

India's Tata says US class action 'without merit'

April 3 2012

Indian IT giant Tata Consultancy Services on Tuesday denied a [US class action suit](#) that it unfairly kept the US tax refunds of Indian employees working abroad, saying the claims were "without merit".

A US judge on Monday approved the suit against TCS, India's largest software [outsourcer](#) and part of the sprawling tea-to-steel Tata conglomerate.

The plaintiffs accuse the Mumbai-based company of forcing its Indian [employees](#) to sign over their US [tax refunds](#), according to the Lieff Cabraser Heimann & Bernstein law company, which is representing them.

The complaint also alleges that TCS did not pay its employees the amount it promised them before going to the United States.

"This is an order only on one procedural matter and does not address the merits of this case," a TCS spokesman said in an emailed response to AFP, confirming receipt of the order without giving further details.

"We continue to believe that when this matter concludes, the court will find that the plaintiff's claims are without any merit," the statement said.

The ruling allows all non-US citizens employed in the United States between February 14, 2002 and June 30, 2005, and those sent to the United States after January 1, 2002, to take part in the lawsuit.

"More than 10,000 current and former Indian nationals working for Tata in America now may have their day in court," Kelly Dermody, co-lead class counsel, said in a statement.

"We look forward to demonstrating at trial that Tata breached the standard employment contract with these employees and violated California labour laws."

The plaintiffs seek "compensation and damages for current and former employees who were not paid what they were promised, who were deprived of their tax refunds, and who faced unauthorised Indian salary deductions," the law firm said on its website.

TCS employs about 214,000 people in 42 countries, and had revenue of \$8.2 billion in the fiscal year ending March 31, 2011, according to its website.

burs/rob/dan

(c) 2012 AFP

Citation: India's Tata says US class action 'without merit' (2012, April 3) retrieved 6 May 2024 from <https://phys.org/news/2012-04-india-tata-class-action-merit.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--