

People’s Union for Democratic Rights

A Long Battle for Justice

The story of labour assertion at Bellsonica Auto Component India Private Limited, Manesar, Haryana

23 May 2023

Workers of Bellsonica Auto Component India Private Limited at the Industrial Model Township (IMT) Manesar in the National Capital Region of India have been sitting on relay hunger strike outside their factory since 4 May 2023, protesting against the spate of recent arbitrary terminations and suspensions of permanent and contractual workers by the management. The management has been consistently attempting to coerce the workers to stop the demonstration. On 16 May the management issued a show-cause notice to the Union members accusing them of sitting on an ‘illegal’ hunger strike and accused them of violating the tripartite agreement, breach of industrial peace, indiscipline etc., and on 20 May 2023, even as the hunger strike entered the 17th day, it served show-cause notices, threatening disciplinary action, wage-cuts etc. to the few Union members who had not been suspended and still working in the factory, against their participating in the demonstration. The Bellsonica management have also approached the courts to shift the protest to a kilometre away, and prevent terminated and suspended workers from coming near the factory. They claimed in their plea that this was hindering entry and exit into the factory and that the lives of the management were under threat. But when the matter came up before the Civil Judge, Gurgaon, on 18 May the Court did not grant this plea. Far from the official narrative, the management appears to be intimidating the workers to prevent them from joining the protest even after shifts. It persists in calling the protest ‘illegal’ and not addressing the workers’ demands. It has demanded that the demonstration be removed as a condition for talks requested by the Union. The BACI Employees’ Union has been consistently urging workers to maintain peace while it continues with the demonstration, having little basis to trust the management given their stance towards workers and the Union recently.

Bellsonica Auto Component India Private Limited (abbreviated to BACI) was established in 2006. Classified as a subsidiary of a foreign company, Bellsonica is located in Manesar, Gurgaon. It is a Tier-1 company which produces components (chassis) for Maruti Suzuki India Limited. The establishment and registration of the BACI Employees’ Union resulted from a significant workers’ struggle in the factory between 2014 and 2016. With the formation of the union workers at Bellsonica, an 8-hour workday was secured in the factory instead of the 12-16 hours they had to work earlier. The BACI Employees Union (BACIEU) has attempted to protect all workers' labour rights – permanent, contractual or trainees. As a result, they have negotiated and secured fundamental labour rights from the management over the years. Yet the present context – where the management seems entirely intractable and is issuing show-cause notices to workers even as the struggle continues – looks starkly different.

This present protest by the BACIEU has entered its 20th day today (23 May 2023). A PUDR team investigated the protest, spoke to demonstrating workers, examined the correspondence between the Union, management and Labour Department, and the laws and case law around

the issues of the struggle in an attempt to understand the reasons for this present crisis and labour struggle. Its findings are as follows:

- (1) This protest has to be seen in the context of the BACIEU's nearly continuous struggle against the management's policy to carry out disguised and open retrenchment of workers, particularly since the pandemic and related lockdown. While the services of 3 workers were terminated in 2022, 14 more workers' services have been terminated, and 13 were suspended between 17 March 2023 and 21 April 2023. This most recent development is another instance of the increasing arbitrariness of the Company.
- (2) The management took these steps against the workers even as conciliation proceedings initiated by it with the Labour Department (regarding a tool-down strike for a few hours on 1 March 2023) were ongoing, and the Labour Department had insisted that both parties maintain the status quo. Yet this was openly flouted by the management, which carried out these aggressive anti-worker actions. Unfortunately, however, the Labour Department did not take action against them.
- (3) The Union finally decided to start a relay hunger strike on 4 May 2023 after it became clear that the management was not ready to concede any of their demands or engage in dialogue.
- (4) The workers now sitting in protest outside the Bellsonica factory gate have been facing pressure from the management, Labour Department and the police to end their protest demonstration, even though none of their demands has been met, nor any efforts made by the management. On 11 May 2023, a Labour Department official, in response to a complaint by the management, summoned Union members and attempted to make the workers quit the protest. On 15 May 2023, a big group of policemen came to the protest site to get the workers to stop their demonstration. However, the workers, aware that the police and management did not yet have a court order by which they could compel workers to leave, continued their protest.
- (5) The police have asked the peacefully protesting workers to maintain peace and not resort to violence. Seemingly an innocent request, however, the police appear to be reinforcing the narrative of potential violence by workers and their attack on management, which incidentally was also included in the plea by management in Court. The management is also actively spreading this "fear" of violence. The allegation is completely baseless and opposed to the nature of the BACIEU protest, as is evident to any objective observer. The Bellsonica management also has put notices inside the factory warning workers against joining the protest. Even as workers at Bellsonica and in neighbouring factories – Suzuki Powertrain, various Maruti Unions and others – continue to join the protest between and after shifts, such measures by the management, and the collusion of the police and Labour Department with them, make the exercise of their fundamental labour rights, acts of extraordinary courage.

The Context:

Arbitrary Termination of workers – the case of the so-called 'fake' documents: The BACI management has a past of arbitrarily terminating workers from before the pandemic. Thus, in August 2019, it retrenched 350 contractual workers, including those with long-term contracts citing the economic recession. Since 2021 BACI management has adopted another strategy to do so. Under the guise of verifying 'individual workers' documents, including proof of education, skilling etc., which the workers had submitted at the time of joining work, the management is issuing show cause notices stating the documents scrutinised are fake. Since 2021 the management has been issuing 'show cause' notices and dismissing workers on this pretext. This method is intended to terminate permanent workers as well.

The Union wrote to the management and stated that they would cooperate with the management to conduct such ‘enquiries’. But they stipulated that the management should provide them with the criteria it had established for recruitment at the time of hiring, the notification regarding this, and documentation and proof of the Company’s policy for recruitment at the time.

The Company failed to provide these. Between July 2021 and June 2022, it issued show cause notices to 29 permanent and 4 contractual workers – stating that their documents were ‘fake’ and that the workers should provide reasons for not being terminated. All workers served these notices had been working for a long time at Bellsonica - eight years or more. From December 2022 onwards, the Company started terminating workers on these grounds. Several workers were also terminated on the same grounds in April 2023.

The Union has been participating in the process of carrying out these ‘domestic enquiries’ to establish the authenticity of the documents. The process itself is heavily skewed in favour of the Company. Usually, the verification is carried out by a lawyer chosen by the management at a place decided by the management. The Union is only able to attend during the process but unable to ensure a fair investigation. Given the power of the management over the entire process and their single-minded objective of retrenching workers, it is hardly surprising that the findings of the enquiries are in favour of the Company. Thus, in all cases, the documents would invariably be found to be ‘fake’. It doesn’t count that the workers have worked for years at the factory. There doesn’t appear to be any scrutiny whether, at the time of their joining work, the terminated workers were asked for these documents that are now being declared mandatory. Noticeably, the Company has yet to make available the relevant recruitment rules and criteria in place at the time of their hiring.

Arbitrary Termination of workers for ‘indiscipline’: Another reason being used by the management to terminate both permanent and contractual workers is that of ‘indiscipline’ – primarily related, it appears, to their ‘delay’ in re-joining the factory after it reopened in May 2021 post-pandemic.

The management served one permanent worker a show-cause notice on this ground on 21 June 2021. We learnt that he had re-joined about 10-15 days late. He was later terminated from employment on 21 October 2022. Several other workers were also issued show-cause notices on this basis, and a few have been subsequently terminated. In addition, some workers were issued notices based on ‘fake’ documents and the aforementioned ‘indiscipline’, based apparently on delayed return post-pandemic. It must be remembered that the devastating second wave of the pandemic took place in April-May 2021, with many workers and their families suffering acutely. That workers, including employees who have worked for several years for the Company, are penalised so severely for being unable to re-join in time shows the management's power and arbitrariness and the workers' vulnerability.

The Bellsonica Employees’ Union and workers' attempts to mobilise against these arbitrary terminations saw the members and those who supported them suspended between March and April 2023. Nevertheless, the Union and workers of Bellsonica are continuing the protest outside the factory.

The issue of granting membership to contract workers: In its varied efforts to curb the BACIEU, the Bellsonica management has asserted that the Union should be deregistered because it had made contract workers its members. The context of these allegations by the management has to be understood.

In 2021, in keeping with its earlier declared intention, the Union changed its constitution to allow any worker (including contractual workers) to become a member of the Union. This

amended constitution was approved by the Haryana Labour Commissioner-cum-Registrar Trade Unions on 13 August 2021. After that, the Union admitted a few contract workers as formal ordinary members. In 2022, it filed its returns with the Registrar of Trade Unions, including contract workers as members.

The management wrote to the Registrar Trade Unions, Haryana objecting to the inclusion of contract workers, stating this was against the constitution and the law and demanding that the Union's registration be cancelled.

The Labour Commissioner-cum-Registrar Trade Unions' office, disregarding its own approval of the Bellsonica Union's altered constitution, law, and precedent, issued a show-cause letter to the Union in September 2022. The Union replied to this, and in late December the Registrar of Trade Unions issued notice to the Union, expressing dissatisfaction with the Union's position on admitting a contract worker as an ordinary member, and gave the Union 60 days to explain its position else have its registration cancelled. While this matter will possibly be taken up in Court by both parties, the Bellsonica management appears determined to make it difficult for the Union members to work in the ways described earlier.

The Bellsonica management is interested in steadily increasing the scale and pace of contractualization. But the still high proportion of permanent workers in this Company as compared to other vendor companies, and the role played by the Union of not just representing the cause of contract workers but including them in the Union as members and enabling them access to the right to collective bargaining, explain why the Union is becoming particularly inconvenient for the management.

A closer look at Bellsonica, the nature of the factory, the scale and pace of growth of contractualization and the growing proportion of contract workers and the role and history of the Union in this will be useful to understand the current situation.

Shifting balance: Contract & permanent workers - workforce composition in Bellsonica

As of 2023, the BACI factory in Manesar has 692 permanent workers, 126 long-term contractual workers, 400-500 workers on 6-month contracts and 218 trainees and apprentices. The composition of the workforce is important because like most other automobile companies in the region, Bellsonica has also been moving towards greater contractualization and employment with increasing precarity. Merely six years ago, in 2017, the Company had 705 permanent workers and only 192 contractual workers. Over time, the proportion of contractual workers kept increasing. Some of these workers are hired on long-term contracts and others on 6-monthly contracts.

The situation in Bellsonica in terms of a segmented workforce is similar to other Original Equipment Manufacturers (OEMs) and Tier-1, Tier-2 companies in the region. OEMs are branded manufacturers that assemble finished vehicles. They source their components from vendor companies which are usually 'tiered'; Tier-1 firms sell components to OEMs and Tier-2 firms sell primarily to Tier-1 and so on. These companies have been continuously increasing the proportion of contractual workers in their total workforce. The contractual workers are hired through third party contractors, thus absolving the Company of any liability towards them. In recent years, the companies have also starting taking in apprentices and trainees who are not even regarded as workers. This also helps the companies to reduce their wage costs. According to the Bellsonica workers, in the three plants of Maruti in NCR merely 16 % of workforce is permanent.

In Bellsonica, the long term as well as 6-monthly contract workers are hired through a third party. Although all the workers; permanent, contractual, trainees and apprentices do the same work but there is a huge gap in their wages. The wage of a permanent worker is three times

that of a long-term contractual worker and four times that of a 6-monthly contract worker. Apprentices, National Employability Enhancement Mission (NEEM) trainees and Diploma trainees are paid flat sums of about Rs. 10,000-11, 500 per month per head.

As mentioned, Bellsonica workers had to wage a struggle to form their Union. It is only after the formation of the Union that the workers won significant relief. The first settlement was done in 2017. Apart from the fight over working hours, workers were able to get relievers deployed in the assembly line for the workers to be able to take restroom breaks. This is even more important given the fact that the plant has been completely automated since 2016, doubling the productivity. It is only since the formation of the Union that workers have started getting paid at double rate for overtime work (as stipulated by law), and also, more recently, bonuses.

Years	Permanent workers	Long-term contract workers	6-monthly contract workers	Apprentices & trainees
2017	705	192	-	-
2019	683	192	400	48 (NEEM*) trainees
2021	693	148	300	48 (NEEM*) trainees
2023	692	126	400-500	48 NEEM* trainees, 100 Apprentices 70 Diploma Trainees (for 2 years)

*NEEM scheme – National Employability Enhancement Scheme (collaborative initiative by Govt. of India and All India Council for Technical Education (AICTE).

Conclusion

The anxiety of the Bellsonica management to ensure that contract workers are not be given union membership, and to make sure that the Union is weakened or deregistered has to be understood in the light of the above discussed context of this growing proportion of contract workers and trainees in the workforce in Bellsonica, their significantly lower wages and greater ease of terminating them for managements.

Nothing in the Trade Union Act (1926) prevents contract workers from being members of Trade Unions – Section 2 (g) of the Act defines ‘workmen’ for the purposes of a trade union, as “all persons employed in trade or industry whether or not in the employment of the employer with whom the trade dispute arises”. Several court judgments including those of the Supreme Court, have upheld the right of contract workers to [equal pay for equal work](#) and a judgment of the Gurgaon district courts (the [case of Chander Bhan, etc versus Sunbeam Autoworkers Union](#)) has ruled that any workman employed by a factory, irrespective of whether he was a permanent worker or not or fulfilled the Industrial Dispute Act’s definition of workman or not, was eligible to participate in union activities.

Yet despite these laws and case law, the common viewpoint in IMT Manesar, shared by managements, police and the Labour Department alike is that contract workers cannot be given membership of trade unions. Even though the Union is fighting for the legally and constitutionally enshrined rights of workers, the balance of power and the might of class and

clout on the shopfloor and in the industrial area at large stands against them. The workers' struggle also runs counter to the provisions of the new Industrial Relations Code which, though not yet implemented, has effectively and substantially been brought into effect through various executive notifications and orders in Haryana – the provision that, in workplaces with 300 or less workers, managements can retrench them without giving due notice to the government, is in force in the area. The functioning of the Labour Department seems akin to the one envisaged in the new Code on Wages already – i.e. Labour Inspectors are replaced by Labour Inspector-cum-Facilitators with the explicit brief of aiding Companies. (See PUDR report, *Anti-Labour Codes: Capitalising a Disaster*, August 2021). As indicated by other protests by workers in IMR Manesar in recent times, and by the support of workers from various auto sector companies in the area for the ongoing protest by Bellsonica workers, these issues affect a very large section of workers there.

The real matter at the heart of the labour struggle at Bellsonica is that the majority of the workers are contractually employed. Excluding the contract workers from the right to be members of trade unions, amounts to an exclusion of the majority of workers from the protection of labour laws, and the right to collective bargaining. This is a grave violation of the workers' fundamental and labour rights. The BACI management is opposing this most aggressively because it would, among other things, challenge their power by directly and fundamentally impacting the Company's profits and privilege – it would potentially have to pay living wages to workers, and would have to deal with a less vulnerable work force.

The present struggle of the Bellsonica Employees Union, continuing for practically three weeks is directly and indirectly raising this issue along with other demands.

In the light of the above findings, PUDR demands that

- 1) All terminated and suspended workers of BACI, Manesar must be reinstated and given their jobs back immediately.
- 2) The Company must with immediate effect, stop its policy of arbitrary terminations and suspensions and cancel the show-cause notices issued to workers on varied grounds such as 'fake documents', 'indiscipline' etc.
- 3) The Bellsonica management must immediately take steps address the collective and legitimate demands of the Union.
- 4) Action must be taken against the Bellsonica management for violations of labour laws and wrongful labour practices – such as employing workers on contractual basis when the work was of a permanent/perennial nature
- 5) The Labour Department must note the role of the management in failing to maintain peace at Bellsonica despite their instruction in March 2023, and actively subverting any possibility of conciliation previously by suspending and terminating workers. The Labour Department must recall their responsibility towards workers as well, and not act only as 'facilitators' of the management.
- 6) The Union's persistence in peaceful protest through this period of onslaught upon them and workers by management has to be recorded. Management and police must stop presenting a false picture of Bellsonica Union members as violent. Such false allegations cast doubt on the role and intention of the Company authorities. The police have to follow their duty to act to protect citizens and their rights, including workers and the Union, and not act to serve the management.
- 7) The Labour Commissioner cum Registrar Trade Unions, Haryana must withdraw the letter to the Union questioning its inclusion of contract workers as Union members. Contract workers should be permitted to be part of the Union, as per its altered constitution and the law of the land.

- 8) The BACI Company and all other companies in Manesar and elsewhere must implement the legal provisions of equal pay for equal work (instead of differential wages for contract and permanent workers). They must also ensure that workers doing work of a permanent nature should be appointed as permanent staff.
- 9) The anti-worker Labour Codes that seek to take away workers' rights in the name of easing business must be repealed.

Appendix: The Long (and Winding) Path to Justice – An Approximate Timeline of Recent Events at Bellsonica*

**Compiled on basis of information received from protesting workers, and perusal of official letters to union and management*

Date/Month	Key Event(s)
June 2020	A month's salary of long-term contract workers (initially 148 workers, later reduced to 126 workers) was docked by the Company citing reduced profitability on account of pandemic.
24 November, 2020	Wage settlement between management and Union for increment reached covering the period up to 31 March 2022. The demand was Rs. 12,000 for permanent workers, but the management offered Rs. 4,870. There was initial reluctance to settle on Union's terms and they made threats of retrenchment. Eventually the Union succeeding on securing their terms, also securing a hike of between 3 to 5 per cent for contract workers twice a year (in April and October).
February 2021	The management started internal investigations, going to the houses of the workers to "check documents". Workers wrote to the management seeking an explanation, especially in the absence of specific policy. Management does not offer any explanation.
June 2021	148 long term contractual workers were offered Voluntary Retirement from Service (VRS) The offer was extended to permanent employees. The Union requested workers not to avail the scheme.
21 June 2021	Ashish Pal, a permanent worker was served with a show-cause notice for 'indiscipline' – seemingly because he had returned to work about 15 days after re-opening of factory after the second wave of the pandemic.
July 2021	22 permanent workers issued show-cause notice, for allegedly having provided fake identification documents. Some were working for as long as eight years.
13 August 2021	Labour Commissioner-cum-Registrar Trade Unions, Haryana approved amendment in Constitution of the Bellsonica Union (which the Union had applied for in 2020) permitting the inclusion of all workers as ordinary members of Union.
14 August 2021	A contract worker, Keshav Rajput was formally given membership as ordinary member of Union. (A few other contract workers were also included subsequently).
May-June 2022	11 more workers were issued show-cause notices. (A total of 29 permanent and 4 contractual workers served notices between July 2021 and June 2022)
29 July 2022	Keshav Rajput's admission to the Union declared in its annual returns.
23 August 2022	Management wrote to the Registrar of Trade Unions, Haryana, to cancel the Bellsonica Union's membership on account of admitting a contract worker as a member of the Union.
5 September 2022	Registrar of Trade Unions, Haryana issued letter to the Union seeking explanation on the inclusion of a contract worker as part of the Union.

28 September 2022	Union replied to the Registrar of Trade Unions citing their Right under Article 19 of the Constitution of India – (Article 19 (10) All citizens shall have the right... (c) to form associations or unions.
21 October 2022	Ashish Pal (worker served with a show-cause notice on 21 June 2021) was terminated from employment.
23 December 2022	Two permanent workers (previously served show cause notices) terminated from employment on the both grounds – of submitting ‘fake’ documents and ‘indiscipline’ (apparently for late arrival to work). The Union questions the grounds of dismissal as the management has not shared a coherent policy in this regard.
26 December 2022	The Registrar of Trade Unions replied expressing dissatisfaction with the Union’s position on admitting a contract worker as member and gave the Union 60 days to explain its position else have its registration cancelled.
February 2023	250 contractual workers hired by the Company. Union expressed fear that some of the new contractual workers may have been hired to disturb the peaceful processes and potentially incite violence.
1 March 2023	A six-hour tool-down action on the shop floor was undertaken by the Union to protest terminations.
3 March 2023	Union communicated with the Assistant Labour Commissioner, informing him that the management was continuing to refuse to negotiate with workers.
17 March 2023	The President, General Secretary and Chief Secretary of the Union were suspended in the presence of police, the HR manager, the vice-president HR and the legal consultant of BACI. The Union office bearers are given 10 minutes to vacate the premises.
18 March 2023	The Union office bearers reached the Union office but were stalled by the management. Later the office bearers were threatened with criminal charges and the police. The Union office bearers defended their presence as the suspension was from factory work, and their presence was for union work.
19 March 2023	A group of new “workers” (believed by workers at the ongoing demonstration met by PUDR team to be bouncers) accompanied by the police gathered at the factory and the fear of violence and threats was built up.
20 March 2023	The Union met with the Assistant Labour Commissioner (ALC) who refused to listen, moving the matter to the executive official, the Additional Deputy Commissioner (ADC).
21 March 2023	Union met with the ADC. ADC asked the management in writing to provide details of the basis of recruitment of workers, and how many contractual workers, with their names, had been employed by the Company between January and March 2023.
28-29 March 2023	Two permanent workers served charged for having made a video of the gates being opened for the Union office bearers on 18 March 2023.
29 March 2023	Two Union members given ‘charge-sheet’ for the events of 18 March.
30 March 2023	Machines stopped from running by the permanent workers, in protest against the management’s measures against workers. Management brought in new contract/casual workers to run the machines. Ten workers were suspended for their actions.

7 April 2023	Three contractual workers (who had worked for several years) included as members of the Union were terminated.
5 April 2023	ALC reported that management had not submitted any data asked for. Management expressed displeasure to the ALC.
21 April 2023	11 workers (previously given show cause notices) terminated.
24 April 2023	No progress on the questions posed by the ADC to the management.
4 May 2023	Hunger strike by the members of the Union.
16 May 2023	Management issued show-cause notice to Union members accusing them of sitting on an 'illegal' hunger strike and accused them of violating the tripartite agreement, breach of industrial peace, indiscipline etc.
15 and 19 May 2023	Union wrote to management to enter into talks and negotiation on the issues of conflict.
20 May 2023	Remaining Union members, who had not been suspended and still working in the factory, served show-cause notices, threatening disciplinary action, wage-cuts etc. against their participating in the demonstration.
22 May 2023	Management responded to the Union's letter about talks stating that they would do so provided the Union lifts the protest demonstration. Given their experience with the management and the fact that they were not impeding entry or exit into/from the factory, the Union has so far continued with the status quo.