

**CHAPTER-VI**  
**A 17 MONTH LOCKOUT**

**INTRODUCTION :**

Strikes and lockouts are the patent weapons which labour and employers respectively employ to protect their interests. Lockout has been defined under the Industrial Disputes Act as, "the closing a place of employment or the suspension of the work, or the refusal by an employer to continue to employ any number of persons employed by him."

A lockout is a trial of strength between the management and its employees, the former trying to secure an advantage by imposing its proprietary rights over the latter.

The management of the company under study used this weapon of lockout for a long period of about more than seventeen months in 1986-87. The suspension period was 27th April, 1986 to 12th May, 1987 and the period of lockout was 13th May, 1987 to 13th October, 1987. Thus company was closed by the management for 534 days.

Management had given the following reasons for the lockout :

The prices of raw materials and other inputs were steadily increasing. Therefore, the cost of production was increasing. On the other hand, company was facing day by day acute competition in the market. Therefore, it became highly impossible to raise the prices of its product.

Due to this situation company was in loss for four years in continuation. Moreover there was steady increase in loss every year. The circumstances were beyond the control of the management and the following dues remained unpaid

- a) All taxes, legal dues, contribution of management towards P.F. and salary of the staff and workers for the month of March, 1986, involving a total amount of about Rs. 83.54 lakhs.
- b) Supplies of raw material and other inputs were to be paid an amount about Rs. 90 lakhs.
- c) The loans and interest of Banks and other financial institution remained unpaid involving an amount of Rs. 73.68 lakhs.

In this depressed economic condition, company tried its level best to pay the bills of electricity, but it was beyond the limit of the company to pay even 50% amount of the said bill within time. Hence the Electricity Board had discontinued the electric supply.

Economic situation which was beyond the control of the management was aggravated by the following instances of indiscipline among the workers :

- 1) I.T.D. clutch housings core boxe and ITD lift body's core box were purposely destroyed in the II and III shifts on 15th April, 1986.

- 2) The workers protested against the management and opposed to send any product in the market. Workers also denied to return the articles and other instruments of the customers.

3) Some workers were found to leave their working places during the time of their duty and some workers were found to sleep during their working period in the II and III shifts.

4) During February 1986 company faced economic depression, that resulted in decrease in the production. The company instead of taking any legal action, to improve the situation with the help of workers, made five days week and paid six days wages to the workers. This policy made the economic problem graver than necessary.

In such circumstances, the management tried its best to run the factory and to avoid loss of the company as well as the plight of employees, but workers did not give any co-operation. On the contrary, they tried to create more problems for the management. So the situation became critical and went beyond the control of management. So the management took the decision of lockout with effect from 27th April, 1986.

The above mentioned reasons stated by management for the lockout were totally refused by the workers and the Union leaders. They thought that the lockout was a deliberate step taken against the workers to starve them and make them helpless.

The Union leaders brilliantly pleaded that if the company was in loss for four years how did the management make the agreement to increase the wages of the workers in November, 1985. Further they pleaded that after this agreement the average monthly production of the company had increased

Union leaders also pointed out that the present law lacks severe punishment for the management in the case of its being illegal in declaring a lock-out.

Whatever may be the reasons of the lockout the workers suffered and they had to starve and face many difficulties. To make both ends meet the school going children of the workers were forced to work.

Both the Unions tried their level best to fight this lockout well from its beginning. They made an earnest request to all the concerned. They made all types of agitations like morchas, Gheraos etc. The Unions even went to the extent of a successful 'Kolhapur Bandh' for one day on this issue. Ultimately the Unions compelled the Government of Maharashtra to interfere in this matter. Leaders of both the Unions, Government authorities and management sat together and had negotiations. On the joint request of both the Unions as well as representatives of the management, the dispute was admitted for conciliation. During the course of conciliation proceedings parties arrived at an amicable settlement on the terms and conditions as follows.

1) It was agreed that the period of lockout will be treated as a period of leave without wages.

2) It was agreed that only 66 percent employees shall be given work at the time of reopening of the factory. The remaining 350 workers will be treated as on leave without wages.

The National Institute for Training and Industrial Engineering (NITIE) will be requested to study the following aspects of establishment and submit its report with suitable recommendations.

- a) The capacity assessment and man power requirement.
- b) Classification of the workmen as per the nature of job performed.

The recommendations of the NITIE were to be binding on both the parties. It was also agreed that if the report of NITIE is not received within six months from the date of the opening of the factory, the 350 workers who are not absorbed in service will be paid a subsistence allowance equal to seven days' wages. (after expiry of the six months). All these 350 workmen shall be paid their legal unpaid dues in equal five instalments on 15th of every month from reopening of the factory.

3) The management was to pay to each and every employee who was in service on 27th April, 1986 an amount of Rs. 1000/- at the time of joining the service. This amount shall be adjusted against the unpaid dues.

4) The management agreed to pay an amount equal to 15 days wages for the period of suspension of operation to all the employees.

5) The management also agreed to pay bonus at the rate of 8.33 percent of the wages to all the employees for the financial year 1985-86.

6) It was agreed that the management shall pay and the workmen shall accept the total emoluments which will be 20% less than the total emoluments for the period of two years from the date of opening of factory. The mode and period of repayment will be decided after mutual discussions.

7) It was agreed that the existing service conditions will be implemented.

8) All the pending court cases were to be withdrawn by both the parties.

After this settlement, the management reopened the factory after a pretty long period of time on 14th October, 1987.

NITIE submitted its report in April, 1988. As per this report, the remaining 350 workers were declared surplus in the organisation.

Thus, the lockout had taken away the breads of these workers, and they became the victims of it.