



न्याय विभाग
DEPARTMENT OF
JUSTICE



THE FIRST
NATIONAL LABOUR LAW
CONCILIATION COMPETITION, 2024

PROBLEM STATEMENT

A JOINT INITIATIVE BY
KLE LAW COLLEGE, BANGALORE

AND
**CENTRE FOR ENVIRONMENTAL LAW, EDUCATION, RESEARCH &
ADVOCACY**

**NATIONAL LAW SCHOOL OF INDIA UNIVERSITY,
BENGALURU**

IN COLLABORATION WITH
DEPARTMENT OF JUSTICE, MINISTRY OF LAW AND JUSTICE

GOVERNMENT OF INDIA

LAST DATE TO REGISTER: SEPT. 25, 2024

PROBLEM STATEMENT

1. Aaram-Karo, a delivery app launched in January 2020 by Aaram Commerce Private Limited (ACPL), has rapidly become a significant player in India's burgeoning gig economy. Based in Bengaluru and led by the charismatic CEO Ms. Dhanya Vad, the company has revolutionized the on-demand delivery sector with its innovative approach and wide-ranging services. From groceries to electronic gadgets, Aaram-Karo promises swift deliveries across urban centres, tapping into the growing consumer demand for convenience in India's fast-paced cities.
2. At the heart of ACPL's business model are its delivery personnel, affectionately termed "Champions" by the company. These Champions, primarily young adults from low-income backgrounds, form the backbone of Aaram-Karo's operations. The company's decision to refer to its delivery staff as Champions was initially seen as a positive, morale-boosting strategy, seemingly elevating the status of what is often considered a low-skilled job.
3. ACPL's fleet of delivery bikes, manned by these Champions, has become a common sight in Bengaluru's bustling streets. They zip between the company's strategically located stock houses to fulfill orders within minutes.
4. Technologically, Aaram-Karo stands out with its advanced app features, including real-time order tracking from confirmation to delivery. This level of transparency and efficiency has been a key factor in the app's popularity among urban consumers, who value the ability to monitor their orders closely. The company's tech-forward approach extends to its internal operations, with sophisticated algorithms managing order allocation and route optimization for its Champions.
5. ACPL's compensation structure for Champions includes a fixed fee, supplemented by performance-based bonuses tied to weekly delivery totals. This model, common in the gig economy, was initially touted by the company as offering flexible earning opportunities for its workforce. The promise of performance bonuses was

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- particularly attractive to many Champions, who saw it as a pathway to potentially higher earnings based on their effort and efficiency.
6. The company's marketing strategy heavily leveraged social media, where ACPL built a massive following. Central to their narrative was the portrayal of Champions as integral, valued members of the Aaram-Karo family. This messaging resonated with many consumers who were drawn to the idea of supporting a company that seemingly valued its workforce. The Champions were often featured in promotional materials, and their stories of opportunity and success became a cornerstone of ACPL's brand identity.
 7. The Champions were also given incentives for various family functions, based on a performance parameter and on an individual request basis. This incentive was a form of extra income over and above their remuneration based on their work.
 8. However, labour concerns have been simmering beneath this carefully crafted public image. Various NGOs and social organizations began to question ACPL's treatment of its Champions, alleging that the company's compensation model did not fairly reward the time and effort invested by these workers. Critics pointed out that while Champions were celebrated publicly, their working conditions and job security were far from ideal.
 9. The use of the term "Champions" itself came under scrutiny. Labour rights activists argued that this nomenclature was a clever ploy by ACPL to avoid classifying its delivery personnel as employees, thereby sidestepping various labour protections and benefits that would typically be afforded to regular workers.
 10. As early as December 2022, a group of Champions attempted to raise their concerns directly with ACPL's management. Their grievances ranged from inadequate compensation to a lack of job security, overtime payment, and limited career growth opportunities within the company. However, these attempts to open a dialogue reportedly went unaddressed, leaving many Champions feeling unheard and undervalued.

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#BoycottAaramKaro began trending, causing significant damage to the company's carefully cultivated image.

16. Labour rights organizations seized upon the incident as a prime example of the vulnerabilities faced by gig workers in India. They condemned ACPL's actions, calling for comprehensive investigations into the company's labour practices and advocating for stronger protections for gig economy workers at a national level. The controversy brought renewed attention to ongoing debates about worker classification, minimum wage guarantees, and social security benefits in the digital economy.
17. In response to the terminations, the Aaram Karo Sabha quickly mobilized its members under Mr. Shah Yad's leadership. They organized a strike at ACPL's stock warehouses, halting the company's operations in several key areas. This direct action put pressure on ACPL and garnered significant media attention, further amplifying the Champions' grievances.
18. Seeking legal recourse, Shah Yad approached the Conciliation Officer; the union sought relief from the termination of services, arguing that the mass layoffs were unethical and potentially illegal under Indian labour laws. The Conciliation Officer, recognizing the gravity of the situation, issued a notice to ACPL to appear for a hearing, setting the stage for a potential landmark legal battle.

KEY ISSUES FOR CONCILIATION

1. Wages and overtime payment
2. Working hours and work conditions
3. Job security & layoffs
4. Grievance redressal mechanisms

ROLE OF THE TEAMS & PARTICIPANTS

The Teams & Participants in this competition will represent either the management of the **Aaram Commerce Private Limited** or the **Aaram Karo Sabha Trade Union**.

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Their objective will be to negotiate and reach a conciliation agreement that balances the rights and interests of both parties while ensuring compliance with Indian labour laws and considering the practicalities of the current economic climate.
