

Euro Clothing Company - II

(A Unit of Gokaldas Exports Ltd.)


Katha No. S620-628, T.B. Road, Srirangapatana, Mandya District, Karnataka-571 438

6th June 2020

NOTICE OF LAYOFF

1. The ECC-2, Srirangapatna plant of the company in Mandya District was established on 1st July 2010. The plant has been largely catering to the production and supply demands of a large iconic USA brand and a leading European fashion brand for export. The unit was also doing production for two leading India Retail Businesses.
2. The COVID-19 seriously affected the global and Indian market and thereby the manufacturing activities of the company. The order position has dwindled down and has become zero. The extended lockdown, closure of malls and retail outlets severely impacted the retail business in the country and impacted the orders for ECC-2 unit. Retail brands are still to resume operations and most of the retailers are sitting on huge pile of inventories. Indian retailers have confirmed cancellation of any future orders with the Company, until end of the year.
3. The Covid-19 outbreak and the pandemic prevailing in several countries, including the countries in which the customers of the company are located has completely affected the business. The situation was beyond the human comprehension. The situation has turned in to a natural calamity/disaster and was beyond the control of the management. The company has been paying idle wages for certain period. The adverse circumstances prevailing in India as well as the countries in which overseas buyers are located has resulted in overseas buyers cancelling their orders or withdrawing their orders and there is uncertainty about the market conditions. All these factors have cumulatively resulted in inability of the company to provide employment to the workmen on the rolls, for want of orders to undertake manufacturing activities at the plant.
4. The Management of the company has therefore decided to layoff the workmen at Srirangapatna plant w.e.f 8th June 2020 in the interest of the plant and also to save employment of the workmen. The workmen who have been laid off will be paid layoff compensation at the rate of 50% of the Basic and DA.
5. In accordance with the provisions of the ID Act and the rules thereunder the workmen are required to sign the layoff register every day. The management having regard to the convenience of the workmen has decided to dispense with the signing of the register by the workmen who have been laid off. Layoff shall be in operation until further orders.
6. The company request the workmen to understand the reality of the situation and co-operate with the management in mutual interest.

For Gokaldas Exports Ltd


(Manjunatha S)
Factory Manager