

Dunlop declares suspension of work at Sahaganj unit

Tyre-maker Dunlop India Ltd Sunday declared suspension of work at its Sahaganj plant in the Hooghly district, leaving the future of over 1,200 workers in uncertainty.

The ailing company's latest decision comes 13 days after it temporarily suspended production at the unit citing lack of demand due to the global economic downturn, and asked workers to accept a monthly subsistence allowance of Rs.2,000 till resumption of operations.

However, the management and the trade unions failed to reach an agreement on the subsistence allowance and other pending issues even after several rounds of talks.

Dunlop chairman Pawan K. Ruia said Nov 23 that production would restart any time between 15 days and three months after the company got some relief from the West Bengal government and a working capital loan from banks.

Ruia also urged the unions to ink an agreement with the management about increasing workers' productivity.

However, after declaring the suspension of operations Sunday, the company said: 'The management would like to reiterate here that it remains committed to resuming production at the plant at the earliest once the unions and the management arrive at a consensus on the pending issues.'

'The management called the unions for a final round of discussions on November 28 to explain the ground realities once again, and tried to persuade them to agree to the proposals drafted after the meeting of November 15. This endeavour too failed, as the unions declined to appreciate the offer of the management favourably even at the changed economic scenario,' it said.

While refusing to accept the Rs.2,000 allowance, the unions demanded a Rs.25,000 payment per employee towards wage arrears as was promised by the current management when it acquired the ailing company.

Kolkata-based businessman Ruia ventured into the tyre industry in 2005 by buying Dunlop India from Manohar Rajaram Chhabria's family.

Commercial production at the tyre major's Sahaganj factory had resumed Jan 14 last year, after a five-year closure.

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