehicle Loan, Special Leave etc. for the periods from 1.4.2003 to 31.3.2006 and from 1.4.2006 to 31.3.2009.

3

The Union also submitted letters dated 6th December 2007 and 1st July 2008 raising the issue of bringing wage parity amongst all section of Medical Representatives in the Company. The Negotiating Committee also requested the Management to consider parity in wages with other Medical Representatives (MRs) during several rounds of discussion with Management.

AND WHEREAS the Company had explained the reasons behind its inability to bring in parity in the wages of PSRs with all other Medical Representatives of the Company. However the management agreed to consider upward wage revision as and when there is improvement of service

conditions of all Medical Representatives during the operative period of this settlement.

AND WHEREAS the representatives of the Company and the Negotiating Committee, duly authorized by FMRAI representing the 'PSRs', had several bi-partite discussions with a view to amicably settle the demands raised by FMRAI in order to maintain and promote industrial peace, harmony and healthy industrial relations climate.

AND WHEREAS protracted negotiations were held between the parties on the demands raised by the Union during the course of negotiations.

**AND WHEREAS PURSUANT TO THE DISCUSSIONS AND THE NEGOTIATIONS, THE PARTIES HAVE ARRIVED AT THE FINAL SETTLEMENT ON THE FOLLOWING TERMS AND CONDITIONS:**

### **1. APPLICABILITY**

This settlement will be binding and applicable to all Professional

Service Representatives continuing on the rolls of the Company as on the date of signing of this Settlement and thereafter. This will also be binding and applicable to the extent specified in the Settlement to Professional Service Representatives subject to their signing the declaration form annexed and marked as **Annexure - 1**.

### **2. TOTAL BENEFITS**

A. The PSRs will be given on the basis of their service duration a monthly all inclusive increase as given below

a	No. of years of service as on 30th Sept 2008	up to 10 Years	Rs.1900
b	No. of years of service as on 30th Sept 2008	more than 10 years and up to 20 Years	Rs.2100
c	No. of years of service as on 30th Sept 2008	more than 20 years and up to 30 Years	Rs.2300
d	No. of years of service as on 30th Sept 2008	more. than 30 years	Rs.2500

B. The above amount along with Adhoc allowance currently being paid, which was introduced in January 2005 and also in August 2005 will be adjusted and paid in following salary heads

- (a) Basic salary
- (b) Fixed Dearness Allowance
- (c) Variable Dearness Allowance
- (d) HRA
- (e) LTA
- (f) Provident Fund

C, The residual amount if any will be added in **Special Pay** and corresponding Provident fund contribution to ensure that each PSR gets the exact amount mentioned in the table given above. The

ad hoc allowance referred to in 2 B above will be discontinued w e f 1st October 2008.

### 3 GRADE/ SCALE OF. BASIC CONSOLIDATED SALARY

The existing pay scale of the PSRs will stand modified as under, with effect from 1st October, 2008.

(a) 2100- 70- 2450-80- 2850-90-3300-100-3800-110-4350-120-4950

(b) The existing basic consolidated salary of PSRs shall be fitted in the corresponding step of the revised Scale.

(c) There will be no cases of stagnation. In other words, PSRs who will reach the end of the Pay Scale shall continue to draw annual increment at the rate of last drawn increment.

### 4 SPECIAL PAY

The amount of special pay payable to individual PSRs will be arrived at by the method of calculation given in Point 2 above and same will be added in the existing Special Pay

### 5. FIXED DEARNESS ALLOWANCE (FDA)

With effect from 1st October, 2008 FDA shall be revised and paid as under

Salary Steps	Existing FDA	Additional Amount	Revised FDA
Rs. 2100-Rs. 2380	850	700	1550
Rs. 2450-Rs. 2770	890	700	1590
Rs. 2850-Rs. 3210	930	700	1630
Rs. 3300-Rs.3700	990	700	1690
Rs.3800 and above	1050	700	1750

### 6. VARIABLE DEARNESS ALLOWANCE (VDA)

1. It is agreed between the parties that with effect from 1st October, 2008 the existing Variable Dearness Allowance scheme will stand abolished and the dearness allowance will be paid as per the newly introduced scheme which is as under:
2. The new VDA scheme will be based on **ALL INDIA CONSUMER PRICE INDEX NUMBERS** for Industrial Workers published by Labour Bureau, Shimla, (1960 series.) .
3. The above Index will be **3173** which is an average of the Index numbers for April, May and June, 2008.
4. At the base Index pf **3173** the Variable Dearness Allowance, payable per month to each PSR, will be **Rs.4659/- (Rupees Four thousand six hundred fifty nine only)**.
5. For every point of rise or fall above the index of **3173**, the Variable Dearness Allowance shall stand increased or decreased by
6. Rs. 2.70/- (Rupees Two and Paise Seventy only)

7. The Variable Dearness allowance will be reviewed and calculated every quarter and shall be applicable for payment for the month falling in the corresponding quarter as indicated herein below:

Average Index No.	Applicable for the months
January, February, March	July, August, September
April, May, June	October, November, December
July, August, September	January, February, March
October, November, December	April, May, June

76

7. The method of calculation of Variable Dearness Allowance payable in October, November and December 2008 based on the average Consumer Price Index Numbers of April, May, and June 2008 is given as under by way of example:

#### **Dearness Allowance Scheme applicable on the basis of All India Consumer Price Index For Industrial Workers**

Month	Index Number 2001=100	Index Number 1960=100	Months In which Variable Dearness Allowance Payable	VDA Payable (Rs.)
Jan 08	134	3058.67		
Feb 08	135	3081.49		
Mar 08	137	3127.14		
<b>Average</b>	<b>135</b>	<b>3089</b>	<b>July Au, Sept 08</b>	<b>4432</b>
April 08	138	3149.97		
May 08	139	3172.80		
June 08	140	3195.62		
<b>Average</b>	<b>139</b>	<b>3173</b>	<b>Oct, Nov, Dec 08</b>	<b>4659</b>
July 08	143	3264.10		
Aug 08	145	3309.75		
Sept 08	146	3332.58		
<b>Average</b>	<b>145</b>	<b>3302</b>	<b>Jan, Feb, Mar 09</b>	<b>5007</b>

#### **7. HOUSE RENT ALLOWANCE (HRA)**

The existing scheme of HRA at the rate of 25% of the basic consolidated salary will continue unchanged.

#### **8. LTA / HOME LEAVE TRAVEL/MEDICAL BENEFITS**

It is agreed that the total entitlement towards LTA / Home Leave Travel/Medical Benefits will continue to be paid @ of 10% of annual basic consolidated salary. The amount will be paid only once in a year along with April month salary.

## 9. EDUCATION ALLOWANCE

It is agreed that existing Education Allowance of Rs. 150/- (Rupees One Hundred Fifty only) per month shall continue to be paid unchanged. It will continue to be paid on monthly basis.

## 10. DAILY ALLOWANCE:

With effect from the date of signing of settlement the daily allowances shall stand revised as below:

<b>Headquarters</b>	<b>Rs.130/-</b>
<b>Ex-Headquarters</b>	<b>Rs.145/ I</b>
<b>Outstation</b>	<b>Rs.250/- I</b>
<b>Metro</b>	<b>Rs.10/-</b>

## 11. USE OF OWN SCOOTER / MOTOR CYCLE FOR FIELD WORK (Excluding Headquarters working)

It is agreed that we f date of signing of settlement the existing rate of reimbursing conveyance expenses to Professional Service Representatives at the rate of Rs.1.50 per kilometer for the distance traveled by his /her own Scooter / Motor Cycle for the Company's Work outside his headquarters will be revised to Rs.2.00 per kilometer.

## 12. CONVEYANCE ALLOWANCE

The existing conveyance / Transport Allowance @ Rs. 30/- per month will continue unchanged.

## 13. ARREARS PAYMENT

The company agrees to pay one time adhoc amount as indicated below towards arrears for the period 1<sup>st</sup> April 2003 to 30th Sept. 2008

<b><u>Years of Service as on 30th Sept 2008</u></b>	<b>Amount</b>
Below 10 years	Rs. 30,000
10 years and below 20 years	Rs. 35,000
20 years and above	Rs. 38,000

## 14. GENERAL PROVISIONS:

1. All the existing rights, privileges and obligations of the parties, except to the extent specifically modified by this settlement, shall not be adversely affected and shall continue to be operative.
2. It is agreed between the parties that this Settlement is in full and final settlement of all demands raised by FMRAI vide their Charter of Demands dated 27th March 2003 and 17th November 2007 and also the issues / demand raised by them in the course

of discussions such as wage parity with other Medical Representatives of the Company.

3. The Negotiating Committee agreed that during the period this settlement is in force, neither any fresh demand nor any of demand contained in their COD dated 27th March 2003 and COD dated 17th November 2007 shall be raised which may involve any financial burden on the Company.
4. The Negotiating Committee on behalf of Professional service Representatives further agree that during the period for which this Settlement remains in force and even thereafter, the Professional Service Representative shall actively cooperate with the Company and shall strive maximum to maintain industrial peace and discipline in the Company and all points of disputes and differences, if any, arising hereafter which are outside the scope and purview of this settlement shall be settled between the parties by direct negotiations.
5. In case by legislation or otherwise identical or similar benefits as accruing to the PSRs under this Settlement introduced by the State or Central Government, the PSRs covered by this Settlement shall be entitled to receive either the benefits under this Settlement or the benefits under any such legislation, whichever may be more beneficial to them, but not both..
6. It is agreed that with the signing of the settlement, the negotiating committee, FMRAI, or PSRs as the case may be will jointly along with the company make necessary applications to withdraw the court cases / pending disputes before such authorities including courts etc. where any dispute is raised / pending in respect of the Charter of Demands dated 27th March 2003 and 17th November 2007, or issues raised vide letters dated 6th December 2007 and 1 st July 2008 and also during the discussions. It is also agreed that in the event
7. any such / similar dispute is raised during the operative period of this settlement, then the negotiating committee, FMRAI, or PSRs will not be party to the claims / disputes.
8. It is agreed by and between the parties that a copy of this Settlement shall be sent to all concerned Professional Service Representatives immediately on its being signed by the Negotiating Committee and the Company. It is also agreed by and between the parties that the concerned Professional Service Representatives will return the duly signed duplicate copy of the covering letter of this Settlement. It is further agreed that by signing and returning the duplicate copy of the covering letter the concerned Professional Service Representative would have given the following undertaking:

**"I agree to abide by the terms and conditions of the Settlement dated  
13th January 2009 entered into by and between the Company  
and the Negotiating Committee on behalf of the Professional**

**Service Representatives posted all over the country."**

9. It is also agreed by and between the parties to the Settlement that the benefits of the Settlement will be available with effect from 1st October, 2008 to those Professional Service Representatives who convey their acceptance by 7th February 2009 Those who convey their acceptance after 7th February 2009 will not be entitled to the benefits from 1st October, 2008 but will be entitled to receive the same from the date of their acceptance of the terms and conditions of the service as specified in the Settlement.

**15. VALIDITY OF THE SETTLEMENT**

This settlement shall remain in force for a period of three (3) years effective from 1st October, 2008 to 30th September, 2011 and shall continue to remain in force thereafter until terminated by either party in accordance with the provisions of Industrial Disputes Act."

**SIGNATURES OF THE PARTIES**

**FOR AND ON BEHALF OF THE  
COMPANY**

(Arvind Bhagawat)  
(Ashok Grover)  
(D B Shelatkar)  
(Saibal Bhattacharya)

**FOR AND ON BEHALF OF THE  
'PSRs**

(G Narasimha Rao)  
(Tanmoy Paul)  
(P K Sharma)  
(Nabin Pal Chowdhury)  
(Anil Jain)  
Subhajit Sengupta)