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EARLY INDICATORS

No cause for cheer yet in Q2 earnings

Data for 185 firms show operating profit rose 14% from a year earlier—the slowest pace in five quarters

BY AMI SHAH
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MUMBAI

Second-quarter earnings of Indian companies are trickling in and a review of the financial statements show that a sustained recovery in earnings growth remains elusive. In fact, operating profit growth in the three months ended 30 September slowed as sales remained sluggish amid tepid demand.

A Mint analysis of 185 companies that have reported their earnings for the September quarter and for which comparable data was available for the preceding 10 quarters showed that operating profit rose 14% from a year earlier—the slowest pace in five quarters.

Operating profit rose 23.1% in the June quarter and 20.7% in the quarter ended 30 September 2013.

Net profit growth in the September quarter was at 20.2%, the slowest pace in four quarters. It slowed from 27.1% in the June quarter, but was faster than the 16.8% in the quarter ended 30 September 2013.

Net sales grew at the slowest pace in five quarters at 10.6%, slower than 13.5% in the preceding June quarter, and the 15.3% growth in the year-ago September quarter.

Energy, banking and financial services companies were excluded from the study. Piramal Enterprises Ltd was also excluded as the company had a big one-time gain in the June quarter after it sold a 11% stake

in Vodafone India for ₹8,900 crore.

Separately, out of the 17 Nifty companies that have reported their earnings, nine have fallen short of Bloomberg consensus analysts' estimates, while eight managed to beat them.

The September quarter last year had seen the Indian rupee depreciate sharply against the dollar, boosting the earnings of exporters. The currency had weakened 5.2% in the quarter compared with 2.5% in the three months ended 30 September.

"The September quarter this year is strikingly different from September quarter last year due to the currency headwinds we saw last year, and the relative stability of the same in the quarter that just went by," said Deven Choksey, managing director and chief executive of KR Choksey Shares and Securities Pvt. Ltd, pointing that the previous year's revenue for export-focused firms saw a boost on account of higher currency depreciation. "Demand situation is yet to see significant pick-up. That said, results are broadly in line with our expectations," he said.

However, trends revealed by the earnings of the early birds may change as many companies are yet to report their financial results.

"We will have to wait and watch how the other numbers pan out in this quarter," said Vaibhav Sanghavi, managing director of Ambit Investment Advisors Pvt. Ltd. "Looking at the measures the government is taking, my take is that we should see better numbers from here on."

A Mint earnings preview report based on brokerage estimates released ahead of the earnings season had said that second-quarter profit growth for the 30 members of the BSE Sensex would rise as much as 10%.

Infosys Ltd was the only software services company among the top three to beat analyst estimates. It reported a higher-than-expected 28.6% increase

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NOTE TO READERS

The four pages of Media Marketing Initiatives with this edition are the equivalents of paid-for advertisement, and no Mint journalists were involved in creating these. Readers would do well to treat them as advertisements.



Taking charge: Manohar Lal Khattar after taking oath as Haryana chief minister in Panchkula on Sunday. Khattar heads the first BJP government in the state since it was created 48 years ago. See Page 3

Fake note trade flourishes on Bengal border

BY ROMITA DATTA
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KOLKATA

Unfazed by stepped up vigilance, so-called couriers continue to smuggle in fake currency notes into West Bengal from across its porous border with Bangladesh, even as India's top security agencies scour the state's districts in a hunt for terror modules following a blast in a Muslim home near Burdwan town early this month.

Even border guards were taken by surprise when in the middle of tight security some 10 days ago, three teenagers were caught trying to ferry in ₹2 lakh in fake currency notes in Malda district.

This illegal trade is the financial lifeblood of terror modules in India, said a top intelligence official of the Border Security Force (BSF), asking not to be identified. The key figures behind it couldn't care about the ongoing probe in West Bengal by the National Investigation Agency (NIA) and National Security Guard (NSG)—the federal agencies tasked with combating terrorism.

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CAPITAL ACCOUNT: The Euroglut and the opportunity for India >19

June quarter sees a surge in hiring

BY PRASHANT K. NANDA
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NEW DELHI

Indian companies added the highest number of jobs in at least 15 months during the quarter ended 30 June as employers who had deferred hiring because of uncertainty over the outcome of the national elections gained confidence to expand their workforce with Prime Minister Narendra Modi's business friendly government taking charge in May.

Companies in India added 182,000 jobs in the three months ended 30 June to the number in the preceding three months, according to the quarterly jobs data compiled by the labour and employment ministry. Employers had added 36,000 fewer jobs in the March quarter from the preceding quarter. In comparison, they had hired 86,000 more in the quarter ended 30 June 2013.

The surge in hiring in the June quarter may have as much to do with the sweeping election victory of the Bharatiya Janata Party (BJP)-led coalition as with the sharp decline in job additions in the preced-

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QUICK EDIT Democratic weather

Even within the diversity of Indian states, Jharkhand and Jammu and Kashmir (J&K) are like cheese and chalk. But even they have something in common: the opposition of their political parties to poll dates announced by the Election Commission (EC) on Saturday.

Both states are troubled regions. In J&K, terrorist infiltration from Pakistan derailing elections is ever present but the danger is reduced somewhat in winter when the passes are difficult to cross and secessionists, too, are a bit dampened. Only the ruling National Conference is upset with elections at this time.

In Jharkhand, elaborate security preparations are a must if the Maoist menace has to be checked. The five-phase polling schedule has been criticized by local parties in the state as being too drawn out. But it is essential if voters are to be given security. Weather, administrative arrangements and democracy are working together.

NOKIA FACTORY

The ghost of Sriperumbudur

BY ASHISH K. MISHRA & S. BRIDGET LEENA

CHENNAI

It was a Friday quite unlike any of the 449 Fridays gone by since Finland-based Nokia Oyj set up one of the world's largest mobile phone manufacturing facilities in Sriperumbudur, in Tamil Nadu, India.

On Friday, 17 October, Kamakshi woke up at 6am at her home in Kanchipuram, 32km away, as she always does when she is on the general shift at the Nokia India Pvt. Ltd plant.

She got out of bed, and sat quietly, knowing something was wrong, knowing what was wrong. Her mother, who was making coffee, asked Kamakshi if everything was all right. Kamakshi didn't feel like sharing what she knew.

Yes, all okay, she said. There wasn't much time. She had to get ready. Twenty minutes later, she was. Looking into a mirror, hung on the wall, she generously dabbed talcum powder, carefully put on a small *bindi* on her forehead and fixed her long, dark hair in a bun. Then, slowly she took off her gleaming, gold engagement ring and put it away safely in a wooden drawer.

She picked up her identity card and her handbag, said

goodbye to her mother and walked out the door. Kanchipuram, a town famous for silk sarees and temples, was still waking up. It was 10 minutes to 7am and Kamakshi paced towards the white Nokia bus waiting for her. She signed her name in the register and hopped on. The bus was full of women, all 20-something. Kamakshi acknowledged her colleagues with a dry smile, a nod of the head. They smiled back. Nobody said anything. Some were plugged into their mobile phones, listening to music or the radio.

At about 10 minutes past 8, the bus entered Nokia plant and dropped off the women close to the locker room. Kamakshi walked in. Once inside, she tucked her Sony Ericsson phone in her handbag, then she neatly folded her *dupatta*, put everything in a tray and shut the locker.

It was 8.20am—time for breakfast. She swiped her card for ₹13 for a South Indian meal—some *pongal*, one *vada* and coffee. She sat with her colleagues, her friends and

quietly finished her breakfast. At about 8.40am, five girls, including Kamakshi, walked out of the canteen towards the circuit board assembly line.

Once there, all the girls put on an anti-electrostatic white apron, with black stripes, and tied it around their neck and waist. Then they put on white anti-electrostatic shoe covers.

One final ritual remained. One by one, the girls marked attendance, pressing their forefinger on a finger scanner right next to the door. Sharp at 8.50am, they walked in.

A cold, neat, empty assembly line greeted them. It was also dead.

The previous day, 16 October, their cell supervisor had asked the women to pack up any unused material lying around. The message was clear: there would be no more production at the Nokia plant.

On 1 November, the plant would shut down. For good. Everything must go.

On 7 October, Nokia announced that it would suspend all manufacturing at the plant.

In April, it had said the factory would become a contract manufacturing unit for Microsoft Corp., which had said in September 2013 that it was acquiring the flagging mobile

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At the gates: The entrance of Nokia's plant at Sriperumbudur on the outskirts of Chennai.

THE GHOST OF SRIPERUMBUDUR

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phone business of the Finnish company. The factory itself wasn't part of the deal because of an ongoing tax dispute between Indian tax authorities and Nokia concerning the Chennai operations.

Subsequently though, Microsoft stopped sales of the Asha series of low-cost phones that are manufactured in the factory, and Nokia was left with no option but to stop production.

It did clarify that it would continue to pay salaries of all those still employed at the factory till a final call on its status was taken.

And so, after lunch that Thursday, the women picked up the tiny bare boards and packed them in cardboard boxes. And just like any other day at work, they left the plant at 5pm.

And so, that Friday, the young women had nothing to do.

The end

They sat down on the cold floor, in the air-conditioned facility, where usually on a normal working day, they would stand for hours on end working on the machines—feeding them with tiny components that would eventually turn into a circuit board.

It didn't take long for the women to get bored. So they began chatting: about work, about their future, about their family.

Their voices echoed loudly in the empty factory. It drew attention. The cell supervisor came calling. He asked the women to move away from the machines, lest they damage them. They looked at him in disbelief, but moved away.

They continued to chat. One woman said her mother was due for a cataract operation in November. Losing the job at Nokia would be really tough on her, she added. Others shared their worries

too—of money, security and future opportunity. The discussion took a sad, depressing turn. Someone suggested that the mood needed to change. So they started playing *antaakshari*—a game where every person has to sing a song using the last word of the song sung by the person before.

Soon, the soft melody of old and new Tamil film songs filled the room. The girls sang, one after the other, oblivious to the emptiness of the world around them; oblivious to the emptiness in their hearts.

After lunch, the *antaakshari* and the chatting continued. At 5pm, Kamakshi boarded the bus back to Kanchipuram.

It would be a while before she could get back to the factory. Nokia had declared a holiday for Diwali between 18 October and 26 October.

Then, five working days would remain, before the plant finally shuts down on 1 November.

What then, she wondered.

Kamakshi is 27 years old, pretty, of medium-build, earns ₹18,000 a month and is engaged to a man who works in the transport industry. The marriage is set for January 2015.

Kamakshi is confident, has finished schooling, and can hold her own in the Queen's English. Both written and spoken. But then there's something curiously odd about her. Which begs a simple question: why is Kamakshi still working at Nokia?

She is one of 850 workers to continue working at a factory that they know will close down soon, for a brand that is dead, and for a company that is now part of another (although the factory it-

self isn't). And for a company whose future is, at best, uncertain.

Nokia India doesn't have a future. That it doesn't isn't breaking news either.

In fact, several people saw it coming. Thousands.

Many of Kamakshi's colleagues, when given a chance, jumped ship; in May, 5,600 of them, opted for a voluntary retirement scheme (VRS) under which they made handsome money, anywhere between ₹3lakh and ₹5lakh each, after taxes. In all, Nokia paid out ₹250 crore.

But Kamakshi didn't opt for the money.

New jobs

Many others did.

Like Geetha. Or Uma Maheshwari. Both worked at Nokia and opted for the VRS in May. Both are still unemployed.

Jayashree was sacked because her company, Amphenol that used to make mo-

bile antennas for Nokia, downed shutters earlier this year; 200 workers were sacked. She managed to land a job at a toy manufacturing unit but she hates it.

Ravi works at Foxconn, a Taiwanese company, the main supplier of mother boards to Nokia that is expected to shut shop in December this year.

These are the lucky ones.

The unlucky ones are the thousands of nameless contract workers who were indirectly employed in various companies that sprang up because Nokia set up in Sriperumbudur. In logistics, printing, packing; thousands of them who were laid off because their contracts didn't mention a word about VRS.

Like CEVA Logistics, which is a third-party logistics provider to Nokia. At its peak in 2010, CEVA had about 450 people on its rolls, most of them contract workers. Today, that number has dwindled to 60.

At its high in 2010, Nokia and its ancillary units employed anywhere between 35,000 and 40,000 people. Nokia alone had 8,000 people on its rolls, 70% of them women. In the last 18 months though, most of the companies have been cutting bench strength. As Nokia floundered, their fortunes dipped.

Some, who had little staying power have already packed up and left. As things stand today in the Nokia ecosystem, only about 7,000 people remain in active employment.

"There is a temporary, excess labour capacity that has been created," says Srivats Ram, managing director of **Wheels India Ltd.**

Ram should know. Wheels India has a manufacturing plant right opposite Nokia. "Nokia is a very visible, defunct factory," he says.

It is another matter altogether that the excess capacity is of no use to Wheels India, which is a part of the storied TVS group, or for most other companies in Sriperumbudur, or even Oragadam, an industrial hub just outside of Chennai.

Dead end

It is a wet afternoon in Kanchipuram. Geetha and Uma Maheshwari, husbands in tow, are in the large courtyard of the Karchapeswarar Temple. Thanks to the rain, there aren't many devotees. The few that are hanging around are waiting for the free Sunday lunch.

Uma Maheshwari opted for the VRS from Nokia in May. The company paid

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her ₹4 lakh for six years of service. Ever since, she's been unemployed. Late last month, an opportunity came up at an auto components firm in Oragadam.

Uma doesn't want to name the company but she says that she took the job with a 50% cut (compared with her last-drawn salary at Nokia) at ₹7,500. The task entrusted to her was simple: pasting stickers on parts that came out from the assembly line. She quit in 24 hours.

"The work was not difficult," says Uma. "But there was not even a fan there. It was hot and there were too many men. I was not comfortable."

Geetha has fared far worse. As part of VRS settlement she received ₹4 lakh. She used ₹2 lakh to pay off a personal loan she had taken from HDFC Bank.

Over the last six months, Geetha has applied to at least six companies, but not one has got back to her. No one wants to hire a Nokia worker, she adds.

This is an open secret in Sriperumbudur. Stay away from Nokia employees. They're overpaid. Have no skill. Are spoiled and too demanding.

Fact is, Nokia took good care of its people. Uma Maheshwari, for instance, took up the job at the company because in her interview, back in 2007, Nokia assured her that whatever time of day or night, a bus would leave her right at her door. She joined the company in 2007, at a salary of ₹3,500. It was partly out of frustration because at her previous company, an auto components manufacturer, the bus would leave her almost 1km away from her house even when it was past midnight.

When Dhanushree (her daughter) was born, Uma Maheshwari continued to work because Nokia had a crèche. "I used to feed my baby at regular intervals while working at the shop floor," she says.

And just like that, she breaks down.

Her husband consoles her. He doesn't have a job and doesn't say why but admits the family is surviving on the money that came from Uma Maheshwari's VRS settlement. Both of them know it won't last long. And since it has been awhile,

Uma is getting desperate. But then, there are no offers.

A former senior Nokia official, who spoke on the condition of anonymity, says if workers are looking for a culture similar to Nokia's, then it will be a long road to disappointment.

"The best part about Nokia India was its culture," says the official. "It was open, transparent, performance- and development-focused. That isn't something that is available in many other companies."

Then, not too many factories want to employ women.

Single women are unemployable because there are too many bachelors on the shop floor, and who will run the risk of having these girls around, they argue.

There are other arguments around skill levels as well.

Most of the women have finished school, but the dexterity that is in demand in electronics companies isn't of much use elsewhere. Most factories prefer to hire young men from polytechnic schools and industrial training institutes.

The result: no one wants the Nokia women.

It wasn't always like this. Not long back, companies needed them desperately. So desperate were they that their recruiters fanned out to every village, in and around Sriperumbudur to hire them. These young women, many of them still girls when they were hired, became the talk of their town, their village. They were the envy of their neighbours and the pride of Tamil Nadu.

It was the time when Nokia happened.

The rise and fall of Nokia

In 2004, when Nokia was looking for a destination to set up its plant in India, the Tamil Nadu government rolled out the red carpet. The story of how the state's Dravida Munnetra Kazhagam (DMK) government, with the help of then telecom minister Dayanidhi Maran (also from the DMK and then part of the United Progressive Alliance coalition in New Delhi) pursued Nokia is well chronicled. Whatever Nokia wanted was offered on a platter—land, access to uninterrupted power, connec-



Employment boom: A file photo of workers at the Nokia plant in Sriperumbudur, Tamil Nadu. At its high in 2010, Nokia and its ancillary units employed anywhere between 35,000 and 40,000 people. Nokia alone had 8,000 people on its rolls, 70% of them women.

had become Nokia families."

Part of it was because of the money offered. For instance, back in 2006, a person working on a farm would earn almost ₹50 per day for about five hours of work, around ₹1,500 a month.

When Nokia came in, it started recruiting people at starting salaries of anywhere between ₹2,500 and ₹5,000. Many of these villages had never seen a professional recruitment drive. The way Nokia went about it was impressive: advertisements were put out, engineering colleges were booked. Kamakshi remembers her first interview with a Nokia recruiter, set up at a local engineering college in Kanchipuram.

The man asked her, how she would judge the quality of bottled water. Kamakshi replied saying that she would check if the seal was intact or if the bottle had an ISI (Indian Standards Institute) mark. What else? She hummed, struggled. The guy replied, what about the brand, it's a mark of trust? Like Bisleri or Kinley.

For Kamakshi, all this was learning. And the job was the portal to a new world. A world of liberation.

There was a rush to join Nokia. By 2007, every family in neighbouring villages had at least one or two people working at the company. Nokia jobs became a status symbol in the villages. There were families which had a Nokia connect and families which didn't.

"The girl would have a handbag and wait for the bus. For them that was liberation," says Sekhar. "Not having to stay in the village. For her, it was like 'Look, I am not going to be like my parents; here I am going to work in a factory'. These girls became breadwinners of the family. And for the family it became a status symbol. I remember everybody was looking for some opportunity to get into a bus and go to work."

Of course, all of this meant that practically nobody was interested in working on Sekhar's farm. Or for that matter, any farm. "Parents pushed their children into it because the money was better," he says.

Better or worse

Through those golden years at Nokia, things went swimmingly.

In 2008-09, the Sriperumbudur factory produced about 11% of the world's requirement of mobile phones, making it the largest cellphone plant in the world. At its peak, and around the same time, the plant was producing close to 18 million phones a month.

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In 2008-09, Nokia's Chennai plant produced 11% of world's requirement of mobile phones

tivity to the airport and customs clearance right at the plant to facilitate exports. It was all there. In April 2005, Nokia entered into a memorandum of undertaking with the Tamil Nadu government to set up the plant in the Sriperumbudur Special Economic Zone (SEZ). On 7 March 2006, the first batch of mobile phones was shipped out.

N.K. Ranganath, managing director of Grundfos Pumps India Pvt. Ltd, remembers those heady days. Nokia became a symbol of industrialization for Tamil Nadu. Hyundai Motor Co., Saint-Gobain Glass India Ltd and Nokia began to be touted as the three pillars of Sriperumbudur.

"Everybody was euphoric," says Ranganath. "At the time, Nokia was at its peak; it had like more than 60% market share. It was a coup for Tamil Nadu to get the company when it had a choice to go anywhere." Elcoteq Electronics India Pvt. Ltd followed Nokia. Followed by Foxconn India Private Ltd, recently renamed to FIH India. So did several others of the Finnish firm's suppliers, like Flextronics Technologies Pvt. Ltd, Perlos Telecommunica-

tions and Electronic Components India Ltd, Wintek Technology India Pvt. Ltd, Laird Technologies India Pvt. Ltd, Byd Electronics India Pvt. Ltd and Salcomp Manufacturing India Pvt Ltd among many others.

In just under 18 months, the Sriperumbudur SEZ became the hardware manufacturing hub of India.

But a far deeper, more significant transformation started taking place.

Empowerment

Shyam Sekhar witnessed it firsthand. An investment advisor, with dreams of making it big in agriculture, an odd choice really, Sekhar bought 60 acres of land in Watamanabakam village in the Cheyyar district of Tamil Nadu—almost 50km from Nokia's plant in Sriperumbudur.

"There were not too many people living in Sriperumbudur at the time," says Sekhar. "So when the companies came, they had to go out almost 50km to hire people. Nokia came in and started recruiting girls who were mostly 10th (class) or 12th pass. Very soon, all the villages in and around Sriperumbudur

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When the factory made its 500 millionth phone, Nokia gifted a celebration edition mobile phone to all employees. Every year, on 11 March, Nokia celebrated Tejas Day, to commemorate the factory's establishment in Sriperumbudur. The event would be held at the Nehru Indoor Stadium every year, where all employees in the SEZ would participate. It was a day of music, dance, good food, stand-up comedy shows, and celebrities.

The prosperity of Nokia and its employees attracted attention. Specifically of the Labour Progressive Federation (LPF), the trade union wing of the DMK party in Tamil Nadu. In what would be the first of many, on 14 August 2009 workers went on a strike at the plant demanding better hikes. The strike lasted about 10 hours and resulted in a backlog of 300,000 mobile phones. Nokia had initially offered raise of ₹1,400 per month for workers with four years' experience and an increment of ₹200 per month for trainees. This was rejected by the workers. A settlement was reached when Nokia offered better hikes according to people's experience in the band of 16, 24, 36 and over 36 months of service. Two more strikes took place, in January and July 2010.

Even as all this was happening, Nokia was slowly losing the mobile phone battle. It was no longer the giant it used to be, facing increasing competition from **Samsung Electronics Co.** and **Apple Inc.**, which were eating into its market share. In the first half of 2006, the year Nokia started production in India, the company had a global market share of 35%. In 2012, Samsung overtook Nokia as the world's biggest vendor of mobile phones for the first time, ending the Finnish company's 14-year run as the global leader. Nokia's global market share slipped to below 20%. Today, Nokia (Microsoft Windows phone) has a global market share of 2.5%, according to the research firm International Data Corporation (IDC).

Tarun Khanna, director of the South Asia Institute at Harvard University, has followed the company closely and says it was caught in the middle.

The final nail in the coffin came when Nokia sold its handset business to Microsoft

"Nokia failed to deal with the dual threat that emerged," he says. "Of Apple and high-end phones on the one hand, and low-cost phones primarily from China and latterly from India, on the other, and found itself caught between the two."

Tax trauma

Even as Nokia was floundering globally and even in India, for the Sriperumbudur plant in Chennai, things took a turn for the worse on 8 January 2013. India's tax officials raided the factory suspecting evasion of taxes.

Almost immediately, the department froze Nokia's assets, including the plant, for violating tax norms since 2006 while making royalty payments to the parent company.

The Income Tax Department sued Nokia for ₹21,153 crore. Nokia protested and then challenged the decision. But to no avail. The final nail in the coffin though came in September 2013, when Nokia sold its handset business to Microsoft for \$7.2 billion. The Chennai factory was not part of the deal. Microsoft made it absolutely clear it was not interested in going around in circles and fighting the tax department in India. It had a far more important job at hand: to salvage and profit from whatever was left of Nokia.

And just like that, almost overnight, the giant of Sriperumbudur found itself all alone. Not belonging anywhere—its fate, and that of its people hung in treacherous balance.

"If Microsoft had taken over, people would have had their jobs," says Ranganath of Grundfos. "If not 8,000 then 3,000. And they probably would have grown. But now that has been completely killed. Hardware manufacturing has disappeared from this country."

In Chennai, quite a few businessmen say the government of India could have handled this better. "Other multinationals will think many times before coming here. Whether you have gone legally wrong or right is not the issue. It is how you handle it. And clearly this issue could have been handled much better," says Ranganath.

After all, Nokia has been acquired.



Uncertain future: In the absence of further orders from Microsoft, Nokia will suspend handset production at the Sriperumbudur facility from 1 November.

The income tax department has still not got a penny for its claim. The only losers in this whole episode have been the people—those who worked in the Sriperumbudur SEZ.

The future

Kamakshi is not willing to let go. She dismisses the money offered in the VRS scheme as a pittance.

"₹5 lakh is not sufficient for a person like me who has slogged for the company for eight years. I have two sisters who are pursuing nursing and Bachelors of Education. My dad is an auto driver and cannot afford to educate them."

She has nowhere to go, she adds.

"What are the job opportunities available for me? I joined Nokia after I worked as a cashier in a hotel where I earned a salary of ₹3,500. I am 27 years old now, I did not pursue my correspondence education because I was recruited as 12-standard—the minimum requirement for the job. Even if I was to go to a textile export company, because of lack of experience they will only pay me ₹3,500. I don't have other skills that can be used in other industries."

Her plan is to continue to go to work, even if there is no work.

"Our supervisor said we will have to sit in the training facility and also company buses will not ply from 1st. But I will continue to come to work by taking private transport."

It will cost her ₹75 a day to travel to and from the factory but she plans to keep doing it. As do some of the others who are still on the rolls of the factory.

There is still no clarity on the fate of the factory.

A Nokia spokesperson says that in the absence of further orders from Mi-

crosoft, Nokia will suspend handset production at the Sriperumbudur facility from 1 November. "Unfortunately, the continuing asset freeze imposed by the income tax department prevents Nokia from exploring potential opportunities for the transfer of the factory to a successor to support the long-term viability of the established, fully functional electronics manufacturing ecosystem."

The spokesperson added that Nokia will be informing all stakeholders including the labour commissioner of the suspension. "As a responsible employer, Nokia is currently evaluating options to minimize the impact on existing employees at the manufacturing facility. It will share further information once details have been finalized."

Meanwhile several trade unions have taken up the fight against the plant's closure. Sriperumbudur and its adjoining towns have become fertile ground for agitation and rallies. One such rally was held on 18 October at Periyar Pillar in Kanchipuram by the Centre for Indian Trade Unions (CITU).

It was a rainy afternoon but the 100 or so people who had gathered at the Periyar Pillar had already been instructed to bring along their umbrellas in case it rained. Red CITU flags were positioned promptly all along the divider on the main road. The men and women were seated in red plastic chairs, their attention constantly drifting between the men seated on the dais and the commotion of the busy market area, the constant blaring of horns, thanks to a small traffic jam, which the gathering had created.

Amidst all this, T.K Rangarajan of the Communist Party of India (Marxist), or CPM, and a Rajya Sabha member was

holding fort. His voice booms from large, black speakers as he speaks of the impact of the lost jobs—30,000 in the region including workers at suppliers, he claims—and how no other party, not the DMK or Tamil Nadu's ruling All India Anna Dravida Munnetra Kazhagam (AIADMK) seemed interested.

Just then, it begins to pour. About 60 umbrellas spring up. A few soak in the rain. On the dais, a man hurriedly opens an umbrella over Rangarajan's head. Rangarajan keeps talking.

The speech meanders to the unfair tax on Nokia, how the current prime minister and finance minister don't seem concerned, and how the so-called 2G scam (the irregular allotment of spectrum and licences to telecom firms that happened when the DMK's A. Raja was the Union telecom minister) has affected the standing of anyone who wears a *dhoti* (the traditional attire of Tamils) in New Delhi. So much so that Rangarajan now prefers to wear trousers in Delhi.

The crowd is pleased with Rangarajan's joke on the *dhoti*. The man, himself is beaming. But the rain is a dampener. His speech is over. As he steps aside, Tamil Nadu secretary of CITU E. Muthukumar grabs the microphone. In a shrill, high-pitched voice, he shouts, the crowd repeating after him:

"Tamil Nadu, take up and run Nokia! central government, central government get involved! Nokia factory is shutting down! Save Nokia! Save Nokia! Nokia and Foxxconn is shutting down! Central and state government look at the job losses! CITU protests! Tamil Nadu government look at the job losses! Job losses; don't just sit, get your act together."

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