

## Case Summary : Stallion Tirupur

Stallion Garments is a reputed garment export company located in Tirupur. An agreement about wages, the Tirupur Accord (pay wages 3 US \$ per day instead of 2,30 US \$), has been signed in 2003. The 15<sup>th</sup> of May 2004, 600 workers working in one of the units located at Periapalayam demonstrated asking for the implementation of the Tirupur Accord 2003. The 1<sup>st</sup> of July the management of Stallion Garments prepared a list of leaders of the demonstration and dismissed 20 workers. In reaction 300 workers demonstrated in front of the company to support their dismissed colleagues. Trade unions also conducted a demonstration on the 14<sup>th</sup> of July in front of Stallion garments head office.

Irrked, Stallion management approached 3 district courts to obtain interim stay. The district Court of Tirupur provided a petition preventing all the 6 major trade unions (MLF, AITUC, CITU, LPF, ATP and INTUC) to enter inside the head office. The petition also prohibits to raise slogans, demands, demonstrations and hanging banners within the distance of 100 meters of the head office. The Court of Perundhurai provided a stay that prevents trade unions from conducting gate meetings (near to the campus) within a radius of 300 meters. Finally Periyapalayam Court provided a stay preventing the trade unions and workers from assembling.

### **Problems created during the labour conflict:**

- ❖ 20 demonstrated workers were dismissed on 1<sup>st</sup> July 2004(Salary day).
- ❖ 20 dismissed workers were not permitted to enter the premises by the court order and false charges were leveled against them in the court.
- ❖ Pending Wages for 20 workers (June 04 salaries) were not settled more than four months from 1<sup>st</sup> July
- ❖ Trade unions were stopped from conciliations by obtaining interim stay against unions and remediation process was thwarted.
- ❖ Workers were threatened and forced to sign a resignation letter.
- ❖ Mr. G. Prakash one of among the 20 workers was threatened and beaten up by the supervisor and forced to sign a resignation letter.
- ❖ Police forces were used to threaten the workers in favour of the

management.

- ❖ Using the Courts in favour of the management to safeguard their business interests.
- ❖ Non compliance of the direction issued by the labour department
- ❖ 11 conciliations were held by labour officer Department of Labour until 28th Oct 2004 but end up with failure of conciliation notice. The victims have to approach the labour court for the pending wage and reinstatement to employment.

The MLF Trade union has sent complaints to the ESI (Employee State Insurance), to the PF (Provident Fund) organizations in Coimbatore and Salem districts and also to the Deputy Inspector of factories of Erode and Tirupur portraying :

1. The unfair labour conditions
2. The non-implementation of factory Act
3. Non subscription of ESI and PF from Stallion Garments.

2 inspections have been conducted, one by PF during the 1<sup>st</sup> week of September 2004 and another by Tirupur's inspector of factories in Perichipalayam on the 27<sup>th</sup> of July 2004. These inspections concluded that the company has not fully comply with the local labour laws and detailed the violations that include failure :

1. To give identification card, time card and salary slip, week holiday
2. To pay legal overtime premiums
3. To provide full statutory holiday benefits
4. To provide child care and nursing facilities
5. To provide rest room, canteen, drinking water
6. To display the working hours notice as required by Indian laws.

A one month notice was given to the management from the Inspector of factories and asked them to comply with existing labour laws and improve the statutory requirements as found by them in their factory. About 11 conciliations have been done on this regard until 28<sup>th</sup> October, but no one was representing from Stallion management. Despite the labour officer has instructed the management to provide the one month pending wages for the

dismissed workers, the management didn't pay yet. The Labour officer, Department of Labour issued notice failure of conciliation as the last conciliation meeting on 28th October 2004. These workers have no other way to go than to approach the labour court of law for the pending wage and reinstatement for employment.

### **Demands made to the company**

- ❖ To reinstate the 20 dismissed workers with pending wage for the month of June and also back pay for the days they were considered as suspended.
- ❖ To respect the local worker labour laws, factory acts and take immediate steps to implement them.
- ❖ Withdraw the case filed and which is still pending at the Civil Court against the 6 trade unions (MLF, AITUC, CITU, LPF, ATP and INTUC)
- ❖ Pay wages set up by the Tirupur Accord 2003 signed by 6 trade unions and TEA
- ❖ Sunday Holiday (Workers work for 7 days a week without weekly holiday)
- ❖ Holiday and wage for all National holidays (workers are working even on National holidays)
- ❖ Salary slip should be provided (Salary slip is the only legal proof that they are working in the company)
- ❖ Employees State Insurance and Provident Fund should be provided
- ❖ Time card punching system should be implemented
- ❖ All workers should be provided with an appointment order.

### **Contact with Trade Union (MLF):**

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