

BOMBAY GOLDEN INDIA REGD.

A COMPLETE LOGISTICS COMPANY



UNETHICAL AND IMPRACTICAL REDUCTION OF COSTS

- Increasing Salary Deficit
- Reduction in Labour Rates
- Reduction in Pallet Rates
- Reduction in Forklift Rates



BOMBAY GOLDEN INDIA

Bombay Golden India Regd follows **ethical and systematic procedures** to carry out our daily operations. We deploy the **best resources for smooth functioning** and productive outcomes. BGIR has been offering warehousing services since our inception and **focuses on deploying productive manpower** at every stage. To **deliver exemplary services**, we make huge investments in terms of manpower, necessary equipment and tools, warehouses, high-end vehicles, back-end accessories and many more.

Executive Summary

Despite clear agreed terms, we have been facing continuous increases in Salary Deficit, Impractical reduction in Labour Rates, unethical reduction in Pallet Rates and Reduction in Forklift Rates.



AGREED TERMS

To operate **PetChem warehouses**, the following agreement has been put forward since the beginning:

— —
'All costs pertaining to warehousing barring salaries to be **amortised and reimbursed on actuals**.

The **salaries cost deficit, service provider's back-end charges** along with financial gains through warehousing to be **compensated/reaped** through secondary transportation.'



OUR EXEMPLARY SERVICES

The primary ground behind our exemplary services is our efficient and productive manpower. Every member of our team at each warehouse has been delivering services for over a decade.

The **trained manpower** at Bombay Golden India is fully dedicated and carries out the responsibilities **end to end** without intervention from **HO to ensure** the job is done.

Our warehouses during **Wednesdays** and **month ends** remain operational till the last **25 kg of bag** is dispatched whether that takes place at **2 am in the night or 5 am**.



Because of our dedicated efforts, we have achieved **recognition and appreciation** from the team in Head Office, the regional offices and customers alike.



The flip side of this is **barely paid heed to**, probably because we have a policy of being YES MEN and not sharing our grievances up until the point wherein we are **unable to keep our heads above water**.



Current Scenario with Example

The problem that we have been facing can be very well understood by the example given below:

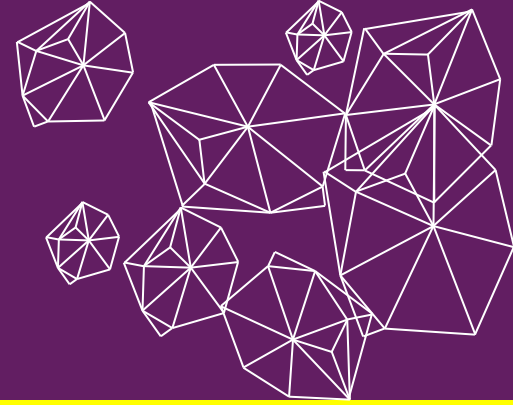
- A decade ago, the **manager at the Hamidpur** warehouse was drawing a **salary of Rs 29,000**.
- The warehouse has now shifted to Kundli, and the entire team of Hamidpur including the labour is still with us, an association of almost 2 decades (since February 4, 2004).
- Though the **salary of the warehouse manager has doubled** over the last 10 years as the year-on-year increment in our organisation is over 10%.
- **The salary given to us by the authorities for the said manager in the proposed agreement of 2023-25 is Rs 17,000.**

To conclude, we were **paying Rs 29,000 in 2013**, and the authorities **would be paying us Rs 17,000 in 2025** for that same manager. His **current salary is over Rs 60,000**.

This impractical annual salary enhancement rate of 2.5% is what constitutes to be one of our major concerns.

Our Concerns

We have been keeping patient for the past 2-3 years to get some relief/ compensation from the authorities so that we can sustain and meet our costs, but continual dismissal of our concerns has resulted in taking concrete actions.



Continued Increase in Salary Deficit



Impractical logic for remuneration reduction



False Promises by the authorities



Reduction in pallet cost in the middle of the financial year



Low capacities of Forklifts & Compensation to drivers

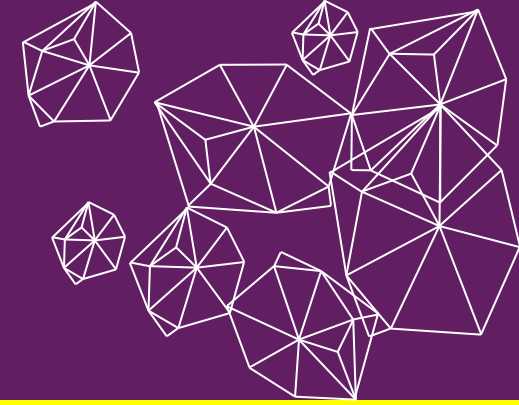


Concern 1

Continued Increase in Salary Deficit

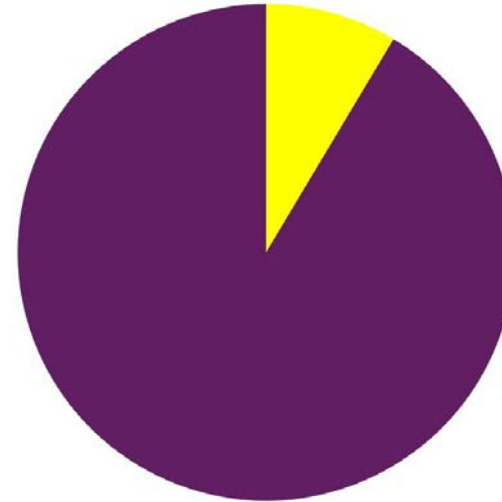
Continued Increase in Salary Deficit

The annual salary enhancement of 2.5% is unrealistic, to say the least, with India Inc.'s average annual salary increment being close to 10%.



The fact that the **2.5% hike is on an amount ranging from Rs 12,000 to Rs 20,000 i.e. Rs 375** whereas the **10% we have to shell out** is on amounts ranging from Rs 20,000 to Rs 60,000 i.e. Rs 4000, the gap continues to widen enormously with each passing year.

Though the said model was viable up until 2021, the same is no longer the case.



- Annual salary enhancement of 2.5% by authorities
- Annual salary increment being close to 10%

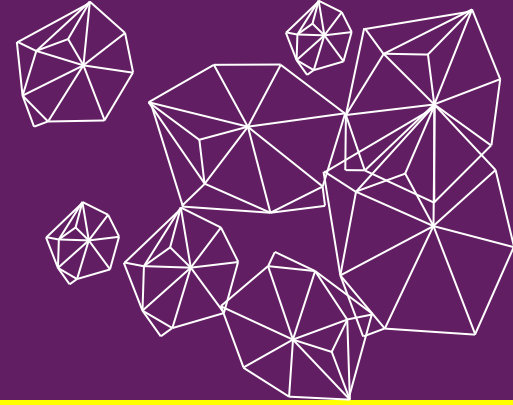


Concern 2

Impractical logic for remuneration reduction

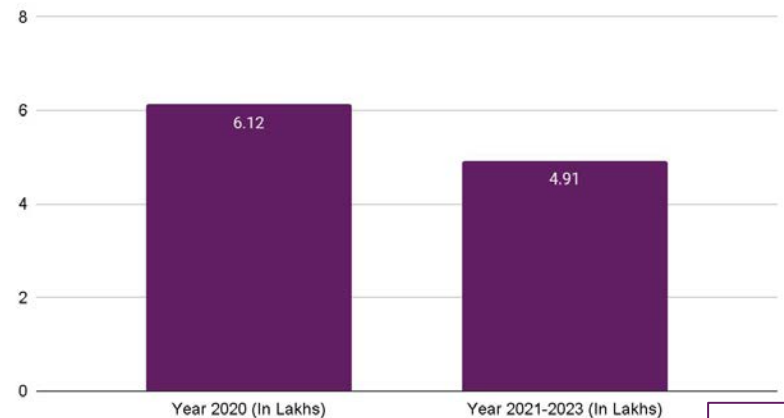
Impractical logic for remuneration reduction

A total amount of Rs 3,90,971 was reduced from 7 of our warehouses, a whopping 16% of the total amount under the head "Palletization Optimisation Cost".



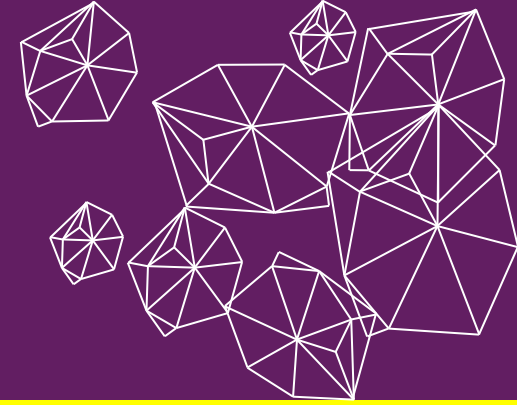
- The **total remuneration for Dadri, which stood at Rs 6,12,464** in 2020, was brought down to **Rs 4,91,570 for the period 2021-23**, wherein Rs 1,40,807 was simply reduced under palletization optimisation cost.
- The logic given for the reduction was impractical, wherein we were asked to **keep a chunk of the labour remuneration** with us instead of giving it to the labour.

Total Remuneration for Dadri



Impractical logic for remuneration reduction

A total amount of Rs 3,90,971 was reduced from 7 of our warehouses, a whopping 16% of the total amount under the head "Palletization Optimisation Cost".



The **palletization optimisation benefit** was already achieved by an **increase in the productivity of the warehouse**. We were not only able to reduce the working hours to a more **humane 12 hours/day** but also increase the monthly throughput from the same warehouse size.

The **savings was on the rental costs**, otherwise, we would have to go for a bigger warehouse to achieve the same throughput besides a move towards professionalisation in warehousing from the earlier godown style of working.

Despite delivering exceptionally remarkable outputs by utilising the same resources, we have to face impractical Palletization Optimisation Costs.

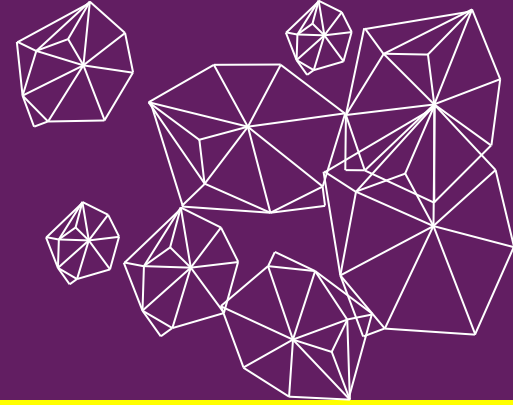


Concern 3

False Promises

False Promises

We have raised our concerns multiple times but no heed was paid.



The only saving grace was the assurance by Mr. Inderbir that the reduced amount of Rs 3,90,971 is being reduced only for 2021-23 and will be given back in the next agreement as he agreed that this deduction is ill-conceived.

During the fateful meeting held for 2023-25, not only the deduction amount was not given back but the costs were further reduced.

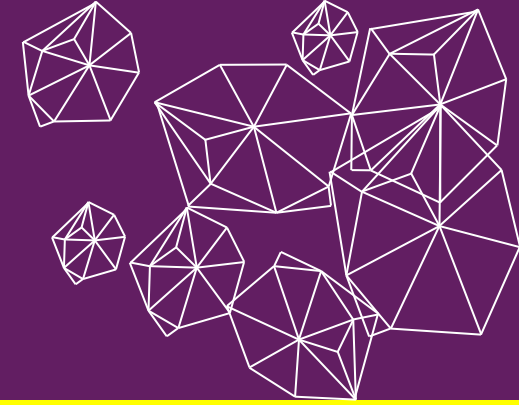


Concern 4

Reduction in pallet cost in the middle of the year

Reduction in pallet cost in the middle of the year

The total remuneration for Dadri which stood at Rs 6,12,464 in 2020 and was brought down to Rs 4,91,570 in 2021-23 had now become Rs 4,45,116 after the addition of 1 forklift and 2 spare batteries in 2023 and 1 manpower in 2021.

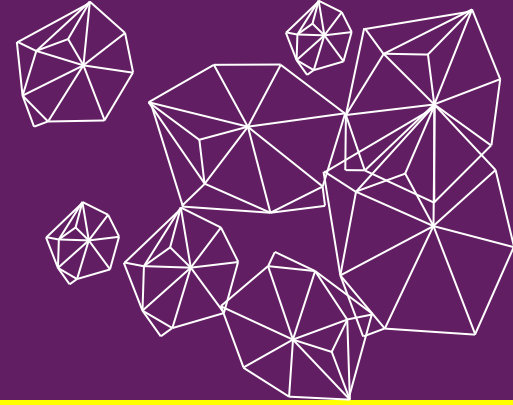


The pallets which were purchased **3 years back** at the **agreed-upon cost of Rs 1.65/pallet/day** were reduced to **Rs 1.05/pallet/day** in the **middle of the amortised period** of the said pallets.

This is a **complete breach of trust** and agreed terms considering that the pallets that **we had procured were amortised for 5 years**, we were being remunerated accordingly and right in the middle of the amortised period the rates have been revised.

Reduction in pallet cost in the middle of the year

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The pallets were procured based on the initial work given by the concerned team on which we have not even been compensated completely.

This revision in cost in the middle of the financial year is unethical.

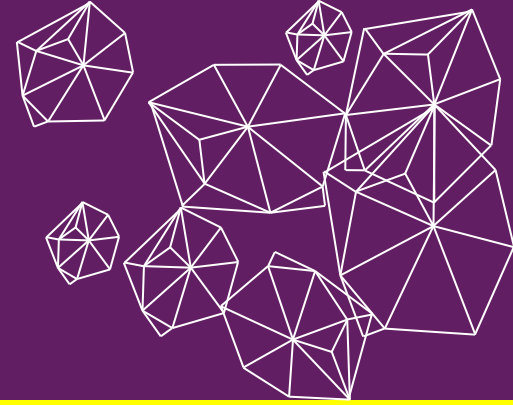
For new warehouses or any other additional requirement of pallets, the revised cost can be executed. But what about the investment running into **Crores of rupees for our current inventory** of pallets procured based on the **initial working of Rs 1.65/pallet/day for which we are not through with the amortisation period of 5 years?**



Concern 5

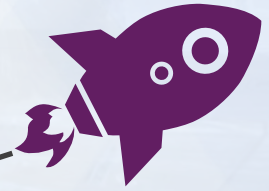
Low capacities of Forklifts &
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The forklift working in the warehouses are **not for the standard 8-hour shifts**. To make sure the work is done, we **need to compensate the drivers** accordingly.

The **repair and maintenance costs go up** exponentially given the number of hours the MHE is used. The **freight committee** of your company doesn't derive the freight rates based on whether we are still paying the EMI for that truck or not.



Solutions Needed

We **need a cushion to run the show**, and the cushion which was already evaporating because of the **huge salary deficit (2.5% increment on Rs 15,000 compared with a 10% increment on Rs 40,000)** has disappeared into thin air by the unethical and impractical calls on pallets and forklift rate reductions.

Bombay Golden India has been delivering services with dedication, commitment and responsibility, and we expect the same from the authorities.



Solutions Needed 1

Revision in Labour Rates

We request for a **revision in the labour rates** at all the warehouses, which are way lower than the ongoing rates in the industry. We can sustain at a lower rate because of the availability of volumes at our disposal, but the **discrepancy is huge**. The same also doesn't take into account when we have to bring labour from labour Chowk on almost every Wednesday and month ends.



Solutions Needed 2

Action on Unethical Reduction in Pallet Cost

We request a **mutual discussion** over the unethical reduction in pallet cost in the **middle of the amortised period**. We request **either compensation for the revised rates** or a revision of the pallet cost to the earlier actual cost for the amortised period.



Solutions Needed 3

Action on forklift rate reduction

We request **reimbursement for the compensation** amount given to drivers, repair and maintenance costs.



Conclusion

To conclude, in **over 3.5 decades** in this industry, we have never seen such unethical approaches. Bombay Golden India believes in **satisfying our clients to the fullest** but not at the cost of our survival. We have put every effort possible to be the YES MEN and sustain.

To fulfil our responsibilities further, we **request the authorities to take concrete actions** on the above-mentioned concern and aid us to bring more productive outcomes.

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