CIRCULAR

<u>Circular No - 084 / 2022</u>



Date: 20.09.2022

To,
All Members of The Association

KEA SUBMITS ITS OBJECTIONS AND SUGGESTIONS TO LABOUR SECRETARY PERTAINING TO NOTIFICATIONS REVISING THE RATES OF MINIMUM WAGES IN 6 SCHEDULED EMPLOYMENTS

Karnataka Employers' Association (KEA) has submitted its objections and suggestions to the Secretary, Department of Labour, Government of Karnataka pertaining to the notifications revising the rates of Minimum Wages in respect of the following 6 Scheduled Employments:

- 1. Employment in Cloth Washing, Dry Cleaning & Laundry. Vide Dept Notification no: KE88 LWA 2022 Dated 17-06-2022, and Gazette Notification Dated 06-07-2022.
- 2. Employment in Films (Cinema /Small Films) Production, Distribution, Advertisement and Related Services. Vide Dept. Notification No KE 91 LWA Dated 17-06-2022 and Gazette Notification Dated 15-07-2022.
- 3. Employment in Hotels/ Boarding & Lodgings, Restaurants, Motels, Lodges, Dhabas, Canteen, Outside Catering and Related Services. Vide Dept Notification No KE 90 LWA 2022 Dated 17-06-2022 and Gazette Notification Dated 15-07-2022.





KARNATAKA EMPLOYERS' ASSOCIATION



- 4. Employment in Professionals engaged in Promotion and Marketing of Medicines and Household Articles. Vide Dept. Notification No KE 87 LWA Dated 17-06-2022 and Gazette Notification Dated 15-07-2022.
- 5. Employment in Plywood Manufacturing Industry. Vide Dept. Notification No KE 89 LWA 2022 Dated 17-06 -2022 and Gazette Notification Dated 15-07-2022.
- 6. Employment in Plastic, Polyplastic, Rubber & PVC Pipes Production. Vide Dept. Notification No KE 94 LWA 2022 Dated 27-06-2022 and Gazette Notification Dated 15-07-2022.

Copies of the letters addressed to Secretary Labour are attached.

For KARNATAKA EMPLOYERS' ASSOCIATION Sd/[B.C. PRABHAKAR]
PRESIDENT





080-42103360 / 26761733

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KARNATAKA EMPLOYERS' ASSOCIATION

NO.74, 2"FLOOR, SHANKARA ARCADE, VANIVILAS ROAD, BASAVANAGUDI, BENGALURU - 560 004 Reg. No. TU 507 / 20-3-1962

B.C. Prabhakar, B.A., B.L., President

Date: 05.09.2022

To:

The Secretary,
Department of Labour,
4th Floor, Vikasa Soudha,
Bengaluru – 560001

Dear Sir,

Sub: <u>Draft Notification No. KE88 LWA 2022 Dated 17-06-2022</u>
<u>Gazetted on 06.07.2022 proposing to revise Minimum Wages in the Scheduled Employment of Cloth Washing, Dry Cleaning & Laundry Industry</u>

- The Department of Labour has published Gazette Notification proposing to revise the rates of Minimum Wages in the Scheduled Employment namely: Cloth Washing, Dry Cleaning & Laundry Industry
- 2) The rate of minimum wages fixed in the present notification is after following the Repkatos Brett formula. However, the rates of minimum wages proposed are higher than the rates of minimum wages of our neighbouring states who also incidentally follow Repkatos Brett formula. If that were to be so, there could not have been vast variation in the rates especially between neighbouring states. Moreover, the New Labour Codes are likely to be implemented very soon. The New Labour Codes provide for a floor wage to be determined by the Central Government by following the Repkatos Brett formula. In view of this it is requested that the present exercise of revision of minimum wages may be kept on hold.

3) The following table provides the existing rates of minimum wages in the Cloth Washing, Dry Cleaning & Laundry Industry for an Unskilled Worker:

Year	VDA in Rs.	VDA payable	Min Wage (10010.00) +VDA payable
16.09.2016 to 31.03.2017	398.40	398.40	10408.40
01.04.2017 to 31.03.2018	367.20	398.40+367.20 = 765.60	10775.60
01.04.2018 to 31.03.2019	315.60	398.40+367.20+315.60 = 1081.20	11091.20
01.04.2019 to 31.03.2020	194.40	398.40+367.20+315.60 +194.40 = 1275.60	11285.60
01.04.2020 to 31.03.2021	417.60	398.40+367.20+315.60 +194.40+417.60 = 1693.20	11703.20
01.04.2021 to 31.03.2022	428.40	398.40+367.20+315.60 +194.40+417.60+428.40 = 2121.60	12131.60
01.04.2022 to 31.03.2023	510.00	398.40+367.20+315.60 +194.40+417.60+428.40 +510.00 = 2631.60	12641.60

From the above table, it is clear that the minimum wage that would be payable to an Unskilled Worker before revision for the year 01.04.2022 to 31.03.2023 would be Rs. 12641.60 Now, with the proposed revision, the rate of minimum wage payable to the Unskilled Worker for the year 01.04.2022 to 31.03.2023 after final notification in Cloth Washing, Dry Cleaning & Laundry Industry will be as follows:

Year	VDA in Rs.	VDA payable	Min Wage (14935.95) +VDA payable
01.04.2022	510.00	510.00	15445.95
to		=510.00	
31.03.2023			

As can be seen from above, the net revision of minimum wage including VDA is Rs. 2804.35. The proposed minimum wage of Rs. 15445.95 (including VDA) per month is very high and will make the Cloth Washing Industry unsustainable. No explanation is forthcoming as to the basis on which the increase of Rs.2804.35 has been arrived at. This increase works

out to more than 28% of the previous basic wage of Rs. 10010.00. Further,

the rates of minimum wages in other states are much lower compared to

Karnataka. Consequently, it would result in increase in production costs and

will lead to loss of investment and jobs which are much required for the

State.

4) Although the VDA payable is determined on the basis of CPI points for the

year 2020 i.e 7973, it is observed that the rate of minimum wage has been

increased by Rs. 570.20. By doing so the employers are made to pay

minimum wage which is increased by Rs. 570.20 as compared to the

minimum wage notified in the previous 8 final notifications dated

28.07.2022. The result of this is the employers are compelled to pay

abnormal rate of minimum wage. Therefore, it is requested that the rates

of minimum wages may be fixed at the same rate as was done in the

previous 8 final notifications dated 28.07.2022.

5) We also request that the rate of increase in the minimum wage which is

about 28% of the previous basic wage which is extremely high may be

restricted to 5% in order to ensure that investments and jobs are

safeguarded in Karnataka.

For Karnataka Employers' Association

B.C. Prabhakar

President

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B. C. Prachaus

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KARNATAKA EMPLOYERS' ASSOCIATION

NO.74, 2"FLOOR, SHANKARA ARCADE, VANIVILAS ROAD, BASAVANAGUDI, BENGALURU - 560 004 Reg. No. TU 507 / 20-3-1962

B.C. Prabhakar, B.A., B.L., President

Date: 05.09.2022

To:

The Secretary, Department of Labour, 4th Floor, Vikasa Soudha, Bengaluru – 560001

Dear Sir,

Sub: <u>Draft Notification No. KE 91 LWA Dated 17-06-2022 Gazetted on 15.07.2022 proposing to revise Minimum Wages in the Scheduled Employment of Films (Cinema Small Films) Production, Distribution, Advertisement and Related Services</u>

- The Department of Labour has published Gazette Notification proposing to revise the rates of Minimum Wages in the Scheduled Employment namely: Films (Cinema Small Films) Production, Distribution, Advertisement and Related Services
- 2) The rate of minimum wages fixed in the present notification is after following the Repkatos Brett formula. However, the rates of minimum wages proposed are higher than the rates of minimum wages of our neighbouring states who also incidentally follow Repkatos Brett formula. If that were to be so, there could not have been vast variation in the rates especially between neighbouring states. Moreover, the New Labour Codes are likely to be implemented very soon. The New Labour Codes provide for a floor wage to be determined by the Central Government by following the Repkatos Brett formula. In view of this it is requested that the present exercise of revision of minimum wages may be kept on hold.

3) The following table provides the existing rates of minimum wages in the Films (Cinema Small Films) Production, Distribution, Advertisement and Related Services for an Unskilled Worker:

Year	VDA in Rs.	VDA payable	Min Wage (10010.00) +VDA payable
16.09.2016 to 31.03.2017	398.40	398.40	10408.40
01.04.2017 to 31.03.2018	367.20	398.40+367.20 = 765.60	10775.60
01.04.2018 to 31.03.2019	315.60	398.40+367.20+315.60 = 1081.20	11091.20
01.04.2019 to 31.03.2020	194.40	398.40+367.20+315.60 +194.40 = 1275.60	11285.60
01.04.2020 to 31.03.2021	417.60	398.40+367.20+315.60 +194.40+417.60 = 1693.20	11703.20
01.04.2021 to 31.03.2022	428.40	398.40+367.20+315.60 +194.40+417.60+428.40 = 2121.60	12131.60
01.04.2022 to 31.03.2023	510.00	398.40+367.20+315.60 +194.40+417.60+428.40 +510.00 = 2631.60	12641.60

From the above table, it is clear that the minimum wage that would be payable to an Unskilled Worker before revision for the year 01.04.2022 to 31.03.2023 would be Rs. 12641.60 Now, with the proposed revision, the rate of minimum wage payable to the Unskilled Worker for the year 01.04.2022 to 31.03.2023 after final notification in Films (Cinema Small Films) Production, Distribution, Advertisement and Related Services will be as follows:

Year	VDA in Rs.	VDA payable	Min Wage (14935.95) +VDA payable
01.04.2022	510.00	510.00	15445.95
to		=510.00	
31.03.2023			

As can be seen from above, the net revision of minimum wage including VDA is Rs. 2804.35. The proposed minimum wage of Rs. 15445.95 (including VDA) per month is very high and will make the Film Industry

unsustainable. No explanation is forthcoming as to the basis on which the

increase of Rs.2804.35 has been arrived at. This increase works out to more

than 28% of the previous basic wage of Rs. 10010.00. Further, the rates of

minimum wages in other states are much lower compared to Karnataka.

Consequently, it would result in increase in production costs and will lead

to loss of investment and jobs which are much required for the State.

4) Although the VDA payable is determined on the basis of CPI points for the

year 2020 i.e 7973, it is observed that the rate of minimum wage has been

increased by Rs. 570.20. By doing so the employers are made to pay

minimum wage which is increased by Rs. 570.20 as compared to the

minimum wage notified in the previous 8 final notifications dated

28.07.2022. The result of this is the employers are compelled to pay

abnormal rate of minimum wage. Therefore, it is requested that the rates

of minimum wages may be fixed at the same rate as was done in the

previous 8 final notifications dated 28.07.2022.

5) We also request that the rate of increase in the minimum wage which is

about 28% of the previous basic wage which is extremely high may be

restricted to 5% in order to ensure that investments and jobs are

safeguarded in Karnataka.

For Karnataka Employers' Association

B.C. Prabhakar

President

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KARNATAKA EMPLOYERS' ASSOCIATION

NO.74, 2rd FLOOR, SHANKARA ARCADE, VANIVILAS ROAD, BASAVANAGUDI, BENGALURU - 560 004 Reg. No. TU 507 / 20-3-1962

B.C. Prabhakar, B.A., B.L., President

Date: 05.09.2022

To:

The Secretary, Department of Labour, 4th Floor, Vikasa Soudha, Bengaluru – 560001

Dear Sir,

Sub:

Draft Notification No. KE 90 LWA 2022 Dated 17-06-2022 Gazetted on 15.07.2022 proposing to revise Minimum Wages in the Scheduled Employment of Hotels/ Boarding & Lodgings, Restaurants, Motels, Lodges, Dhabas, Canteen, Outside Catering and Related Services

- The Department of Labour has published Gazette Notification proposing to revise the rates of Minimum Wages in the Scheduled Employment namely: Hotels/ Boarding & Lodgings, Restaurants, Motels, Lodges, Dhabas, Canteen, Outside Catering and Related Services
- 2) The rate of minimum wages fixed in the present notification is after following the Repkatos Brett formula. However, the rates of minimum wages proposed are higher than the rates of minimum wages of our neighbouring states who also incidentally follow Repkatos Brett formula. If that were to be so, there could not have been vast variation in the rates especially between neighbouring states. Moreover, the New Labour Codes are likely to be implemented very soon. The New Labour Codes provide for a floor wage to be determined by the Central Government by following the Repkatos Brett formula. In view of this it is requested that the present exercise of revision of minimum wages may be kept on hold.

3) The following table provides the existing rates of minimum wages in the Hotels/ Boarding & Lodgings, Restaurants, Motels, Lodges, Dhabas, Canteen, Outside Catering and Related Services for an Unskilled Worker:

Vonn	\/D\	VDA poveble	Min Wage (10010 00)
Year	VDA	VDA payable	Min Wage (10010.00)
	in Rs.		+VDA payable
16.09.2016	398.40	398.40	10408.40
to			
31.03.2017			
01.04.2017	367.20	398.40+367.20	10775.60
to		=765.60	
31.03.2018			
01.04.2018	315.60	398.40+367.20+315.60	11091.20
to		=1081.20	
31.03.2019			
01.04.2019	194.40	398.40+367.20+315.60	11285.60
to		+194.40	
31.03.2020		=1275.60	
01.04.2020	417.60	398.40+367.20+315.60	11703.20
to		+194.40+417.60	
31.03.2021		=1693.20	
01.04.2021	428.40	398.40+367.20+315.60	12131.60
to		+194.40+417.60+428.40	
31.03.2022		=2121.60	
01.04.2022	510.00	398.40+367.20+315.60	12641.60
to		+194.40+417.60+428.40	
31.03.2023		+510.00	
		=2631.60	

From the above table, it is clear that the minimum wage that would be payable to an Unskilled Worker before revision for the year 01.04.2022 to 31.03.2023 would be Rs. 12641.60 Now, with the proposed revision, the rate of minimum wage payable to the Unskilled Worker for the year 01.04.2022 to 31.03.2023 after final notification in Hotels/ Boarding & Lodgings, Restaurants, Motels, Lodges, Dhabas, Canteen, Outside Catering and Related Services will be as follows:

Year	VDA in Rs.	VDA payable	Min Wage (14935.95) +VDA payable
01.04.2022	510.00	510.00	15445.95
to		=510.00	
31.03.2023			

As can be seen from above, the net revision of minimum wage including VDA is Rs. 2804.35. The proposed minimum wage of Rs. 15445.95 (including VDA) per month is very high and will make the Hotels/ Boarding

& Lodgings, Restaurants, Motels, Lodges, Dhabas, Canteen, Outside

Catering and Related Services unsustainable. No explanation is forthcoming

as to the basis on which the increase of Rs.2804.35 has been arrived at.

This increase works out to more than 28% of the previous basic wage of

Rs. 10010.00. Further, the rates of minimum wages in other states are

much lower compared to Karnataka. Consequently, it would result in

increase in production costs and will lead to loss of investment and jobs

which are much required for the State.

4) Although the VDA payable is determined on the basis of CPI points for the

year 2020 i.e 7973, it is observed that the rate of minimum wage has been

increased by Rs. 570.20. By doing so the employers are made to pay

minimum wage which is increased by Rs. 570.20 as compared to the

minimum wage notified in the previous 8 final notifications dated

28.07.2022. The result of this is the employers are compelled to pay

abnormal rate of minimum wage. Therefore, it is requested that the rates

of minimum wages may be fixed at the same rate as was done in the

previous 8 final notifications dated 28.07.2022.

5) We also request that the rate of increase in the minimum wage which is

about 28% of the previous basic wage which is extremely high may be

restricted to 5% in order to ensure that investments and jobs are

safeguarded in Karnataka.

For Karnataka Employers' Association

B.C. Prabhakar

President

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KARNATAKA EMPLOYERS' ASSOCIATION

NO.74, 2"FLOOR, SHANKARA ARCADE, VANIVILAS ROAD, BASAVANAGUDI, BENGALURU - 560 004 Reg. No. TU 507 / 20-3-1962

B.C. Prabhakar, B.A., B.L., President

Date: 05.09.2022

To:

The Secretary, Department of Labour, 4th Floor, Vikasa Soudha, Bengaluru – 560001

Dear Sir,

Sub: Draft Notification No. KE87 LWA 2022 Dated 17-06-2022
Gazetted on 15.07.2022 proposing to revise Minimum Wages in the Scheduled Employment of Medications, Professionalists
Promotor of Domestic of Sales Representatives in Medicine Professionals, Consumer Items & Service

- The Department of Labour has published Gazette Notification proposing to revise the rates of Minimum Wages in the Scheduled Employment namely: Medications, Professionalists Promotor of Domestic of Sales Representatives in Medicine Professionals, Consumer Items & Service
- 2) The rate of minimum wages fixed in the present notification is after following the Repkatos Brett formula. However, the rates of minimum wages proposed are higher than the rates of minimum wages of our neighbouring states who also incidentally follow Repkatos Brett formula. If that were to be so, there could not have been vast variation in the rates especially between neighbouring states. Moreover, the New Labour Codes are likely to be implemented very soon. The New Labour Codes provide for a floor wage to be determined by the Central Government by following the Repkatos Brett formula. In view of this it is requested that the present exercise of revision of minimum wages may be kept on hold.

3) The following table provides the existing rates of minimum wages in the Medications, Professionalists Promotor of Domestic of Sales Representatives in Medicine Professionals, Consumer Items & Service for an Unskilled Worker:

Year	VDA in Rs.	VDA payable	Min Wage (10010.00) +VDA payable
16.09.2016 to 31.03.2017	398.40	398.40	10408.40
01.04.2017 to 31.03.2018	367.20	398.40+367.20 = 765.60	10775.60
01.04.2018 to 31.03.2019	315.60	398.40+367.20+315.60 = 1081.20	11091.20
01.04.2019 to 31.03.2020	194.40	398.40+367.20+315.60 +194.40 = 1275.60	11285.60
01.04.2020 to 31.03.2021	417.60	398.40+367.20+315.60 +194.40+417.60 = 1693.20	11703.20
01.04.2021 to 31.03.2022	428.40	398.40+367.20+315.60 +194.40+417.60+428.40 = 2121.60	12131.60
01.04.2022 to 31.03.2023	510.00	398.40+367.20+315.60 +194.40+417.60+428.40 +510.00 = 2631.60	12641.60

From the above table, it is clear that the minimum wage that would be payable to an Unskilled Worker before revision for the year 01.04.2022 to 31.03.2023 would be Rs. 12641.60 Now, with the proposed revision, the rate of minimum wage payable to the Unskilled Worker for the year 01.04.2022 to 31.03.2023 after final notification in Medications, Professionalists Promotor of Domestic of Sales Representatives in Medicine Professionals, Consumer Items & Service will be as follows:

Year	VDA in Rs.	VDA payable	Min Wage (14935.95) +VDA payable
01.04.2022	510.00	510.00	15445.95
to		=510.00	
31.03.2023			

As can be seen from above, the net revision of minimum wage including VDA is Rs. 2804.35. The proposed minimum wage of Rs. 15445.95

(including VDA) per month is very high and will make the Medications,

Professionalists Promotor of Domestic of Sales Representatives in Medicine

Professionals, Consumer Items & Service unsustainable. No explanation is

forthcoming as to the basis on which the increase of Rs.2804.35 has been

arrived at. This increase works out to more than 28% of the previous basic

wage of Rs. 10010.00. Further, the rates of minimum wages in other states

are much lower compared to Karnataka. Consequently, it would result in

increase in production costs and will lead to loss of investment and jobs

which are much required for the State.

4) Although the VDA payable is determined on the basis of CPI points for the

year 2020 i.e 7973, it is observed that the rate of minimum wage has been

increased by Rs. 570.20. By doing so the employers are made to pay

minimum wage which is increased by Rs. 570.20 as compared to the

minimum wage notified in the previous 8 final notifications dated

28.07.2022. The result of this is the employers are compelled to pay

abnormal rate of minimum wage. Therefore, it is requested that the rates

of minimum wages may be fixed at the same rate as was done in the

previous 8 final notifications dated 28.07.2022.

5) We also request that the rate of increase in the minimum wage which is

about 28% of the previous basic wage which is extremely high may be

restricted to 5% in order to ensure that investments and jobs are

safeguarded in Karnataka.

For Karnataka Employers' Association

B.C. Prabhakar President

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B. C. Prachaus

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KARNATAKA EMPLOYERS' ASSOCIATION

NO.74, 2"FLOOR, SHANKARA ARCADE, VANIVILAS ROAD, BASAVANAGUDI, BENGALURU - 560 004 Reg. No. TU 507 / 20-3-1962

B.C. Prabhakar, B.A., B.L., President

Date: 05.09.2022

To:

The Secretary,
Department of Labour,
4th Floor, Vikasa Soudha,
Bengaluru – 560001

Dear Sir,

Sub: <u>Draft Notification No. KE89 LWA 2022 Dated 17-06-2022</u>
<u>Gazetted on 15.07.2022 proposing to revise Minimum Wages in</u>
the Scheduled Employment of Plywood Manufacturing Industry

- The Department of Labour has published Gazette Notification proposing to revise the rates of Minimum Wages in the Scheduled Employment namely: Plywood Manufacturing Industry
- 2) The rate of minimum wages fixed in the present notification is after following the Repkatos Brett formula. However, the rates of minimum wages proposed are higher than the rates of minimum wages of our neighbouring states who also incidentally follow Repkatos Brett formula. If that were to be so, there could not have been vast variation in the rates especially between neighbouring states. Moreover, the New Labour Codes are likely to be implemented very soon. The New Labour Codes provide for a floor wage to be determined by the Central Government by following the Repkatos Brett formula. In view of this it is requested that the present exercise of revision of minimum wages may be kept on hold.

3) The following table provides the existing rates of minimum wages in the Plywood Manufacturing Industry for an Unskilled Worker:

Year	VDA in Rs.	VDA payable	Min Wage (11587.83) +VDA payable
16.09.2016 to 31.03.2017	398.40	398.40	12255.23
01.04.2017 to 31.03.2018	367.20	398.40+367.20 = 765.60	12622.43
01.04.2018 to 31.03.2019	315.60	398.40+367.20+315.60 = 1081.20	12938.03
01.04.2019 to 31.03.2020	194.40	398.40+367.20+315.60 +194.40 = 1275.60	13132.43
01.04.2020 to 31.03.2021	417.60	398.40+367.20+315.60 +194.40+417.60 = 1693.20	13550.03
01.04.2021 to 31.03.2022	428.40	398.40+367.20+315.60 +194.40+417.60+428.40 = 2121.60	13978.43
01.04.2022 to 31.03.2023	510.00	398.40+367.20+315.60 +194.40+417.60+428.40 +510.00 = 2631.60	14488.43

From the above table, it is clear that the minimum wage that would be payable to an Unskilled Worker before revision for the year 01.04.2022 to 31.03.2023 would be Rs. 14488.43 Now, with the proposed revision, the rate of minimum wage payable to the Unskilled Worker for the year 01.04.2022 to 31.03.2023 after final notification in Plywood Manufacturing Industry will be as follows:

Year	VDA in Rs.	VDA payable	Min Wage (14935.95) +VDA payable
01.04.2022	510.00	510.00	15445.95
to		=510.00	
31.03.2023			

As can be seen from above, the net revision of minimum wage including VDA is Rs. 957.52 The proposed minimum wage of Rs. 15445.95 (including VDA) per month is very high and will make the Plywood Manufacturing Industry unsustainable. No explanation is forthcoming as to the basis on which the increase of Rs.957.52 has been arrived at.

year 2020 i.e 7973, it is observed that the rate of minimum wage has been increased by Rs. 570.20. By doing so the employers are made to pay minimum wage which is increased by Rs. 570.20 as compared to the minimum wage notified in the previous 8 final notifications dated

4) Although the VDA payable is determined on the basis of CPI points for the

28.07.2022. The result of this is the employers are compelled to pay

abnormal rate of minimum wage. Therefore, it is requested that the rates

of minimum wages may be fixed at the same rate as was done in the

previous 8 final notifications dated 28.07.2022.

5) We also request that the rate of increase in the minimum wage which is

extremely high may be restricted to 5% in order to ensure that investments

and jobs are safeguarded in Karnataka.

For Karnataka Employers' Association

B. C. Pralhaur

B.C. Prabhakar President

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KARNATAKA EMPLOYERS' ASSOCIATION

NO.74, 2⁻⁻FLOOR, SHANKARA ARCADE, VANIVILAS ROAD, BASAVANAGUDI, BENGALURU - 560 004 Reg. No. TU 507 / 20-3-1962

B.C. Prabhakar, B.A., B.L., President

Date: 05.09.2022

To:

The Secretary, Department of Labour, 4th Floor, Vikasa Soudha, Bengaluru – 560001

Dear Sir,

Sub: <u>Draft Notification No. KE94 LWA 2022 Dated 27-06-2022</u>
<u>Gazetted on 15.07.2022 proposing to revise Minimum Wages in the Scheduled Employment of Plastic, Polyplastic, Rubber & PVC Pipes Production Industry</u>

- The Department of Labour has published Gazette Notification proposing to revise the rates of Minimum Wages in the Scheduled Employment namely: Plastic, Polyplastic, Rubber & PVC Pipes Production Industry
- 2) The rate of minimum wages fixed in the present notification is after following the Repkatos Brett formula. However, the rates of minimum wages proposed are higher than the rates of minimum wages of our neighbouring states who also incidentally follow Repkatos Brett formula. If that were to be so, there could not have been vast variation in the rates especially between neighbouring states. Moreover, the New Labour Codes are likely to be implemented very soon. The New Labour Codes provide for a floor wage to be determined by the Central Government by following the Repkatos Brett formula. In view of this it is requested that the present exercise of revision of minimum wages may be kept on hold.

3) The following table provides the existing rates of minimum wages in the Plastic, Polyplastic, Rubber & PVC Pipes Production Industry for an Unskilled Worker:

Year	VDA in Rs.	VDA payable	Min Wage (10010.00) +VDA payable
16.09.2016 to	398.40	398.40	10408.40
31.03.2017			
01.04.2017	367.20	398.40+367.20	10775.60
to		=765.60	
31.03.2018			
01.04.2018	315.60	398.40+367.20+315.60	11091.20
to		=1081.20	
31.03.2019			
01.04.2019	194.40	398.40+367.20+315.60	11285.60
to		+194.40	
31.03.2020		=1275.60	
01.04.2020	417.60		11703.20
to		+194.40+417.60	
31.03.2021		=1693.20	
01.04.2021	428.40	398.40+367.20+315.60	12131.60
to		+194.40+417.60+428.40	
31.03.2022		=2121.60	
01.04.2022	510.00	398.40+367.20+315.60	12641.60
to		+194.40+417.60+428.40	
31.03.2023		+510.00	
		=2631.60	

From the above table, it is clear that the minimum wage that would be payable to an Unskilled Worker before revision for the year 01.04.2022 to 31.03.2023 would be Rs. 12641.60 Now, with the proposed revision, the rate of minimum wage payable to the Unskilled Worker for the year 01.04.2022 to 31.03.2023 after final notification in Plastic, Polyplastic, Rubber & PVC Pipes Production Industry will be as follows:

Year	VDA in Rs.	VDA payable	Min Wage (16429.54) +VDA payable
01.04.2022	510.00	510.00	16939.54
to		=510.00	
31.03.2023			

As can be seen from above, the net revision of minimum wage including VDA is Rs. 4297.94. The proposed minimum wage of Rs. 16939.54 (including VDA) per month is very high and will make the Plastic,

Polyplastic, Rubber & PVC Pipes Production Industry unsustainable. No

explanation is forthcoming as to the basis on which the increase of

Rs.4297.94 has been arrived at. This increase works out to more than 42%

of the previous basic wage of Rs. 10010.00. Further, the rates of minimum

wages in other states are much lower compared to Karnataka.

Consequently, it would result in increase in production costs and will lead

to loss of investment and jobs which are much required for the State.

4) Although the VDA payable is determined on the basis of CPI points for the

year 2020 i.e 7973, it is observed that the rate of minimum wage has been

increased by Rs. 570.20. By doing so the employers are made to pay

minimum wage which is increased by Rs. 570.20 as compared to the

minimum wage notified in the previous 8 final notifications dated

28.07.2022. The result of this is the employers are compelled to pay

abnormal rate of minimum wage. Therefore, it is requested that the rates

of minimum wages may be fixed at the same rate as was done in the

previous 8 final notifications dated 28.07.2022.

5) We also request that the rate of increase in the minimum wage which is

about 42% of the previous basic wage which is extremely high may be

restricted to 5% in order to ensure that investments and jobs are

safeguarded in Karnataka.

For Karnataka Employers' Association

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