I think I am the only foolish trade union leader fighting for the workers' rights and I know I am going to die an unsung hero – **Union leader Datta Samant, two days before his murder**

By the early nineties, the old, established order in urban life was giving way to fresh uncertainties. The loss of industrial jobs was a grim reality; prices of real estate were going through the roof; and the ugly face of the underworld was emerging. All three ingredients of this deadly brew were on the boil when it came to the sale of mill land in the notorious Khatau case. The saga has all the ingredients of a 'Mollywood' blockbuster, replete with guns, gangland killings and the subversion of unions. As it happens, the Khataus are one of the earliest mill-owning families in Mumbai. Their mill in Byculla was 125 years old in 1994, which means that it was established barely a dozen years after the first mill in the city. It occupies 13 acres of very valuable land: Byculla is more 'up-market' than Parel-Lalbaug, since it is closer to the CBD.

In the early nineties, the mill, with 5,700 workers, had accumulated losses totalling Rs 54 crore. The Chairman and Managing Director, Sunit Khatau, who was 55, wanted to shift to a larger, though less valuable, 40-acre plot that he had acquired in Borivili. Alternately, he wanted to move right out of Mumbai to Mahad, where the mill had established a weaving unit in 1985. In 1991-92 – note yet again that it was the introduction of the liberalised economic policy which served as the backdrop for this sordid drama – the Khatau Makanji Spinning & Weaving Co. went to the BIFR. This scion of the Khataus did not enjoy a good reputation for running the mill and the financial institutions refused to bail him out so long as he was in charge. He initially refused to hand over charge but when the institutions did not budge and withheld funds for a fortnight, Khatau agreed to step down.[1]

Part of the rehabilitation package was the sale of the Byculla land. The BIFR and Maharashtra government approved of the scheme provided the recognised union, the RMMS, consented to it. There was initially a disagreement over what the 50,000 sq m of land was worth. According to Khatau, it was only worth Rs 80 crore, but the government and financial agencies believed it was closer to Rs 250 crore, judging by the prices of nearby real estate. It was further complicated by the lack of clear title. Moreover, the President of the RMMS, Haribhau Naik, refused to allow the sale to go through unless there was clear proposal to rehabilitate the workers who would lose their jobs. He suspected that Khatau was interested in liquidating his prime asset for his personal gain. The workers resisted it because they were not sure where they would be relocated, if at all. Although Khatau insisted that no one would be retrenched his assurance was taken with a fistful of salt. Since all mills were running with excess staff, Khatau could also get rid of a third of those on his pay-roll without affecting productivity.

Khatau engineered the defeat of Haribhau Naik in the RMMS elections to further his scheme. Naik was replaced by Shankarrao Jadhav with the help of the gangster, Arun Gawli. His nephews, Sachin and Vijay Ahir, were already working as Khatau's personal assistants and bodyguards. Khatau is alleged to have come to an understanding whereby he would help Jadhav become President in return for his 'persuading' the workers to shift to Borivili. Jadhav was supported by the Gawli gang, which supplied him with arms, ammunition and lakhs of rupees. Naik and Narendra Tidke, State President of the Indian National Trade Union Congress (INTUC) – the all-India Congress-sponsored organisation – had personally briefed Chief Minister Sharad Pawar on what was happening and warned him that inaction would mean compromising the trade union movement.[2]

However, what caused a furore in the Maharashtra assembly was the disclosure that Ajit Pawar, the Chief Minister's nephew, and Govindrao Adik, the CM's close aide, were named in the RMMS election panel sponsored by Gawli, which would imply a degree of collusion in this coup. After the opposition raised a stink in the assembly, the Congressmen bowed out. Both ruling Congress and opposition MLAs demanded the arrest of Khatau for recruiting underworld characters. The media and other politicians kicked up a fuss about the RMMS take-over and a public interest litigation was filed against the manipulated election, which took place while Haribhau Naik was way in Geneva, attending a meeting of the International Labour Organisation. Nothing came of it and it seemed as if the Congress turned a blind eye to this blatant take-over of the country's biggest textile union, supposedly with 1,00,000 workers, by deadly criminals.[3]

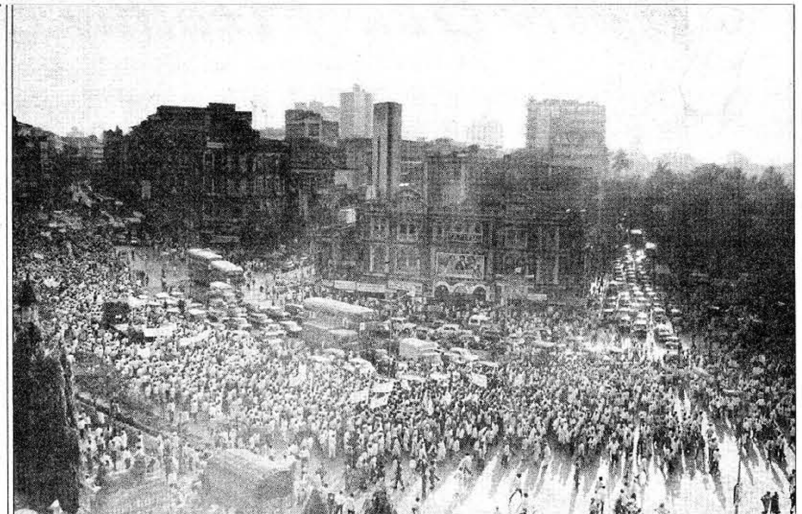
With Jadhav ensconced in the corrupt and manipulative RMMS – which was a post-war creature of the Congress government, godfathered by the notorious Bombay Industrial Relations (BIR) Act to ensure that there would be only one union to represent all textile workers – Khatau is believed to have connived with Gawli to sell his Byculla land. Gawli is variously alleged to have been promised Rs 5 crore or 5 per cent of the sale value – the land was estimated to fetch anything between Rs 250 and Rs 400 crore, considering it was at the height of Mumbai's real estate bonanza. The two Ahirs (Sachin is currently the Secretary of the RMMS and Govindrao Adik the President) went on a rampage inside the mill and coerced the workers to sign a declaration agreeing to shift the mill to Borivili.

Armed with this declaration, Khatau went back to the state government and sought permission to sell the land. According to reports, he had almost sewn up a contract with a construction company which was a front for the gang led by Dawood Ibrahim, the most feared of all Mumbai dons, who had set up base in Dubai. Dr Datta Samant openly made this allegation, saying that the deal had been struck for Rs 400 crore. He stated that politicians and mill owners were responsible for the infiltration of criminal elements into unions. "To get the consent of the majority of mill workers for such deals, they brought in criminal gangs to intimidate workers," Samant alleged, citing the Khatau episode. "Our democratic means to fight this menace are proving weak. I am raising (our) voice against it…I took out morchas, organised programmes…It has put some check (on the gangs)."[4]

After Dawood Ibrahim – of 'D Company' notoriety – fled to Dubai in the early eighties and the remnants of his gang were hunted after the March 1993 serial bomb blasts in Mumbai, the two rival gangs of Arun Gawli and Amar Naik sought to fill the vacuum. Gawli, described as the "more earthy" of the two dons, was said to have planned entering politics. One of his gang members, holed up in the infamous Dagdi Chawl, its den in south central Mumbai – ironically, cheek by jowl with several cotton mills – asserted: "Bhai is the only rival worth the name to Dawood. So naturally Dawood's men are after him. But the police here would also like to see him dead. Sooner or later he is likely to be shot down in an encounter, so politics is the only way out."[5] According to Amarjit Singh Samra, the former Mumbai Commissioner of Police, "The Arun Gawli gang is a force of nearly 800 dare-devils, who get a monthly honorarium of up to Rs 4,000.

Social justice in the new economic order

Social and economic reasons power the chnages in developmental policy, writes Justice B N Srikrishna



Gone are the days of raucous demands, strikes, lock-outs, closures and industrial strife. No more do we hear about any of the so-called legitimate trade union activities like gherao, go slow, work to rule, collective absence and their myriad variations. The realisation that honesty and hard work are the only panacea for most of the ills of the society appears to be percolating down

JUSTICE has three facets — social, economic and political — in that order. It is not without purpose that they are enumerated in the Constitution in that order. It is only after securing social justice, and with it economic justice, that political justice can be hoped to be achieved.

With the sun setting on the Soviet Model of Communist State and the decline of Marxist theories, expressions like 'free trade', 'globalisation', 'market forces' and 'free economy' have entered the dominant discourse. 'Social justice with economic development', has been adopted as the credo. Even the erstwhile socialist states have come to realise, albeit at enormous cost, that the slice of the cake is ultimately determined by the total size of the cake. There is all round realisation that the basic problems of poverty and unemployment, with which developing countries are beset, cannot be resolved by populist theories, but by discipline and hard work leading to an increase in national wealth. The approach now appears to be to make more efficient use of economic resources in an effort to close the gap between the haves and the have-nots.

Although these changes, distinctly or indistinctly, are discernible in several parts of the world, it is neither possible nor necessary for us to take stock of the developments all over the world. We may focus on the changing scenario in our country and see how the changing scenario has impacted our social, economic and political life.

Over the last 15 years, the changing pattern of the global winds have forced us to trim the sails and change course, though the goal chartered by the Constitution has neither been forgotten nor forsaken. Changes in development policy have become necessitated by social and economic reasons. Theoretical dogmas have yielded to pragmatism, jettisoning many a false assumption. First, the erroneous assumption that development, which benefits the poor, may well slow down the economic growth, because the poor are unable to save.

Second, that making available benefits to the weaker sections of the society and drawing them into the mainstream of development necessarily entail only distribution of measures without linking them with viable productive activities and without changing the power structure of the organisation. The heady honeymoon of five decades with socialistic pattern of society has ended, leaving us bitter, disillusioned and desperate to try new remedies for the ills plaguing the society. This is the time to critically examine our credos, shibboleths and dogmas and ditch the ones that failed us. All development needs to be geared towards social justice so as to result in creation of gainful employment opportunities through which alone the citizens in the marginal sector or below the poverty line can be enabled to have a minimum level of consumption.

Some diehards continue to cling to the belief that economic growth is incompatible with social justice. For them, labour and capital are sworn enemies and 'the twain shall never meet'. For too long have we ignored that the triad of adjectives used to qualify the word justice in the Preamble to the Constitution, namely,' SOCIAL, ECONOMIC AND POLITICAL'. With a closed mindset, and in our zeal to achieve social justice, we long ignored the other two aspects of justice envisaged in the Preamble to the Constitution, namely, ' ECONOMIC and POLITICAL'. Economic justice touches the citizens both individually and collectively and affects the moral principles that guide us in designing our economic institutions. These institutions determine how each person earns a living, enters into legal relationship, exchanges goods and services with others and otherwise produces an independent material foundation for economic sustenance. The ultimate purpose of economic justice is to free each person to engage creatively in work beyond economy, that of the mind and spirit.

Economic justice is postulated on the premise that all have a right to a decent standard of living and a right to participate to their fullest capabilities in promoting the well being of the community. This necessarily means that we must promote both efficiency and equity. Efficiency, sans equity to ensure that all share in the benefits of economic progress, cannot reduce poverty. Equity without efficiency is doomed to failure for no society which is inefficient can ever hope to achieve progress.

Whether what we see all around us in the context of "globalisation" and "new economic order" is really a new trend or merely an acceleration of the past evolutionary trends is for the academics to debate. What, however, is beyond debate is that many of our old assumptions, credos and beliefs about the economy and the institutional structures which determine economic outcomes have been found to be faulty and discarded, fortunately, without hesitation.

In several ways, our country is at a turning point in economic history.

At this juncture, it is necessary to remind ourselves that the transformation, which we have in our mind, can only be achieved if several issues are kept in the forefront. First, technological changes require institutional changes, that is, society must change its mindsets "rules and habits" by which its economy patterns are organised. Secondly, institutional changes demand newer production methods to keep up with the market forces. Such changes would shift cost of the new production methods to the working class. Finally, such changes are likely to generate a social backlash by those who may be most adversely affected by the new economic order.

It is time to consider the policy shift required in the sphere of industrial relations. Cooperation between labour and capital was advocated as the sine qua non for progress in society, greater production of goods and services and all round developments, even during the heady days of socialistic pattern of society with its concomitant license-permit-quota-raj and monopolistic protectionism. With fierce competition and free trade, not only on the domestic front, but also internationally, it has become imperative to search for solutions. The search may be for innovative solutions or even realignment of existing solutions with the renewed determination to resolve the disputes.

That the dominant discourse of globalisation, free trade and market economy is leaving its effects on all institutions including courts is evident. There are straws in the wind, which portend the events to come.

No longer do we find courts advising employers to adopt a paternal attitude towards employees guilty of serious misconduct. Theft, drunkenness, abusiveness and sleeping on duty are at last recognised as subversive of discipline and deleterious to development. The attitude of infinite tolerance has given way to tightened discipline. Even labour seems to have recognised the changing winds. Gone are the days of raucous demands, strikes, lock-outs, closures and industrial strife. No more do we hear about any of the so called legitimate trade union activities like gherao, go slow, work to rule, collective absence and their myriad variations. The realisation that honesty and hard work are the only panacea for most of the ills of the society appears to be percolating down.

A new kind of revolution in society — sans blood, sans violence and sans arms — appears to be brewing. Such a revolution needs to be encouraged from the judicial pulpit, on the floor of the workshop, in the colleges and universities and everywhere else.

Only persistent efforts in this direction can help us in restructuring society and pulling ourselves of the morass so that we may occupy our rightful place in the world order and hope to usher in the "heaven of freedom" that Gurudev Tagore sang about.

Excerpt from a speech by Honourable Justice B N Srikrishna, Judge, Supreme Court of India, at the S R Mohan Das Memorial Lecture organised by the Industrial Relations Institute of India

Source: Sunday Mid Day

Pitched battles for the underworld crown are being fought and its appears that the 'final' fight will be between Arun Gawli and Amar Naik, as Dawood is fast becoming an out-of-sight, out-of-mind character, although he owns crores worth of assets here. In 10 years, this ordinary-looking son of a police head constable had become, virtually, omnipresent in any crime."[6]

On May 7, 1994, Sunit Khatau was being driven in his white Mercedes at a traffic light near the Mahalaxmi Race Course when two gangsters on a motorcycle broke a window using a hammer, shot him in cold blood 11 times and escaped. His driver whisked him to the Nair public hospital, where he was declared dead on arrival. It was the first such killing in broad daylight of a prominent industrialist, which sent shock waves through the city. In highly dramatic fashion, it focused attention on the role of the underworld in speculative land deals in the commercial capital. According to one theory – and gangland killings often lent themselves to wild and partly-substantiated speculation on the part of the police and media – Khatau was identified too closely with Gawli and was murdered by the rival Amar Naik gang. Had the Byculla land deal gone through, Naik feared that Gawli would be able to buy every AK-47 in town and eliminate rivals. It was also said to be in retaliation for the near-fatal attack on Ashwin Naik, Amar's brother, on April 18 at the sessions court in Mumbai, when he was shot in the head at point-blank range, which reduced him to partial paralysis.

(Amar Naik was killed in a police 'encounter' in August 1996. Ashwin spent six months at the JJ Hospital after being shot, and went underground after he was released. According to the police, he first fled to South Africa; his areas of operation included Ahmedabad, Kathmandu, London and Toronto. He was arrested by the West Bengal police while trying to cross over to Bangladesh in 1999 and was wanted in Mumbai for 15 cases of murder, assault, extortion etc, including the murder of Khatau. He had got involved in selling mandrax to South Africa and the huge profits on the drug trade had enabled his gang to amass sophisticated weapons. The two gangs, incidentally, continued their old enmity: Gawli's operated from Yerwada Central Prison, while Naik's from the Arthur Road jail in Byculla, from where his contacts with the drug underworld were established.[7] The fervid imaginations of newspaper reporters were set aflame by Naik's presence on the eve of the September 1999 general elections: he could influence the vote in the South Central and North Central constituencies, as well as the assembly segments there. With Gawli externed to his village outside Pune, Naik could mobilise the youth to support the sitting Shiv Sena MP, Mohan Rawle, in South Central, which he won by a wafer-thin majority of 100 votes the previous election.[8]

Only three weeks earlier prior to Khatau's murder, Jadhav himself narrowly escaped being killed by armed gangsters, also on a motorcycle, who fired at him when he was being driven in his car to his office. The police believed that the Amar Naik gang had targeted Jadhav because of his election to the RMMS. He feigned ignorance as to who the attackers could be and denied that he had any links with the underworld or that goondas had entered the textile union. "It is just wishful thinking on the part of some people," he said. "They couldn't enter the unions and so are claiming that the unions are full of goondas. I am an engineer and I have been a union member for the past 30 years. I have a good reputation." He had only of late come to know that some of Gawli's 'distant relatives' were members of the RMMS. "I just know them as workers," he claimed. "Sachin is a graduate, speaks good English, and he works at the Khatau mill. That is all. I am sure that none of our members belong to the mafia." Jadhav was said to be under pressure from Sharad Pawar to quit the union because of his crooked connections.[9]

On his part, Pawar reacted to Khatau's murder by immediately stopping the sale of any more mill land because the underworld had entered these transactions. The state government was also said to be planning to remove the textile industry from the purview of the BIR Act of 1946, but that was political bluster: the Congress had no intention whatsoever of relinquishing control over the union it had in its pocket. Govindrao Adik still presides over it, with Sachin Ahir as Secretary. (At the 1998 annual general meeting of the Mill Owners Association at the Taj Mahal hotel, Ahir was resplendently attired in a three-piece suit; indeed, he looked far more affluent than the assembly of mill owners. So much for union representatives of the RMMS variety…) After the murder of Khatau, industrialists were quoted as saying: "The killing could slow down the sale of surplus land by other mills or the underworld may start demanding a share." A magazine put the total value of over 500 acres of surplus mill land alone at Rs 8,275 crore and these properties after development as apartment or office complexes at Rs 15,270 crore.[10]

Datta Samant, who led the 1982-83 marathon textile mill strike, was a bitter critic of the policy to permit redevelopment of mill land. "The sale of mill lands and other factory lands is because of the Chief Minister's policies," he alleged. "Several sick units have closed down over the past two years because of the nexus among the politicians, the builders, the owners and the unions. They want to throw the workers out and make money. Most of the mills are not sick. They are made sick."[11] As far back as in 1991, he had warned: "The government is increasingly playing into the hands of the industrialists; Sharad Pawar gave blanket powers to the mill owners to sell off their land and build five-star hotels, thus precipitating a crisis. The government is the main culprit. It is fooling the workers. Its anti-labour policies have thrown over 2 lakh workers out of jobs. More and more industries are closing down every day." Getting carried away by his own rhetoric, he believed there were two solutions: "Either make it a political solution like Mandal or Ram Janambhoomi or take to a Naxalite-like movement."[12] That year, Samant also pooh-poohed the claim by both the Congress and Shiv Sena for taking the credit for stopping the sale of mill land in election speeches. "This kind of lip sympathy is not going to help," he thundered. "It is a clear collusion between the Congress (I) and Sena. Between them, they will finish off the poor mill workers."[13]

This was not the first time that there were allegations of muscle power being used in the Khatau Makanji mill. Members of Datta Samant's union cited how the Gawli gang was used to intimidate workers during the textile strike. Recalled Samant: "As the strike showed no sign of ending, Bhai Bhosle, who was the RMMS general secretary, got all the underworld gang leaders, including Arun Gawli, released from the Arthur Road prison during the strike. Now again this gang is being used to allow the government to undertake land sale. The government cannot do it openly."[14] It was also called in to browbeat workers into not campaigning for Samant in the 1989 elections for the parliament constituency of South Central Mumbai – which he lost (he was unsuccessful three times; he won in 1984, immediately after the so-called failure of the strike).

By any reckoning, the Khatau episode was a sordid chapter in the history of Mumbai's industrial relations. There were some early indications of these murky trends. In 1989, the police arrested Kirti Ambani, the head of public relations of Reliance Industries, the rapidly rising synthetic textile empire masterminded by Dhirubhai Ambani, for hiring Arjun Babaria, a local gangster, to kill Ambani's arch rival, Nusli Wadia of the well-established and modernised Bombay Dyeing mill. The clinching proof of the infiltration of gangland politics into mill affairs, according to a Khatau mill worker whom the author interviewed, was the fact that at Sunit Khatau's funeral, it was none of the senior managers who delivered the oration but Sachin Ahir himself. He is reported to have pledged to fulfil Khatau's dream and shift the mill to Borivili. The worker cited that there were 500 employees who owed their allegiance to Gawli. Everyone in the mill was afraid but they could not raise their voices because they had families to support.[15] The RMMS had apparently agreed to the retrenchment of 650 workers in Khatau's revival scheme.[16]

Three days after the murder of Sunit Khatau, *The Times of India* carried an editorial titled "Reprisal Killing", part of which read:

At one level, the Khatau murder can be viewed as a fall-out of the continuing war between Bombay's two main ganglords…At a deeper level, the incidents reflect the lack of a rational land use policy in a city where archaic laws have pushed up real estate prices to unrealistic heights. The contentious issue of the sale of mill land is linked to the absence of such a policy. In the case of Khatau mills, located on 13 acres of prime land in central Bombay, the permission of the workers for shifting the mill had been deemed necessary by the Board for Industrial and Financial Reconstruction. In the current climate of economic liberalisation, which calls for the upgrading and modernisation of the ailing textile industry, millowners desirous of raising funds for this purpose must provide adequate compensation for workers. The tragic murder of Sunit Khatau demonstrates that relying on dubious elements to achieve such aims carries too heavy a price.[17]

This was by no means the end of the Khatau saga. His widow, Panna Khatau, who had alleged that her husband's murder was at the behest of some of his relatives, possibly to deflect attention from his nexus with the underworld, assumed charge of the mill. The BIFR had sanctioned the rehabilitation package in November 1994 and the Congress state government had given it its consent in January 1995 to sell 10 lakh sq ft.[18] Two years later, after a fierce controversy arose over the illegal closure of the mill, the BIFR threatened the Maharashtra government with legal action unless it cleared Khatau's land sale.[19] The Shiv Sena Chief Minister Manohar Joshi sanctioned the sale of surplus land but clarified that it had been permitted an "an exception" since the workers had themselves demanded it, because the State Bank of India (SBI) had refused to loan money to the mill to meet their wages till the disposal of the Borivili land was sanctioned.[20] Only the RMMS, which actually represented a minority of workers, agreed to any such deal, which reveals the collusion, explicit or implicit, between the mill owner, union and successive Chief Ministers, irrespective of their political affiliations. The sale was only permitted on condition that the land was used for industrial purposes, to guarantee employment in the city.[21]

She entered into an agreement with a wealthy diamond merchant, Bharat Shah, of B. Vijaykumar & Co., for the sale of the 40 acre-Borivili land in 1995. Shah bid Rs 80 crore for it through his company, Rishina Constructions Pvt Ltd. and paid an advance of Rs 10 crore, which was deposited with the State Bank of India, the main banker for the BIFR-approved rehabilitation package. The promoters, banks and financial institutions were to bring in Rs 15 crore each to meet Khatau mill's working capital needs. However, by 1997, Shah wanted to back out of the deal because land prices had crashed and the original terms were no longer favourable.[22] "The conditions are absurd," complained Shah. "I cannot transfer the property in my name, I must return 25 per cent of the land to the government, I cannot sell the land without informing that government. Who will invest their money with such conditions?"[23]

Panna Khatau, who was caught in a bind with Shah backing out, reported she was re-negotiating an additional loan write-off with the financial institutions and was hoping to re-work the rehabilitation package. If the ICICI agreed to write off its loans, a fresh Rs 102 crore package would be submitted to the BIFR. She stopped paying workers their wages in February 1997.

"Operations stopped at the mills due to shortage of funds resulting from a delay in getting the consideration amount from the developer, which in turn was due to the delay in getting the permission from the Urban Land Ceiling Act," she stated. "As soon as the consideration amount is received from the developer, I am ready to contribute the balance amount of Rs 13 crore when I get management control of the company." When the Girni Kamgar Sangharsh Samiti (GKSS), the independent and committed cotton textile union, took up the cause of the workers and filed a case in the High Court, it directed the mill to pay the February wages in September that year. Of the Rs 43 lakh to be paid out as wage arrears, SBI would contribute 40 per cent, ICICI 20 per cent, the Industrial Development Bank of India (IDBI) 20 per cent and the remaining one-fifth from Khatau herself.

She wanted the builder to fulfil his obligation, since the entire scheme rested on this. "Since time is of the essence here, all of us – the BIFR, the labourers and the government – should join hands and recover the money rightfully due to the company from the builder…I would definitely like to get the mill rolling by November. And no, there is going to be no sell-out," she promised. The extent of support expected from financial institutions is significant here: the only reason they were prepared to write off old loans or extend new credit was to protect the workers on the payrolls of mills. This is why land in the possession of mills cannot be treated as a private asset to be disposed of at will – the mills have been running on public funds and bear a moral and social responsibility towards their workers.

Eventually, faced with fasts-unto-death by workers and a contempt of court charge, Panna Khatau paid the arrears of just one month's wages. The GKSS realised that unless it swung into action, the workers would be left high and dry. It floated a Rs 21 crore revival scheme of its own. It proposed to run the mill as a workers' co-operative, with all the employees joining the society and contributing Rs 5,000 each from their provident fund, a total of Rs 3 crore, with the Maharashtra government matching this contribution. There would be need for professional management, as was the experience with the first such 'sick' industrial unit taken over by workers – the celebrated Kamani engineering case in Mumbai. A board of directors would include representatives of workers, managers, professional textile experts to be nominated by the state government, nominees of financial institutions and the BIFR. They would require a professional Managing Director and other senior executives for production and marketing.

Meena Menon, a GKSS committee member, clarified that the samiti was not opposed to the proposal to sell land per se but was "asking for a moratorium on the sale for the simple reason that there should be a policy decision on it." Any such proposal had to consider factors such as the revenue generated and

Open Spaces vs Tower Power?

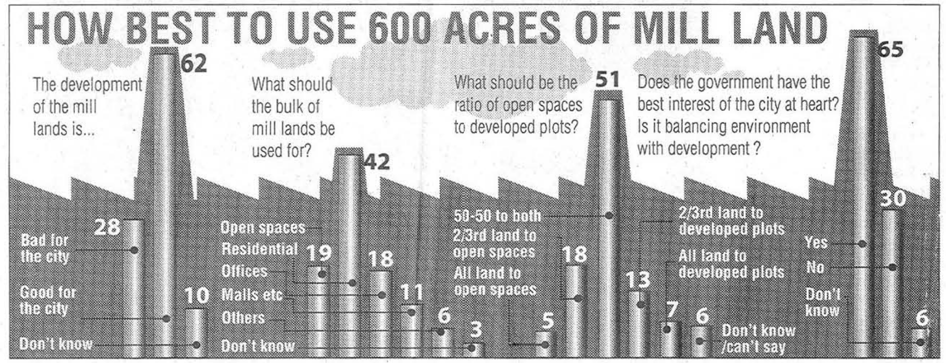
A Times of India-TNS opinion poll to find out what Mumbai wants to do with the 600 acres of mill land that once housed the engine of its economy, has yielded one very unambiguous answer: a balanced redevelopment plan which will give Mumbai more open space.

The generation which saw the looms in Mumbai's mills fall silent one by one through the 1980s, is as vociferous as youngsters (20-25 years) in wanting Mumbai's mill lands developed. 69% of those in the 46-55 age group—which watched a whole way of life go into slow decline—felt that developing mill land would be good for the city. However, there were no clear answers on how it should be developed.

Comparatively though, in the age group of 26 to 35 years, nearly one in three (32%) opposed development of the plots. But the overwhelming aye from the elders and juniors was more than enough to peg the nays.

One option that clearly had appeal was a proposal to maintain a balance between development and open spaces. A majority (51%) felt that half the land should be developed, the other half kept open. 18% felt that even two-thirds of the land should go to open spaces. Ironically, while nearly two-thirds agreed that what the government had in mind was best for the city, under the present redevelopment scheme, the city is unlikely to get even one-third of open space.

When asked how the land should be developed, more than two in five (42%) chose housing complexes; nearly one in five (18%) plumped for office blocks. Surprisingly, only one in 10 felt the area should become an entertainment-cum-shopping district. 19% rejected all these options and voted for keeping the land for open spaces.



TIMES-TNS OPINION POLL

Source: The Times of India

how it would benefit the city. "There should be an integrated plan for sale," she added.[24] Sachin Ahir, however, dismissed the workers' co-operative for not being a "viable concept".[25] The ICICI prepared a modified Rs 175 crore revival package for the mill, which envisaged the modernisation of the Byculla unit. The Maharashtra government, however, told the ICICI that it had "lost faith" in the Khatau management and had serious doubts about the owner's intention to run the mill.[26] The BIFR itself objected to the management's revised scheme and, despite much lip-service paid by the state Labour Minister, Shabir Sheikh, nothing came of either Panna Khatau's plan or those floated by the workers.

In August 1999, the BIFR was reported to have given its go-ahead for the mill to re-open, with the co-operation of Panna Khatau, according to the RMMS. The workers were to receive a third of their salaries for 30 months and bonus for three years. There was also a proposal to reduce the number of workers by 1,500 with a VRS. The scheme required Rs 102 crore, of which a third would be financed by the Khataus and Rs 37 crore through the sale of surplus land in Borivili. Two construction companies, Krishna and Fateh Nav Nirman, were said to be interested in buying the land. The GKSS opposed the scheme, alleging that the RMMS had signed an agreement to pay one third of the wages six months earlier, which had not been done, which was proof that the owners were only interested in selling the land, not in re-starting the mill. Further, it accused the state government of not being interested in the future of the mill, considering that it had not even sent its representative to the BIFR hearing.[27]

Gangs eye derelict mill and factory land

In January 1997, Datta Samant was brutally gunned down by four hired assassins outside his home, sending reverberations through the entire trade union movement. There was endless speculation regarding the killers. Just before his murder, Samant had been involved in a prolonged and ultimately unsuccessful lock-out at Premier Automobiles, which had a collaboration with Peugeot, at its Kurla and Dombivli factories. The veteran trade unionist, a former medical doctor, had made his mark in the engineering industry after coming into contact with patients who were working in quarries and getting drawn into their struggles. At the height of his power, he probably commanded the support of more workers as a leader of unions run by a single individual than any other such unionist in the entire world – as distinct from unions affiliated to political parties or other groups. His Kamgar Aghadi (Workers' Movement) had a combined strength of nearly 2.5 lakh workers in 300 industrial units.

Although he is widely seen to have miscalculated his strategy in prolonging the 1982-83 textile strike and was alleged to be single-handedly responsible for bringing this industry to its knees, it must always be recalled, as we saw in the previous chapter, that he was initially reluctant to enter into a struggle in this industry, with which he was not familiar. Two facts prove conclusively that whatever industrialists, the state and the elite thought of Samant's militant tactics, the working class revered him. He was elected to the Lok Sabha just a year after the 18-month-long textile strike ended (officially, it was never declared closed), one of five non-Congress candidates. More importantly, at a time when the media was writing epitaphs for the trade union movement as a whole – a cover story in *Business India* in November 1996 was titled "Trade Unions: Losing Clout?" – the regard workers had for someone who did not compromise and was perhaps the last bastion against the general disillusionment with such politics was evident in the spontaneous turn-out of thousands of people for his funeral, the cortege of which wound its way through Parel-Lalbaug.

A fair idea of the scepticism of the establishment with his methods can be gleaned from the editorials written when he was murdered. The *Indian Express* titled its comment "Anti-working class hero: Datta Samant's influence on Mumbai was pernicious":

No one who watched his rise to power in the late seventies and early eighties, a period when he held labour unions in his fist, can escape the thought that in his beginnings lay his end…Above all, the terror of Mumbai's industrial estates, the great hope of the working class will have to be remembered as the man who sealed the fate of the trade union movement in Mumbai…The more muscle unions displayed, the better the rewards…The high point in a career built on championing workers was when one-third of the oldest and largest group of workers in the city was wiped out by an ill-conceived, badly organised strike in 1982.With the eight [sic]-month-long textile strike, Samant managed to do what no government or management policy could. The strike laid the ground for modernisation of the ailing industry but at costs in human terms which were unconscionably high. It is a bitter irony that Kamgar Aghadi unions continued to thrive after that disaster.[28]

The *Times*' editorial, in much the same vein, was titled "A Violent End":

In the 1970s and early eighties, Samant had become a cult figure of sorts for the city's working class, largely because he could extract hefty concessions from the managements of prominent industrial units in the forefront of Mumbai's economic boom. He frequently achieved this by the reckless use of violence as a weapon to bludgeon managements into submission, a tactic which he also effectively employed against rival unions. Samant dominated his union by a larger-than-life personality, thus making it entirely dependent on him for its survival…

Unfortunately for Mumbai, the vacuum created by the decline of trade unionism in the city has been sought to be filled by the systematic intrusion of the underworld. The acknowledgement by the police that Samant was the victim of a 'contract killing' has reinforced the suspicion that he was very likely murdered by a powerful gang at the behest of vested interests…The rise of a new class of trade union leaders with underworld connections is also apparent in the appointment of Sachin Ahir, nephew of Gawli, as the general secretary of the pro-Congress RMMS. This trend, coupled with the slow deindustrialisation of Mumbai, now poses a challenge to the trade union movement in the metropolis… His brutal death clearly serves to underscore the aphorism that violence only begets more violence.[29]

Such equation of union militancy and strong-arm tactics with the nefarious crimes of the underworld was totally unwarranted. It took a contributor to the *Economic & Political Weekly* to speculate on who could have been responsible for the murder:

The barons of real estate and designers of deindustrialisation, for whom Samant was still a `nuisance' for his dogged opposition to the land sale campaign? Corporate leaders like the Premier Automobile bosses, who had grown tired of Samant's stubborn resistance to their dreams of rationalisation? Thackeray and his men, afraid as they were that Samant might add a militant working class dimension to the growing popular concern over rampant corruption under the Sena-BJP rule? Or was it the handiwork of underworld dons who are out to lumpenise the trade union scene in Mumbai, dancing to the tune of the lumpen bourgeoisie's campaign for economic reforms?…

The enemies of the working class have succeeded in getting rid of a leader who could still dare to fight for workers; rights in these dark days of Hong Kongisation of Mumbai…

The systematic destruction of the textile industry by proliferating powerlooms one the one hand and by a virtually officially sponsored sabotage of the National Textile Corporation on the other has often been sought to be explained away as a fall-out of the Mumbai textile strike…Was the Mumbai textile strike a failure? Did it really hit the proverbial last nail into the coffin of India's textile industry? As Samant used to point out, the textile strike was confined to Maharashtra and there was no action of even remotely matching dimensions in the mills of Ahmedabad, Kanpur or West Bengal; how come then all over the country today the textile industry is said to be in a state of terminal crisis? The 1982 textile strike raised the all-important demand of granting mandatory recognition to the union with majority support and ascertaining this majority through secret ballot…And, most importantly, the 1982 strike gave the textile workers of Mumbai a new identity and they are still proud of it…"[30]

In November 1997, the police closed the Samant murder case as unsolved after naming 16 accused, though nine of them, including gangsters Chhota Rajan and Guru Satam, were absconding. Sachin Ahir was also interrogated. The police alleged that inter-union rivalry at the Premier Automobiles (PAL) plants was responsible; unionists cited how there were clashes between Samant and Ahir, who had gone on record as supporting the controversial proposal by mill owners to sell their land. With Ahir's tentacles spreading beyond the city's textile mills, their rivalry was intensified. Samant was ousted from Modistone's Sewri unit and Ahir installed as its union President. Ahir had also made a bid to enter the sick public sector engineering giant, Richardson & Cruddas. The previous year, Samant had alleged: "Some management representatives were taking Ahir around the plant and trying to bring pressure on the workers." According to a Samant unionist, Ahir's moves had closely followed the decision by the BIFR to uphold Samant's contention that the 36 acres belonging to the firm's Mulund unit ought not be sold.[31] In July 2000, three alleged assassins, connected with the Chhota Rajan and Guru Satam gangs, were convicted for Samant's murder. Dada Samant was unhappy with the verdict, because he believed that small fish had been convicted, whereas he wanted to know who had paid them to commit the crime. Samant's PAL union rivals had been let off.[32]

According to B.S. Ghughe, Vice President of Samant's Association of Engineering Workers, there were several disputes in the Mulund-Bhandup industrial area involving companies which were trying to dispose of their land, which he felt ought to be investigated. The management of the defunct API scooter factory belonging to the Muthiah group wanted to sell 35 acres, which the veteran leader had opposed. A multinational company, Eternit Everest, employing 300 workers in Bhandup, had arrived at a settlement with the Lok Group to pay off the workers. The Samant union claimed the resignations were forced and the pay-offs actually made by the builder. Although the rumour mills worked overtime, and many speculated that mill owners may have been responsible for ordering the death of Samant because of his opposition to the sale of vacant land, there was absolutely no evidence of such complicity. In all probability, it was inter-union rivalry which claimed his life.

Only a month before his death, Datta Samant gave an interview to *Bombay Times*. These are some extracts:

I think the Sena-BJP government is more dangerous because on the face of it, it keeps promising one thing and when it comes to implementation, it does a *volte face*. Manohar Joshi keeps saying 'I will not sell the mill land' but the mill and factory owners keep approaching Bal Thackeray who gives the directives to Labour Minister Shabir Sheikh. Sheikh actually threatens the workers in some cases when the stakes are very high. Like Mukesh Mills near Colaba where some 12 acres of prime land is involved and the present cost of the property is worth over Rs 1,000 crore…

Mill and factory land cannot be used for housing or commercial purposes. Unless, of course, the Urban Development department gives permission for change of user from industry to commercial or residential…The mill owners actually don't want to turn the mills. Who would want to, when the government is willing to bend backwards to give them permission to sell the mill land? Are you aware of the going rate of mill land which is prime property in South Central Mumbai? It is not a question of a few crores but thousands of crores. The stakes are enormous, both for the owners and the SS-BJP government. It is a virtual gold mine…

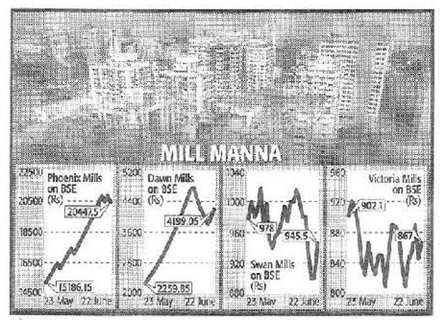
I know in the next three years, there won't be any mills left and I am not worried about not having a job. But there will be the regret that the whole thing has been a big conspiracy. It was these girni kamgar, this Marathi manus who made the Sena and participated in the Samyukta Maharashtra movement…

Thackeray's relatives have tied up with a murder accused, Karim Maredia, to construct a complex at the T. Maniklal Engineering compound comprising 16 acres in Saki Naka. Currently, I am resisting so many such projects involving hundreds of acres of land in Mumbai and Thane. Calico Chemicals' 60 acres of land in Chembur, Poysha Industries 35 acres in Thane, another 35 acres of land of an automobile production company in Bhandup and several other mills and factories. Of course, I am aware that I can't hold on for long. Because the strategy is that workers are psychologically broken down.[33]

Samant, as an astute trade unionist, was acutely conscious that economic liberalisation and the easing of restrictions on the sale of assets by companies were all working against workers' interests and there was little they could do to arrest the tide. He cited how the mere rumour of a factory closing down would be sufficient, due to the climate of insecurity, to send workers scurrying to claim VRS at whatever rates were offered, virtually. To add insult to injury, looms would be stealthily removed at night, which would break the millmen's morale further. He also reported how he "confronted" Manohar Joshi a little earlier, who cited the one-third land sale formula. Samant thought this was a "tall order" because Pawar had promised the very same. "When it comes to the crux, the one-third rule is waived for the owners. Now the NTC mills are also coming up for sale and it is the state government which will have to give the change of user. Wait and see how much

Mill scrips fly high as market bets big on land rush in city

Vijay Gurav
MUMBAI 22 JUNE



IF YOU thought Infosys Technologies, at Rs 2,400, or MICO, at Rs 2,200, were the most expensive stocks available in the market, you seem to have missed the action that Mumbai's listed textile mills, including Phoenix Mills and Dawn Mills, have witnessed during the bull run.

Shares of the two defunct mills (they have no textile operations) have skyrocketed to abnormal heights, currently ruling at Rs 20,000 (face value Rs 100 per share), and Rs 4,200 (Rs 50), respectively. A few others like Victoria Mills, Ruby Mills and Swan Mills have also gained sharply over the past several months.

While the past financials of these non-operational mills hardly inspire confidence, the only possible reason for these prices is the real estate boom that has taken property prices to dizzy heights, according to analysts. Mill lands are the hottest property and are fetching whopping prices in the current market. Among the recently sold NTC mills, the Mumbai Textile Mills attracted a mind-boggling bid of Rs 702 crore, which is perhaps the highest ever price offered for any textile mill in the country. The mill lands, once sold, will be used to develop commercial and residential property.

According to market sources, there is, however, a large speculative element in the movements of these shares as the sharp gains have been recorded amid very low volumes. The low levels of float stock in these companies have restricted supply of their shares in the market, which have helped prices soar to unexpected levels, they said.

For instance, Phoenix Mills, whose share price jumped 12 times to hit an all-time high of Rs 21,247 on Tuesday, attracted volume as low as one share on many days during the past one year. The highest volumes that could be seen in the counter was 22,957 shares traded on January 17 '05.

Phoenix Mills, which now wears a different look with sprawling shopping malls and high-rise buildings in its premises, is a small-cap, closely-held company. The promoters held 84.4%, while the public holding stood at 14% of its equity capital of Rs 3.65 lakh. In '04-05, the company posted a net profit of Rs 13 crore on sales of Rs 1.7 crore, as it earned other income of Rs 41 crore during the period.

Dawn Mills hit its peak at Rs 4,932 on June 13 but lost some ground subsequently, before it closed at Rs 4,199 on Wednesday, up 5%. The stock price, has in fact, appreciated over eight times in a year.

Ruby Mills, Victoria Mills and Swan Mills have also seen action, rising multi-fold during the past one year. Swan Mills appreciated 8 times to Rs 945, while Victoria Mills jumped 6 times to Rs 867. Ruby Mills gained around 4 times to end at 301 on Wednesday.

Source: The Economic Times

money will change hands." Only two days before he was gunned down, he seem to have foretold the chronicle of his own murder when he told a reporter: "I think I am the only foolish trade union leader fighting for the workers' rights and I know I am going to die an unsung hero."[34]

As an epitaph, it is significant to note the tributes paid to the slain leader at a meeting on the citizens' response to the MMRDA Regional Plan for 1996-2001. Narayan Surve, the well-known Marathi radical poet who was adopted as a child by a textile worker's family, stressed that workers, who had played a leading role in the freedom movement, were being pushed to the wall in the drive towards converting Mumbai into a Singapore or Hong Kong. The firebrand environmentalist, Medha Patkar, who has taken on the epic struggle against the Narmada dam, described the Plan as the blueprint for the destruction of the Mumbai region. "The forces out to implement the anti-people plan are so strong that they can kill all of us, not only Dr Samant," she declared.[35] In recent years, there has been a coming together of previously disparate forces: unionists, human rights activists and environmentalists to forge a common front. They have been at the forefront of protests against the nuclear tests in May 1998 and the anti-communal attacks inspired by the BJP-led coalition that year.

Thakkar of Raghuvanshi Mills

The third and last of the "mill murders" that shook the commercial capital of the country took pace on April 17, 1997 – only three months after Samant's death. Vallabhbhai Thakkar, the owner of Raghuvanshi Mills was shot dead within his car by two assassins at point-blank range. Since Thakkar had voluntarily accompanied them in his own car, it was obvious that they were known to each other. According to the police, the gangsters were allegedly sent by Sada Pawle, a close associate of Arun Gawli who was running the gang's operations during the latter's imprisonment, to demand some money from the mill owner as payment for 'persuading' some of Thakkar's tenants to vacate their premises. (According to a Raghuvanshi worker, the RMMS – headed by Gawli's nephew, Sachin Ahir – was like a wad of tobacco in the pockets of business magnates.) They apparently escaped through a route in the docklands – Gawli's ex-boss was a dock union leader, Babu Reshim, who had got several people hired in Mazagaon Docks, the public sector organisation, during his tenure. Pawle and his men allegedly possessed passes to traverse this private dock road.[36] The docklands at Sewri happen to be not only in close proximity to the mill land geographically but, as we shall see in Chapter VI, share many of the characteristics of 'derelict' industrial land. Some months later, Pawle himself was shot dead by the police.

Immediately after the murder, when a delegation of city industrialists met Prime Minister Inder Gujral to complain that the law and order situation under the Sena-BJP alliance government was fast deteriorating, Shiv Sena leader Bal Thackeray was quick to dismiss these charges: "Thakkar fell a victim to his own folly of using gangsters to evict hutment dwellers and razing their homes. It was a case of personal enmity with which society in general is not concerned." Pointedly, he cited how Sunit Khatau was murdered during the Congress regime in the state, under Sharad Pawar.[37] Govindrao Adik, RMMS President, echoed these sentiments: "It is obvious that this is the outcome of personal dealings. It has nothing to do with his workers or the mill there has been no proposal to sell land at Raghuvanshi," he pointed out.[38] P.N. 'Dada' Samant, Datta's brother who took over as head of the Kamgar Aghadi, clearly blamed the builders' lobby for the death of the owner.

Unlike Khatau, Thakkar was not the scion of a prominent mill owning family. He was reported to have been a cloth merchant and owned Mangaldas Cloth market in Kalbadevi. He was President of the cloth merchants' association there and had made forays into the iron and chemicals trade as well. He had obviously made a considerable amount of money because he was said to have financed a few films.[39] He had entered the building trade in a big way and was the owner of the Ajit Singh group of companies. He purchased Raghuvanshi Mills from three members of the Mehta family in 1993 with an eye to selling or developing part of its real estate. However, the mill had been closed since 1989, when there were 1,100 employees, following a dispute between the owners and union over the sale of mill land. It was a sick unit, brought to the BIFR for rehabilitation, and Thakkar was believed to have pumped in Rs 9 crore to modernise the mill, which had started making a profit. It had 800 workers and was solely a spinning unit which makes cotton and blended yarn, along with other fabrics. He had apparently revived the mill only to ensure that he could develop its real estate. Thakkar had also bought the adjoining Ambika Silk Mills, which was closed; its land was being developed at the time of his murder.

In addition to the two mills, Thakkar owned plots and properties in Walkeshwar (close to where he lived), Banganga (an ancient tank and heritage site which several builders had wanted to fill and build upon), Breach Candy, Kalbadevi and the suburb of Poisar. Two years previously, according to underworld sources quoted by newspapers, he had sought the help of Gawli to evict tenants from a building near Babulnath. Collectively, Thakkar was said to have purchased 11 buildings collectively valued at Rs 150 crore. One of the tenants told the police that he had twice been taken by Thakkar to Dagdi Chawl in Byculla, the den of the Gawli gang, to arrive at a settlement. He had demanded Rs 7 crore, while Thakkar was prepared to pay only a few lakhs. Thakkar was alleged to have even visited Gawli in his Aurangabad prison cell.

In February 1998, Manish Shah, a builder and close associate of Thakkar's, was shot dead near his residence at Walkeshwar. This was also believed to have been masterminded by the Gawli gang.[40] Thakkar and Shah had constructed three buildings together in the area and paid 'crores' as protection money to the Gawli gang. All this yet again points to the close nexus between the decline of the textile industry, its professed rehabilitation and the involvement of builders and the underworld. In September 1999, the 1,600 workers of Raghuvanshi Mills occupied the premises in protest against their salaries not being paid since July. Its new young owner, Hemant Thacker, was living in London at the time.[41]

In November 1998, an *Indian Express* reporter interviewed at length a former Gawli gang member who had turned himself in to the police as an informer. The introduction to this first part in a series titled, somewhat sensationally, "Mind of the Mob", read: "*Express* traces the route of laid-off workers, jobless youths to the underworld – one of the largest job generators in Mumbai today". A former mill worker who then became a mathadi (dock loader) leader, he described himself, in gangland parlance as a 'social worker' whose job it was to bribe lawyers, lower court magistrates and policemen to ensure that gangsters were quickly discharged or not beaten up by the cops. He was summoned to Dagdi Chawl in April 1997, beaten up and condemned to death by hanging, a fate from which he escaped providentially. He recounted how with the decline of the cotton textile mill industry, former workers were turning to crime. As the story ran:

> **In and around Parel, Worli, Lalbaug, Kalachowki, Byculla, traditional strongholds of Gawli and Amar Naik, and once Mumbai's thriving mill district, a secret army of 'watchers' scurries around, desperately seeking a way out of the decaying chawls and moss-covered skeletal remains of industry gone to seed.**
>
> **'The underworld taps young sons of redundant mill workers, industrial labourer,' says the man who calls himself Fauji (Soldier), a 20-year-veteran in the textile mills. It begins innocuously enough. They may be asked to keep a watch on the movement of a particular person or a policeman, or just the number of times a patrol van comes into a particular gully. For this, he is paid up to Rs 2,000, a handsome bonus for a family with a monthly income of between Rs 800 and Rs 1,000. That none of this is illegal clinches the deal.**
>
> **But this is the beginning of the seduction. Once he's comfortable with the routine, befriends people and develops some vices, the gang strikes. 'We engineer his arrest, usually on a petty charge...When the boy comes out of prison...he is given his first assignment...On the successful completion of this job he becomes a graduate, ready for a career in the underworld...**
>
> **The other recruitment option...is to manipulate the unions to get the boys either jobs in the mills that are notionally functional, or with the mathadi *tolis* where all they have to do by way of work is to go to collect a salary the first week of every month. 'Once a boy is buried under a debt of gratitude, the gangs call for favours,' he says.**
>
> **Arun Gawli, Rama Naik, Amar Naik, all sons of textile mill**

Supreme Court fixes Dec 13 for hearing arguments on Mumbai textile mill land

Apex court bench issues notices to Maharashtra government, Bombay Environmental Action Group

PRESS TRUST OF INDIA
NEW DELHI, NOV 21

THE Supreme Court today said it would expeditiously deal with the petitions challenging the Bombay High Court verdict on the sale of surplus mill lands by National Textile Corporation and fixed December 13 for hearing arguments for final disposal.

Without going into the aspect of stay of the high court verdict holding that the sale of the mill lands by NTC were contrary to the scheme of Board of Industrial and Financial Reconstruction (BIFR), a bench comprising Justice S B Sinha and Justice P K Balasubramanyan issued notices to the Maharashtra Government and Bombay Environmental Action Group (BEAG).

BEAG, an NGO, had alleged that surplus lands were sold in violation of the rules.

Besides NTC, the Apollo Textile Mills, Mumbai Textile Mills, Elphinstone Mills, Kohinoor Mill No 3, Jupiter Mills, Bombay Dyeing and several others have challenged the high court judgement which had held that the sale of surplus mill land by the PSU were contrary to the scheme of BIFR and Supreme Court orders.

The NGO had said that NTC had 25 textile mills spread over 285 acres in prime locations of the city, estimated to be worth over Rs 5,000 crore. Of these, surplus land of five mills were sold in violation of development control (DC) rules 58. The high court had also held that all the constructions carried out by various developers were clearly in violation of government notification of July 7, 2004, as admittedly none of them have obtained clearance from ministry of environment and forests.

Source: The Indian Express

workers, launched their career in this fashion and over the years abetted the managements in the systematic criminalisation of unions like the RMMS. The RMMS…has ensured that workers have to 'share' even their Voluntary Retirement Scheme fund with the union. 'Our tragedy was that this so-called representative of the workers sold out to sundry managements and became almost an extension of the gangs,' says Fauji…

'As long as the mills functioned, the social life of the workers remained organised,' says Girish Srinivasan, an economist with the Research Unit for Political Economy. 'The breakdown of that since the early eighties shattered that pattern, especially in the Parel, Lalbaug and Worli area.' Apart from economic pressure, this breakdown led to a sense of rootlessness. 'This is particularly manifest in the children of retrenched migrant workers,' says criminologist Sanobar Shekhar. 'For these second generation migrants, there is no village to go back to. Mumbai is the only home they have known. So what we have is a class of people that feels deprived, existing in an urban climate of expressiveness that encourages them to let it all hang out it's a lethal combination.'[42]

***

If there was anyone who sensed that the old industrial order was breaking down, it was Datta Samant. His last major battle was with the PAL automobile management, as we have seen. As in the textile strike, he could be seen to have failed abysmally. Eighty per cent of the PAL workers returned to their jobs in November 1996 after a five-month-long lock-out, after signing new deals guaranteeing productivity and discipline. An internal union was formed, with members deserting Samant's once all-powerful Association of Engineering Workers. Ironically, it was over a 1979 lock-out at the very same company, lasting 14 months, that the management agreed to concede huge wage hikes, albeit linked to productivity on a mass scale, to Samant's union. This was replicated across the Mumbai-Thane-Pune-Nashik industrial region and across different industries. "I am the last bastion of trade unionism," boasted Samant. "The issues I am raising are broader and larger than mere trade unionism. I am questioning the very basis of the need for economic liberalisation and the direction it is taking. And unfortunately, I am the only one doing so."[43]

The number of strikes and man-days lost due to strikes in the country has declined since the nineties. According to the Union Labour Ministry, there were 1,810 strikes in 1991, but just 252 in the first half of 1996. There were 12.42 million man-days lost due to strikes in 1991 as against only 5.61 million – less than half – two years later. However, the number of man-days lost due to lock-outs actually increased from 14 million in 1991 to 14.68 million in 1993, suggesting that managements were going on the offensive by preferring to down their shutters rather than settle outstanding disputes. *Business India* reported: "The perceptible change in the attitudes of trade unions can be traced directly to the compulsions of economic liberalisation. The aspirations of the working class for upward mobility and better lifestyle has increased their financial commitments. With VRS and such other sops coming their way, the workers prefer to opt for the money rather than working class rights. Naturally, they are reluctant to resort to stoppage of work, which would deprive them of their wages." It cites as "the most interesting case" that of Shree Ram Mills "where despite union pressure, the workers accepted VRS and allowed the management to sell its property to realtors. Each worker got upward of Rs 2 lakh. Workers are more inclined to take a pragmatic if short-sighted view of the situation. In the Shree Ram Mills case, there was no hope of the mill re-starting. The workers were not being paid. The futility of agitation was evident and the workers disregarded the union."[44]

How can malls come up on land reserved for industry?

Activist Questions Civic Body's Change Of Use Permissions

TIMES NEWS NETWORK

Mumbai: Civic activist Shailesh Gandhi has questioned the basis on which many of the mills in central Mumbai are getting their permissions for change of land use from industrial to commercial and residential.

Based on information he has obtained through the right to information laws, Gandhi said that in the case of Phoenix Mills, for which currently no lease is available, change of user was given even though the original intention of the lease allowed owners to construct residential buildings for the "welfare amenities of the mill's employees". "The original intention of the leases was clearly for a purpose connected with the mills or mill workers. How can malls be permitted on this basis?" he asked at a press conference organised by mill unionists on Wednesday.

Phoenix had argued, however, that since the land was in industrial zone-II, it was contemplated that the usage would eventually change.

The BMC estate department granted change of use permissions to six other mills including Crescent Mills, Shriram Mills, National Rayon, Century Mills, Prithvi Cotton Mills and Shri Shakti Mills, on the same "far fetched contention".

In the case of Morarjee Gokuldas Spinning and Weaving, the BMC has not yet given clearance for change of use but development work has already started. The mill consists of two leased plots, one of which does not have a lease deed.

"Without getting an NOC, the mill is constructing residential premises and creating third party interests," said Gandhi. Also, the proposal for redevelopment of another plot measuring 27,520 square yards leased to the mill, suggests that no change of land use is required since the 1952 lease deed permits residential buildings. "But the lease deed says these buildings are for the time being and have to be connected with or incidental to spinning and weaving," notes Gandhi.

Gandhi has also questioned the very basis for permitting mill land sale given that even the 2001 version of development control rule 58 (which governs this process) stipulates that mill redevelopment is intended to raise money for the revival or rehabilitation of sick and closed mills. "In most of the sale proposals being passed, the mill is not to continue. So how can DC 58 apply when the mills are not to exist?" asks Gandhi.

Owners Claim Workers Paid Rs 4,500 Cr From Sales

TIMES NEWS NETWORK

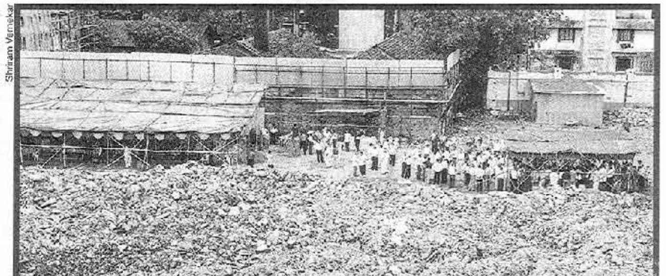
Mumbai: The Mill Owners Association on Wednesday claimed that over Rs 4,500 crore of workers' dues had been settled by mill owners under the 2001 development control rule 58, which governs the redevelopment of mill lands.

In a press release, the association appeared to defend the controversial modification of DC 58 in 2001, which reduced the share of mill lands for the city and gave the bulk over to the owners, by saying that sale of so much land allowed them to repay debts to workers and financial institutions. "It is a win-win for the workers and the mill companies," the association stated.

According to the association, Rs 1,500 crore of debt has already been cleared under the rules, and the remaining Rs 3,000 crore payable towards salaries, VRS and repayment of loans has been deposited into an escrow account operated by a committee including a retired judge. A total of 41 mills have deposited the dues into this escrow account, including NTC mills.

"Unlike the old rule of 1991, redevelopment of the mill land can only begin when the dues have been deposited," noted V Y Tamane, secretary of the association.

According to the statement, of the Rs 2000 crore raised from the sale of four of its mills, the NTC has paid Rs 643 crore towards VRS for 14,800 workers and has marked another Rs 1,423 crore for modernisation of seven mills. Bombay Dyeing has paid Rs 120 crore as VRS to 3,127 workers, and is committed to pay another Rs 50 crore to them, as well as Rs 347 crore to banks. Ruby Mill has paid Rs 4.95 crore towards VRS and Hindoostan Spinning and Weaving Mill has paid Rs 50 crore of Rs 112 crore due to workers. Nine other mills, Tamhane stated, including Mafatlal, Piramal, Modern, Dawn, Standard, Matulya, Morarjee, Swan and Simplex have paid Rs 447 crore to workers and are committed to pay Rs 1,900 crore to banks and further VRS.



Shriram Vernekar

CAN'T WAIT TO GET STARTED: Former Sena chief minister and Lok Sabha speaker Manohar Joshi attended the bhoomi pujan of a commercial building inside Ruby Mill at Dadar on Wednesday. Joshi's Kohinoor Group has made a huge investment in the project. The media was not allowed inside

FLOOD MEETING

Former municipal commissioner S S Tinaikar, former chief secretary D M Sukthankar, scientist Shyam Asolekar, former chief planner V K Phatak and others will address a public meeting on 'Who is responsible for Mumbai's floods?' on Saturday at 4.30 pm at Vanmali Hall, Dadar (West).

Mill union leader Datta Ishwalkar said the disaster had added significance to the way in which the old mill areas of central Mumbai were being developed with skyscrapers and malls, and with reduced lands for civic amenities.

Architect Arvind Adarkar added that the ponds in the mill compounds should be protected because they can function as holding ponds for rainwater, which would be of significant help in case of heavy rains in Central Mumbai.

Source: The Times of India

As we shall see, this was by no means an accurate depiction of the situation on the ground.

In November 1998, the author collaborated with Dr Sujata Patel, of the Sociology department of Pune University and Dr Alice Thorner, of the Centre for the Study of South Asia, Paris – in organising a three-day seminar at the Asiatic Society of India on "Work & Workers in Mumbai – 1930s to 1990s". (The two had previously edited two books on the socio-economic situation of Mumbai, and its culture, for Oxford University Press, which were based on a similar seminar at SNDT University in December 1992.[45]) The author presented a paper titled "Redevelopment of Mumbai's Cotton Textile Mill Land: Opportunity Lost" which was subsequently published in the *Economic & Political Weekly*[46] and reprinted in part or full in some other academic journals and newsletters. Shree Ram Mills was a case study in great detail, with material provided by Gayatri Singh, the lawyer who is a General Secretary of the GKSS. The first three cases in this chapter are taken from the paper.

Case Study: Shree Ram Mills

A detailed account of the redevelopment of one mill provides an indication of how owners were in collusion with the state and financial institutions in denying workers their rights. Prior to the 1982-83 strike in the Mumbai cotton textile industry, Shree Ram Mills, occupying 9 ha (20 acres) in Lower Parel, had as many as 6,000 employees. It was declared "sick" under the Sick Industrial Companies Act (SICA). In 1991, it submitted a revival scheme to the BIFR, which was sanctioned in October that year. The company was to retain 3,500 workers, which meant that the mill was to rehabilitated without retrenching any workers. New machines, including 24 air jet looms, were to be installed and the modernisation was to be completed by 1992-93.

This was to be achieved by selling or redeveloping 1.2 lakh sq ft till 1994 to raise Rs 1.1 crore. In return, several concessions were offered the promoters, according to the GKSS. These included:

i) Financial institutions and banks were to waive the penal interest and "liquidated" damages (which could be quantified)

ii) For the period between 1986 and 1990, interest of only 6 per cent was to be charged on loans against the normal 10 per cent

iii) The Maharashtra government was to waive interest and penalties on account of non-payment of sales tax, electricity dues and was to provide power to the mill on a preferential basis

iv) The BMC was to reschedule the outstanding dues on water charges and property tax and waive interest between 1991 and 1996

v) The central government agreed to exempt the company from certain provisions of the Income Tax Act and to consider the company's request for exemption from Capital Gains Tax

Once the scheme was sanctioned, a number of departments were closed, alleged the GKSS. No modernisation was carried out. Workers were made to sit idle for several years and the losses kept mounting. Astonishingly, when the scheme was given the green signal, there was no surplus land of 1.2 lakh sq ft. The same story has been repeated in other mills. The promoters, in conjunction with the Operating Agency (OA) of the IDBI, secured the permission and subsequently closed several departments.

During this period, part of the processing department was demolished to create the surplus land. The workers were shifted to another department and made idle. In February 1992, sections of the weaving department were closed and the following year, part of the spinning department followed suit. In 1993-94, some 2,000 workers were pressurised to submit their resignations, even though this went against the spirit of the scheme. Out of fear that they might lose what was legally their due, 2,200 workers submitted their resignations in a single day. None of the provisions of the sanctioned scheme were complied with, but no action was taken against the promoters. (In 1996, almost the entire work force, by then reduced to 1,400, submitted their resignations *en masse* and accepted VRS. The package was considered unprecedented in the history of the textile industry: apart from the conventional dues, including outstanding bonus, gratuity and other legal entitlements, they were to be paid Rs 1.7 lakh as a lump sum a year after the date of resignation. The RMMS, however, opposed the deal, claiming it breached the Appellate Authority for Industrial & Financial Reconstruction's [AAIFR] rehabilitation package. Vikas Kasliwal, one of the owners, cited how they had proposed extending VRS to only 300 workers, but all the rest had pressed for it as well.[47]

Following the demolition of the processing department, the management carved out a "surplus" area of 59,000 sq ft for the first time. This was sold as FSI and, what is more, the promoters did dispose of the land or FSI without setting up a sales and asset committee, as it was required to do. Once this charade was enacted, the promoters again approached the BIFR with a second proposal, which was rejected. They went to the AAIFR, which sanctioned a new rehabilitation scheme in October 1994. This envisaged a one-time settlement of the dues of financial institutions, retrenchment of surplus work force through a VRS, sale of surplus land, "operational restructuring" by closure of unviable sections and partial modernisation of the plant.

This time, the weaving department was shut down completely and the spindles reduced from 1,22,576 to 40,000. From 80,000 metres a day, the amount of cloth processed came down to 50,000, with 19,000 metres of grey cloth being purchased from outside. The number of employees was cut down to 1,450. According to the GKSS, the cost of the modernisation scheme was greatly exaggerated. For example, it was supposed to cost Rs 3.67 crore in the first scheme even though all departments were to be partly modernised. Under the second scheme, the capital expenditure was shown as Rs 4.56 crore even though the spinning capacity had been truncated to a third of its former size.

Workers were not given a hearing although their interests were severely damaged. They only learned about the fresh scheme when notices were put up in various departments informing them about the closure of the departments. Thereafter, salaries of the workers in the weaving department – numbering around 400 – were suddenly terminated. They had to file cases in the labour courts, which were pending. A petition against the sanctioned scheme was also filed in the High Court, which stayed the implementation of the scheme and admitted the petition. The company then filed a special leave petition in the Supreme Court. It allowed the company to implement the scheme but stayed the sale of land. The High Court was directed to hear the parties and hence the matter was referred back to it.

Realising that the sale or transfer of land or FSI would come out in the open, the company tried to settle with the Shree Ram Kamgar Sanghatana, the mill committee. The President, who was a Shiv Sena activist, signed a settlement with the management without referring it to the GKSS, which had fought the case in court. The committee agreed to withdraw the case from the High Court and accepted an extra payment of Rs 1 lakh per worker as VRS. The GKSS refused to withdraw the case unless this was agreed to at a general body meeting. Such a meeting was held and the GKSS requested the workers not to accept the VRS. However, the workers expressed their desire to accept this compensation, at which the GKSS stated that they could not support the workers in such a decision and hence would withdraw the case.

While these talks were going on with the workers, the management submitted a further modified the scheme in October 1996, claiming that it had continued to make losses despite substantial implementation of the scheme. This scheme envisaged further retrenchment of the work force, higher capital expenditure on modernisation and renovation and a further sale of 301,392 sq ft of land. In return for this munificence, the company agreed to raise an additional contribution of Rs 7.7 crore as the promoters' contribution, which it would pay to Financial institutions and banks, "to partly compensate their sacrifices", in the words of the AAIFR. The Bench directed the IDBI to prepare a modified scheme based on the company's proposals.

The company proposed an increase in capital expenditure from Rs 4.56 crore to Rs 30 crore, while compensation to workers would rise from Rs 20 crore to Rs 65 crore. Apart from the sale of a particular plot for Rs 41 crore earlier planned, the sale of surplus land or FSI was to rise from Rs 21 crore to Rs 107.6 crore and the sale of machinery from Rs 1.65 crore to Rs 3 crore. It would run the mill with 25,000 spindles as against 40,000 and process 50,000 metres per day. Capital expenditure to the tune of Rs 5 crore was to be incurred on "installation of state of the art equipment for conferences, communications, computerisation etc at the office/commercial premises to be utilised as a Business Centre." In March 1996, the company had leased 8,000 sq ft to Avadh Estate Services as a business centre at a lease rent of Rs 60 per sq ft a month. By the end of June, it had earned Rs 19 lakh on this account. According to the AAIFR, "the company would take up this activity on a large scale and would lease out a built-up area for about 20,000 sq ft to various parties...consequent upon which the rent is expected to increase to a level of Rs 100 per sq ft. An income of Rs 2.4 crore is expected from this activity."

Due to "continuous labour trouble", the company entered into a memorandum of understanding with the remaining 1,200 workers who were given VRS on the basis of 36 days wages for every year of service, apart from gratuity and earned leave, as well as an additional amount of Rs 1.7 lakh per worker. Almost the entire work force accepted this and the company estimated that it would have to pay out Rs 45 crore as a consequence. After taking into account the earlier expenditure of Rs 20 crore on retrenching 2,200 workers, the total outgo on VRS was put at Rs 65 crore.

As part of this rehabilitation package, the financial institutions would receive an additional Rs 2 crore and the banks Rs 5.7 crore from the company. The latter was left free to challenge this amount in court if they felt that the sum was inadequate. The Maharashtra government was enjoined to grant Shree Ram permission to redevelop or sell the additional 30,000 odd sq ft, under the DC rules. The company was expected to earn a gross profit of Rs 11 crore on a turnover of Rs 79 crore at optimum capacity utilisation during the second year of operations in 1997-98. For this to happen, 60 per cent of the yarn would be woven as job work outside the mill and it would also buy an additional 55 lakh metres of grey cloth. The entire output of grey cloth, some 110 lakh metres, would be processed outside as job work; the company would also buy some 83 lakh metres of processed cloth. The crunch was that *there would now only be 85 permanent workers and another 104 on contract*.

It is quite obvious from this lengthy recitation of the tortuous process of declaring three separate schemes for the rehabilitation of the mill that the real objective of the promoters was to dispose of the assets as quickly as possible and dispense with the workers too. How the BIFR could have possibly construed what transpired at the mill as its "rehabilitation" in any sense of the term is a mystery. The very fact that there was no surplus land amounting to 1,20,000 sq ft when the proposal was first mooted speaks for itself. At each successive stage, the cost of the revival scheme was hiked up and the functioning of each department was progressively dismantled. To pretend that a mill which boasted 3,500 workers could function with 200 was on the face of it ludicrous.

SHREE RAM MILLS: 3 REHABILITATION SCHEMES

Scheme	No. of workers	No. of spindles	Cloth processed (metres)*	Area to be sold (sq. ft.)
1991	4,000	1,22,576	50,000	1,20,000
1994	1,400	40,000	50,000	1,20,000
1996	200	25,000	50,000	3,01,000

* some proportion of cloth processed outside the mill

(Source: Gayatri Singh, Girni Kamgar Sangharsh Samiti)

There was no attempt at monitoring by the BIFR or its Appellate Authority at any stage. The financial institutions and banks, too, were only concerned with recovering their dues to the maximum extent possible and the role of the IDBI in particular as a lead agency in this respect was particularly dubious. Thus the AAIFR entrusted the IDBI with the responsibility of ensuring that the nature and terms of the undertakings and guarantees made by the promoters towards paying an additional Rs 2 crore were satisfactory. How was the entire scheme in any way contributing to the rehabilitation of the mill when it was systematically stripped of its assets and workforce? The number of spindles was reduced to a fifth and the entire production of cloth was woven outside. The only object of the entire exercise, on the promoters' own admission, was to convert a large amount of space as a business centre.

It was only belatedly in August 1997 that Chief Minister Manohar Joshi admitted that Shree Ram had leased its building to another party (Reliance Industries) without permission. The state government informed the AAIFR that the Shree Ram case was considered "at the highest level" and any hasty decision would affect similar schemes in other mills. It instituted an inquiry into the alleged irregularities and violation of DC control rules in this case. In February 1996, the state government had imposed a ban on land development within the mill's premises along with the general ban in the wake of the appointment of the Correa committee.

In 1998, the Maharashtra government exempted Shree Ram from the ban on the development of mill land and regularised the construction of flats on nearly 5,490 sq m on some 4,900 sq m of land, despite dissent from the Urban Development and Textile Ministries. The state Advocate General's opinion had been sought and he had stated that the permission granted by the MMC under the DC rules for commercial and residential purposes was valid. The Textile Ministry had specifically mentioned how the permission was only granted to develop or redevelop land for the purpose of modernising the mill. Both the ministries had also objected to the illegal lease of part of the administrative building to a private company, and that too without a proper licence. The GKSS accused the government of favouring mill owners at the cost of the workers.

A writ petition filed in 1999 by Sanjiv Chimbulkar, a Janata Dal activist, stated that the provisions of the Urban Land Ceiling Act were violated by virtually all the private mills in the city. He alleged that he had learned that Govindrao Adik, who is also a Rajya Sabha MP, had received old looms from Shree Ram and installed them in Kopargaon, where he comes from. The Shree Ram premises also saw the opening of the first art gallery, Sakshi, in the mill area. It was fashioned within an abandoned shed, which was largely left intact to convey its industrial ambience.

New Great Eastern Spinning & Weaving

The same manipulation of facts and figures is evident in other mills. In the case of New Great Eastern Spinning & Weaving, which has 2.31 ha of land (the owners, the Kanorias, were interviewed in the introduction), there were two rehabilitation schemes. The first, sanctioned in July 1993, envisaged running 29,700 spindles when the actual number in operation at the time was only 10,000, according to the GKSS. Similarly, it listed its weaving capacity at 304 looms when it was in possession of only a fifth of this number. The company cited 1,200 workers on the rolls when the actual number was only 200. It stated that 1,20,000 sq ft of FSI was sold at the very low rate of Rs 1,200 per sq ft, which was obviously an undervaluation. The IDBI yet again did not discharge its responsibility as the operating agency for this scheme: the elementary check which it ought to have conducted is whether this amount of land was actually vacant when the first scheme was sanctioned.

Despite the sanctioning of this scheme, the company failed to reopen the mill. When the GKSS took the case to the High Court, it ordered that it should reopen. It did so after being closed for two years, but only took back 250 workers on duty and it was only partly restarted, with many departments closed. The company argued that there was an insufficient number of workers available, and therefore could not run. In 1995, there was a fire in the mill – a familiar phenomenon: the working sections of Mukesh Mills in Colaba were almost completely gutted in 1982, during the textile strike – and parts of the spinning department were totally destroyed. Several meetings were held before the state Labour and Industries Ministers but no action was taken for the non-implementation of the order. On the contrary, the Maharashtra government Secretary wrote to the AAIFR, stating that the scheme was being implemented properly. In January 1996, the Deputy Secretary of the state government repeated this to the AAIFR, stating that the government had requested the MMC to expedite clearance of the permission to develop the surplus FSI. On this basis and the fact that there were no objections, a modified rehabilitation scheme was sanctioned in March that year. At the meeting, the state government made no mention at all that the earlier scheme had not been implemented in letter, leave alone spirit.

Workers challenged this scheme, pointing out that the area earmarked as vacant was by no means the case when the first scheme was given the go-ahead. It was available only after closing down a number of other departments, including the process house, and this is why the company kept other departments – particularly processing – closed. They alleged that the fire was intentionally started to clear the land: the same site was later up for sale. The government conducted no inquiry into the fire. They also cited how only 250 workers had been taken back and how many others had not been paid their dues. About 500 employees had been paid less than half their dues. They blamed the government for not raising objections which would halted the acceptance of the second scheme, which has further reduced the spindles and looms. After the closure of the processing house, additional spinning and auto departments, the area to be sold remained 1,20,000 sq ft, which clearly indicates that its earlier claim was untenable. Furthermore, the DC rules had not been complied with because two-thirds of the area had not been reserved for the MMC and MHADA. The Financial institutions and state government had not monitored the scheme: there was no techno-viability report or sales committee.

Modern Mills

In the case of Modern Mills, which occupies 5.65 ha in Byculla and had been lying closed for eight years, the company submitted a fresh rehabilitation scheme to the BIFR in 1995, two years after the original proposal. Interestingly, the Maharashtra government had given its approval for the sale of land subject to the condition that the promoters reserve 10 per cent of the built-up area to be reserved for a workers' housing society if the union sought one, but nothing has come of this proposal. The BIFR observed that the sanctioned scheme was to raise Rs 28 crore from the sale of surplus FSI and TDR. Against this, the company had received interest-free deposits of Rs 20 crore from Great Eastern Shipping for its real estate business which, the Bench observed, would not cover its accumulated losses. It was therefore advised to send in a "drastically modified" scheme. Its appeal against this decision was overruled and it did submit a third scheme in 1996, where it estimated that it would earn Rs 26 crore profit on a real estate turnover of Rs 86 crore. This was *in addition* to the earlier Rs 28 crore. Ironically, the third rehabilitation scheme called for a larger expenditure than the first.

The AAIFR in 1996 ruled that it could also undertake real estate development. Ironically enough, another 100 specialised workers were to be recruited for the new spinning machinery, in addition to the 300 remaining workers and staff. The company expected to earn a net profit of Rs 69 lakh on both real estate and textiles in 1997-98. This third proposal was approved because it expected that the existing 7,616 spindles and 864 new open-end spinning rotors, combined with the real estate business, would revive the company. Its earlier accumulated losses would be wiped out much earlier than envisaged in the earlier scheme due to the property development.

It is clear that the company has substantially diversified and moved into an area which has nothing at all to do with textiles. In essence, it is only engaged in spinning and has abandoned weaving altogether. The gross profit from the sale for yarn is put at Rs 2.9 crore as against Rs 26 crore from real estate – very nearly nine times as much. The very fact that there are only 300 workers left speaks for itself: the continuance of spinning activity is a fig-leaf to cover what is a full-fledged diversion into real estate. None of the agencies involved, from central government to state government institutions and the municipal authorities, appear to be unduly concerned about what is a major change taking place in industrial heartland of Mumbai. The mill is now the site of the 40-storey Belvedere Court, dubbed "the tallest residential tower in south Asia", as we will see in the next chapter.

These instances should suffice to understand not only how the very rationale of the rehabilitation has been undermined, assuming as we have done that it is not possible to run the mill as a composite unit, but that the city has lost the opportunity to revive the dwindling fortunes of its central working class district. The one-third formula worked out by the state should have provided a modicum of security to workers because the entire sale or redevelopment of part of each mill was predicated on fresh investment in plant and machinery and hence the profitability of at least sections of the operation. This policy has been honoured more in the breach than observance: only lip-service is paid to the notion of abiding by the regulations and the promoters in virtually every case have sheltered behind the pretext of running their mills only to indulge in more profitable activity. Khatau Mills is an instance of even more blatant manipulation.

There is another consideration which is relevant here. The millowners have borrowed crores of rupees as loans from banks and financial institutions, which is public money. How did these institutions not guard against the mismanagement of these companies and take steps to ensure that they recovered their dues? As we have observed, according to a study by Omkar Goswami and two others, between 1981 and 1987, the bank credit locked up in sick mills amounted to 9 per cent of all advances to industries. In the case of the beleaguered Khatau mill, the loans due to the SBI, which has its Director on the mill board as a consequence, are greater than the potential proceeds of the sale of its Borivili land. While many people believe that land belonging to millowners is their private property and they ought to be free to decide what to do with it, the situation is drastically altered when one realises that crores of public money have been sunk into running these enterprises – in many instance, taken over in recent years by businessmen who only had their eye on the real estate.

Mukesh Mills

The last case is that of Mukesh Mills – probably sitting on the most scenic as well as valuable chunk of real estate that any textile unit occupies anywhere in the world. Unlike the rest of Mumbai's mills, it is situated at the tip of the island city, in the congested but upmarket Colaba residential area. It is smack on the east coast of the peninsula and is only separated from Sassoon Docks by a narrow channel meant for small fishing craft. It looks out on to the Mumbai mainland, and commands a spectacular view of the sea. Much of the mill, which sprawls over nearly 5 ha (12 acres), was gutted in a fire during the 1982 strike – an 'accident' which, workers allege, was engineered by the Transport Corporation of India (TCI), the owners, to close the unit and develop the land. The production facilities occupied 2 ha (5 acres). The Aggarwals, who own TCI, claimed they were losing Rs 5-8 lakh a month from the time they acquired the mill in 1975 and decided that it was not viable to re-start it after the strike ended in 1983. A decade later, its accumulated losses were put at nearly Rs 9.5 crore. [49]

Datta Samant organised a protest of some 10,000 workers against the closure of Mukesh (as well as a unit of Mafatlal and some silk and woollen mills) in 1983. He alleged that the owners were seeking to put up a five-star hotel on 4 ha, very near to the renowned Taj Mahal hotel (five-star hotels and hospitals are entitled to an FSI of 2.5, nearly twice the prevailing 1.33). The state government promised a CID enquiry into the closure of the mill, but nothing transpired of this.[50] The Aggarwals were reported to have taken a Rs 1.8 crore loan from the IDBI, ICICI and Industrial Finance Corporation of India (IFCI) under the pretext of modernising the mill, even while applying to the Urban Land Ceiling authority to demolish the mill and workers' quarters and put up a hotel and flats. The Maharashtra government rejected three applications by TCI for permission to close down the mill under the Industrial Disputes Act. After 12 years of protracted litigation, the company was pressing the High Court to reverse this decision. The Mukesh case was further complicated by the presence of 256 workers' tenements on 13,600 sq m out of a total mill area of nearly 40,000 sq m: not only was the site itself enormously valuable, but families had got jobs in the vicinity and were reluctant to move out. TCI had initiated proceedings against them too. Some families had been living there for five generations. A 50-ft-high wall was erected to block off these impecunious dwellers from their well-to-do Colaba neighbours and keep them out of sight. Since the mill machines had fallen silent since the early eighties, the owners rented out the premises as sets for shooting Mollywood blockbusters like *Hum* and ad films. One could well picture willowy models sashaying along the sea front, with the burned-out limbs of the mill serving as a backdrop.

In 1996, an experimental performance titled "The Hidden River", fusing classical and folk traditions in theatre and dance, choreographed by the celebrated Delhi designer, Rajeev Sethi, was being staged at the mill when it was gheraoed by angry workers. They remonstrated that they had lost their jobs ever since the mill was closed and while the management was earning an income from leasing out the premises, their living conditions were steadily deteriorating. Sethi declared: "I am completely in sympathy with the workers. We cannot ignore the people who have given their lives for the economy and the city." The demonstrators made the most of a well-timed and visible statement before a highly influential section of the city's elite. According to Sethi, who invited the workers to the following day's performance, several did turn up and participated in it. A drama critic commented: "This episode vividly illustrates the point that while the economy may continue to court transnational investors, it cannot forget the workers outside the gate." [51]

In February 1998, Mukesh was ravaged by yet another fire, which totally destroyed three floors of what were once the spinning and blowroom departments of the mill. The fire was caused by the explosion of gas cylinders, which caused a panic in Colaba. The Lokshahi Hakk Sanghatana, which authored *Murder of the Mills*, alleged that it was arson to drive the workers and their families out. It drew attention to the fact that nearly 200 cars belonging to the TCI-owned Wheels-Rent-A-Car had been moved out only a day before and no film-shooting shifts had been fixed on the night of the incident.

The curtain finally closed on Mukesh Mills in March 1999 when the remaining 107 workers and the management came to an out-of-court-settlement, under which each worker would receive Rs 6.5 lakh and in return, would agree to vacate the chawls one they ceased being employees. The management had originally offered Rs 5.5 lakh, but this was raised following the intervention of the Additional Chief Metropolitan Magistrate, K.H. Holambe-Patil, in whose court the cases were pending. The settlement is significant not only because it was the highest ever paid in a mill, which reflects the price of its real estate, but indicates what could be construed as a fair settlement. Since it was rumoured that the TCI wanted to put up a hotel there, this could apply equally to NTC's India United No 6, better known as Indu Dye Works, on the sea front at Cadell Road, which it also wanted developed as a hotel or hospital.[52]

According to the political activist Sanjiv Chimbulkar, the total area occupied by private mills was almost 28 lakh sq m which, if developed as apartment buildings, could fetch a total of Rs 14,900 crore. He arrived at this figure by taking the areas submitted by mills for exemption as industries under the ULC Act or permitted for development by the state government. This revenue was to be compared with the dues payable to the workers, estimated at Rs 600 crore, calculated by paying each of an estimated 60,000 workers Rs 1 lakh. He submitted that the excess vacant land was not handed over to the state, as provided under the Act, and therefore ought to be transferred to the state to create jobs for the textile workers. He also alleged that the RMMS earned 5 per cent of the compensation paid to workers, which encouraged it to come to an understanding with owners to close down a mill. He implied a high degree of collusion between mill owners and the government, which appears somewhat far-fetched.

"Adapted from Ripping the Fabric: The Decline of Mumbai and its Mills, 2002 & 2005, with the permission of Oxford University Press India, New Delhi"

1 "Deadly Deals", *BusinessWorld*, May 18, 1994
2 "Bloody ricochets", Harish Nambiar, *Indian Express*, May 15, 1994
3 Ibid; "The Overlord", *The Week*, May 22, 1994
4 "Dawood firm bought Khatau mill land for Rs 400 crore, says Datta Samant", Indian Express, May 23, 1994
5 "The Reign of the Dons", Harish Nambiar, *Indian Express*, Nov 13, 1994
6 "Amar, Arun, Ibrahim", Amarjit Singh Samra interview, *Hindustan Times*, May 16, 1994
7 "Ashwin Naik arrested while crossing the Indo-Bangla border", ToI Aug 6, 1999; "Ashwin Naik: the main behind murder and mandrax", *Bombay Times*, Aug 7, 1999
8 "Why is Ashwin Naik in Mumbai?", Sunday Mid-Day, Aug 22, 1999
9 *The Week*, op. cit.
10 "The Khatau Killing", *Sunday*, May 22, 1994
11 *The Week*, op. cit.
12 "Textile workers languish", ToI, Oct 7, 1991
13 "Parties woo labour class", *The Independent*, Oct 12, 1991
14 "Divided by guns and money", *BS*, April 28, 1994
15 *The Week*, op. cit.
16 'Give us the mill', *Mid-Day*, Sep 14, 1997
17 ToI, May 10, 1994
18 "City textile mills flout development control rules", Sanjay Jog, *FE*, Aug 11, 1997
19 "Clear Khatau land or face legal music: BIFR to govt", *ET*, Feb 15, 1997
20 "Khatau mill land sale an exception", *Sunday Mid-Day*, Apr 13, 1997
21 "Khatau land sale gets govt's nod", *IE*, Mar 17, 1997
22 "Khatau chief restarts land sale talks", Amrita Nair-Ghaswalla, ToI, Sep 5, 1997
23 `Give us the mill', op. cit.
24 "6,000 Khatau mill workers to re-start unit", *AA*, Dec 27, 1997
25 "BIFR directs Khatau management to submit a `revival' plan", *IE*, Nov 25, 1997
26 "ICICI chalks out new rehabilitation plan for Khatau Makanji", Sanjoy Jog, *FE*, July 16, 1998; "State disowns Khatau Mills' Rs 175-crore revival plan", Sanjay Jog, *FE*, July 30, 1998
27 "BIFR opens door for Khatau Mills", IE, Aug 13, 1999; "Workers' union rejects Khatau Mills' agreement", IE, Aug 15, 1999
28 IE, Jan 17, 1997
29 ToI, Jan 18, 1997
30 "Datta Samant: A Tribute", Dipankar Bhattacharya, EPW, Jan 25, 1997
31 Singh, Gurbir "Whodunit?", ET, Jan 17, 1997
32 "3 convicted for Samant murder", IE, July 25, 2000
33 "Marathi *manus* made Sena, but got kicked in the stomach", Datta Samant interview, *Bombay Times*, Jan 17, 1997
34 Ibid
35 "Blueprint for Mumbai region's development comes under fire", ToI, Jan (?), 1997
36 "Sada Pawle's new recruits were Thakkar killers", BT, Apr 24, 1997
37 "Thackeray blasts complaining industrialists", BT, May (?) 1997
38 "Killing Treadmills", Outlook, Apr 30, 1997
39 "Soured land deal may be motive", AA, April 18, 1997
40 "Builder shot dead at Walkeshwar junction", IE, Feb 6, 1998
41 "Workers take over Raghuvanshi textile mill", ET, Sep 17, 1999
42 "When the mills close down, the mafia comes to recruit", IE, Nov 28, 1998
43 "Trade Unions: Losing Clout?" BI, Nov 4-17, 1996
45 ibid
46 Patel, Sujata & Thorner, Alice, eds., (1995) *Bombay: Metaphor for Modern India & Bombay: Mosaic of Modern Culture*, OUP, Bombay
47 Feb 7, 1998
48 "VRS-led exodus at Shri Ram Mills kicks up storm", Gurbir Singh, ET, Sep 2, 1996
49 "Sriram Mills land development cleared despite dissent", Sanjay Jog, FE, Mar 13, 1998
50 "Stunts at Mukesh Mills get locals in fight scene", Gurbir Singh, ET, Oct 20, 1995
51 "Datta Samant sweeps credit society polls", FPJ, Dec 7, 1983
52 "Displaced workers of Mukesh Mills upset over show held in mill compound", ToI, Apr 1, 1996
53 "107 workers of a defunct mill agree to vacate land", ToI, Apr 1, 1999