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KARNATAKA EMPLOYERS' ASSOCIATION

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BENGALURU - 560 004
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To
All Members of the Association

LABOUR MILITANCY LEADS TO LOCKOUT OF THE FACTORY OF HICAL TECHNOLOGIES, BANGALORE

Hical Technologies Pvt. Ltd., is a 100% export oriented unit set up in the year 1989. The factories manufacture High Reliability Electromagnetics, Electromagnetic Assemblies and provide advanced integration and Engineering Services to the World's leading Aerospace, Defence & Speciality Industrial Customers. The company supplies vital components and sub systems to Boeing and Air Bus. The company earns substantial foreign exchange and thus contributes to the National Exchequer.

The Trade union of Workmen submitted Charter of Demand in March 2013 after the expiry of the previous settlement. The demand included 100% increase in basic wages, VDA linked to Bangalore Consumer price index with neutralization of increase in cost of living @ Rs.2.75 per point over and above 5000 points, 25% bonus without any ceiling, 7 Hrs. working day, increase in the number of holidays allowed and leave and other types of demand.

Several rounds of discussions were held and the company made available to the union financial statement for the last 3 years and finally made an offer of Rs.4,500/- increase over a period of 3 years effective from the date of signing the settlement. In the final rounds of negotiations the union office bearers categorically refused to accept the offer made by the management and stated that if the management does not accept the demand of the union, there would be no settlement.

In the meantime the work atmosphere at the factory has been deteriorating. The performance of the workmen has been consistently declining and there has been complete stoppage of work from 11.11.2013. The minimum quality standards requirement for Aero Space products was not complied with. The management displayed Notice on 30.11.2013 giving the details of the production achieved by the workmen during the period from 8.11.2013 to 25.11.2013. The instance of missing critical parts of the machine accessories were also mentioned in the Notice. As a protest against the Notice and proposed

deduction the workmen gheroaed the lady Deputy Production Manager demanding payment of wages for the hours they had not worked. Subsequently they restrained the lady production manager and the vice president operations not only demanding wages for the days they had not worked but also demanding an apology from General manager HR for displaying the Notice with regard to missing machine accessories and also removal of the Notice informing the employees that no wages will be payable for the days they had not worked. In the gheroa the women workers also participated. The workmen threatened the managerial personnel that unless their demands are met they would not go home and they would commit suicide with in the factory premises.

The workmen created a very tense atmosphere within the factory premises. There was complete uncertainties' regarding production, safety of the staff, engineers and expats, besides serious threats to the safety of the equipment and materials.

The workmen are led by the same union leadership which was leading the workmen of the Parle Factory at Tumkur Road and the said factory was closed on account of the continuous labour trouble and violence resorted to by the workmen. The workmen of the Hical Technologies also have been holding out threats to the management that if their demands are not met what happened to the Parle's Factory would happen at Hical Technologies also.

The Management of the company after examining all aspects of the matter have declared lockout w.e.f 6.12.2013.

The Hical Technologies supplies components and sub systems to the leading manufacture of Aero plane. The Karnataka should be proud of such a factory. Unfortunately the union and its leadership have totally failed to recognize the importance of the factory and refused to accept the offer made by the company for settling the charter of demand and resorted to violence and created a situation in which the factory could not maintain its operation and fullfill its export commitment.

In one of the articles appeared in an ARBITER published by the Industrial Relations Association of India, Mumbai, the closure of the Parle Factory at Bangalore is described as **Golden Goose Killed**. The Hical factory is one of its kind in Karnataka. Whether one more Golden Goose would be killed in Karnataka is a question presently engaging the attention of Industries in Karnataka.

for KARNATAKA EMPLOYERS' ASSOCIATION

**sd/-
(B.C. PRABHAKAR)
PRESIDENT**