

**Circular No – 036/2025**

Date: 02.06.2025

To  
All Members of The Association

**REPRESENTATION ON DRAFT NOTIFICATION DATED 11.04.2025  
REGARDING REVISION OF MINIMUM WAGES IN KARNATAKA**

We wish to bring to your attention the Draft Notification dated 11.04.2025, and corrigendum dated on 19.04.2025 issued by the Government of Karnataka, proposing a revision of the Minimum Wages across various scheduled employments in the State.

In view of the significance of this proposed revision and its potential implications for industry, the Association has prepared a draft representation to be submitted by each industry to the Hon'ble Chief Minister, Government of Karnataka, highlighting the concerns and suggestions from the industry's perspective. A copy of the draft representation is attached

The Association requests that the members submit individual representation to the Hon'ble Chief Minister, Government of Karnataka, with a copy marked to KEA at [kea@kea.co.in](mailto:kea@kea.co.in).

**For KARNATAKA EMPLOYERS' ASSOCIATION  
Sd/  
[B C Prabhakar]  
President**

**ON YOUR ORGANIZATION LETTERHEAD**

00.00.2025

The Hon'ble Chief Minister,  
Government of Karnataka  
Bengaluru

(E-mail id) [cm.kar@nic.in](mailto:cm.kar@nic.in); [cm@karnataka.gov.in](mailto:cm@karnataka.gov.in)  
Additional Chief Secretary to Chief Minister - [pscm-kar@nic.in](mailto:pscm-kar@nic.in)

Respected Sir,

**Sub: Draft Notification dated 11.04.2025 proposing to revise the Minimum Wages in the State of Karnataka along with corrigendum dated 19.04.2025.**

On behalf of **(YOUR ORGANIZATION NAME)**, please accept my humble wishes and greetings.

Under your able and dynamic leadership, Karnataka has been consistently leading in attracting industries to the State. Bengaluru is the crown jewel of India in terms of being the software capital, healthcare capital and startup capital of India thanks to your visionary policies. Karnataka leads the country in several parameters such as maintaining a healthy industrial relations climate, investor friendly atmosphere and quick and prompt resolution of disputes under your able guidance.

Sir, we are writing this letter to bring to your kind notice the following in the matter of revision of minimum wages:

**1) About YOUR ORGANIZATION:**

Please write a paragraph ABOUT YOUR ORGANIZATION and its activities.

**2) Impact of the draft notification dated 11.04.2025 and corrigendum dated 19.04.2025:**

The Department of Labour has published Gazette Notification proposing to revise the rates of Minimum Wages in 62 Scheduled Employments uniformly

**3) The present objection is with regard to the steep increase proposed in the minimum wages vide Government notification dated 11.04.2025 and Corrigendum dated 19.04.2025 which would deal a crippling blow to the business as a whole and to the employers.**

**4) Brief background on the previous revision of minimum wages:**

It is brought to your kind notice that the rates of minimum wages in respect of 34 scheduled employments were revised during the years 2022-23 in exercise of its power conferred under Sec 3(1)(b) and 5(1)(b) of the Minimum Wages Act, 1948. As required under the provisions of Minimum Wages Act, an Advisory Board meeting was also called for consultations with all stakeholders namely, managements, trade unions and the Government.

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- 5) Though the rates notified for the abovesaid 34 scheduled employments was high and also higher than the rates in the neighbouring states including Maharashtra, the managements accepted the rates and implemented them.
- 6) Two Trade Unions namely, AITUC and EGWU challenged the final Notifications in the 34 scheduled employments by filing Writ Petitions before the Hon'ble High Court of Karnataka on the ground that the guidelines / norms prescribed by the Hon'ble Supreme Court in the case of Standard Vacuum and Reptakos Brett were not followed while reviewing and revising the rates on minimum wages. The Government took the stand that since it had already followed the Reptakos guidelines during the previous revision in 2016, the 34 Notifications were issued in the years 2022-23 by increasing the minimum wages by 10 to 15% over the 2016 rates. Further, the Government in its Affidavit before the Hon'ble High Court stated that the Reptakos guidelines are required to be followed only when fixing the minimum wages for the first time and not at the time of revision of minimum wages. However, the correct position of law is that the Government is not bound to follow the guidelines / norms prescribed by the Hon'ble Supreme Court in the case of Reptakos Brett for fixing or revising the rates on minimum wages in accordance with section 5(1)(b) of the Minimum Wages Act, 1948.
- 7) Since the employer associations and chambers representing the managements were not made as parties before the Learned Single Judge, this point of law was not articulated before the Learned Single Judge. As a result the Learned Single Judge quashed the 34 notifications holding that the Government should scrupulously follow Reptakos guidelines to revise the rates of minimum wages.
- 8) As the employer associations and chambers representing the managements were not made parties in the above 34 Writ Petitions by the trade unions, Writ Appeals were filed before the Division Bench by the employer associations and chambers representing the managements challenging the order of the Learned Single Judge. The Division Bench upheld the contentions of the Appellants and the quashed the order of the Learned Single Judge. The 34 notifications were also revived. Further, the Division Bench remitted back the 34 Writ Petitions to the Learned Single Judge with a direction to hear the Writ Petitions afresh and pass orders after hearing the Appellants.
- 9) While the matter was pending before the Learned Single Judge, the Government of Karnataka issued a draft notification dated 11.04.2025 under Minimum Wages Act proposing to revise minimum wages for employment in 62 scheduled employments including the above 34

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scheduled employments and also in another 18 new scheduled employments totalling 80 scheduled employments in all.

- 10) After the draft notification dated 11.04.2025 was issued, the 34 Writ Petitions were withdrawn by the Petitioners, thereby their prayer that following Reptakos guidelines is compulsory has not been entertained. Consequently, the Hon'ble High Court has also not confirmed the contention of the Petitioners that that following Reptakos guidelines is compulsory.

**Reasons given by the Labour Department for revising minimum wages within 5 years are non-est in the eyes of law:**

- 11) Section 3(1)(b) of the Act provides for revision of minimum wages at such intervals as the Government may think fit, such intervals not exceeding five years. Yet the Government has proposed to withdraw the final notifications pertaining to 34 scheduled employments by the draft notification within two years for the reason that it intends to uniform minimum wages in all the scheduled employments.
- 12) It is stated that the Government intends to withdraw the 34 final notifications within 2 years as per para 4 of the draft notification. It is settled position of law that if the Government proposes to withdraw the 34 final notifications, it can only do so by exercising power under Section 21 of the General Clauses Act, 1897 or Section 21 of the Mysore General Clauses Act, 1899. As the notifications have been withdrawn without exercising the said powers, the draft notification is illegal.
- 13) Further, even assuming that the Government has the power to withdraw the 34 notifications, the reason given by the Government in the draft notification for withdrawal of 34 notifications pertaining to 34 scheduled employments within two years is ostensibly for the reason that the Government intends to have uniform minimum wages in all the scheduled employments. Such a reasoning is violative of the provisions of the Act. The Act provides for fixing or revising different minimum wages for each scheduled employment in accordance with the nature of the industry. This is because the nature of the business varies and the profit margins are not uniform in all the businesses. The potential for employment also varies depending on the nature of business. Keeping all this in mind, the Legislature has provided for fixing different rates of minimum wages for different scheduled employments. Therefore, the reason for issuing the notification fixing uniform rates of minimum wages for 34 scheduled employments is violative of section 3(3) of the Minimum Wages Act. A notification based on reasonings not permitted under the Act is non-est in the eyes of law.

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### **Whether Reptakos guidelines are compulsory:**

- 14) However, in the draft notification dated 11.04.2025, it has been indicated that guidelines / norms prescribed by the Hon'ble Supreme Court in the case of Reptakos Brett are being adopted by the Government for revising the rates on minimum wages in accordance with section 5(1)(b) of the Minimum Wages Act, 1948.
- 15) It is submitted that the correct position of law is that the Government is not bound to follow the guidelines / norms prescribed by the Hon'ble Supreme Court in the case of Reptakos Brett for revising the rates on minimum wages in accordance with section 5(1)(b) of the Minimum Wages Act, 1948. The Supreme Court, while deciding this case, had made some observations in passing which in legal parlance is known as 'obiter dicta' which means that a Judge's expression or opinion uttered in the court or in any written Judgment, which is not essential to the decision is not legally binding as a precedent. Thus, the Judgment in Reptakos Brett case does not apply to the procedure to be adopted while determining the minimum wages. The Minimum Wages Act has not been amended to incorporate the Reptakos Brett Judgment. Therefore, Government is not bound to follow the guidelines / norms. Despite this position, the Government has sadly decided to rework the complete procedure of fixing/revising minimum wages and accordingly published the draft notification.
- 16) Further, the Hon'ble Supreme Court itself in several Judgments has held that the Government has discretion of choosing one of the procedures either under Section 5(1)(a) or under Section 5(1)(b) under the Minimum Wages Act, 1948. Going further, Reptakos Brett judgment never mandated that it should be followed every time the minimum wages are revised. However, the draft notification dated 11.04.2025 has restricted the discretion of the Government by revising minimum wages, only after following Reptakos Brett guidelines. This self-imposed restriction shall have long term adverse impact by curtailing the powers of the State Government.
- 17) The events narrated above clearly show that the Government is taking stands that are contrary to each other with regard to the whether the Reptakos guidelines is compulsory.

### **Unprecedented wage hike:**

- 18) The proposed rates in the draft notification dated 11.04.2025 are extremely high and therefore has come as a shock to the employers. The proposed increase is as high as 70% in many cases.

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- 19) Every year in the month of April, DA is increased taking into consideration rise in CPI for industrial workers in Karnataka. In this way, rise in price is compensated year on year. In such a scenario, there is no reason for the Government to steeply increase the minimum wages without rhyme or reason.
- 20) When the rates revised in 2022-23 for 34 scheduled employments was already higher than the rates in the neighbouring states (second highest in the country after New Delhi), the draft notification has again been issued pertaining to the same 34 scheduled employments to further steeply increase the minimum wages making them highest in the country.
- 21) The total of welfare cost, labour cost including statutory costs like PF/ ESI/ Bonus / Gratuity / Uniform etc., which are already amounting to 22% on the turnover, with thin margin already in place, this disproportionate irrational hike through minimum wages shall jeopardise most of the industries resulting in closure of industries in Karnataka. This will certainly culminate in most of the labourers in the lower rung losing their jobs which will certainly affect Karnataka economy and employment. The proposed wage hike will not only constrain the industrial operations but also will lead to cascading effect on the pricing hikes which might lead to losing the business in a competitive market. This increase in proposed minimum wages will certainly hit the industries financially, if implemented.
- 22) It is indicated in the draft notification that the minimum wages proposed are calculated after following the Repkatos Brett formula. However, the rates of minimum wages proposed are far 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.

#### **Whether minimum wage could be revised within two years:**

- 23) It is stipulated under section 3 of the Minimum Wages Act that the Appropriate Government may review rates of Minimum Wages at such intervals as it may think fit at such intervals not exceeding 5 years the Minimum rates of wages so fixed and revise the minimum rates if necessary.
- 24) From a reading of the above it is crystal clear that generally the review/revision of minimum wages shall be undertaken once in 5 years. In case the Appropriate Government wants to revise/review the minimum wages even before 5 years, it is a precondition that the Appropriate Government to disclose the reasons why it thought it fit to review for revise even before 5 years. Surprisingly in the instant case without any valid reason revision is

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contemplated barely after 2 years of the last revision which is totally contrary to the purport and object of the Statute.

- 25) The reason for issuing the notification fixing uniform rates of minimum wages for 34 scheduled employments is violative of section 3(3) of the Minimum Wages Act. A notification based on reasonings not permitted under the Act is non-est in the eyes of law.
- 26) Such a steep increase and that too within two years would deal a crippling blow to the employers because this increase is coming at a stage when there has been already a heavy burden placed on the employers due to increase in input costs across the board.
- 27) The Government should have retained the rates of minimum wages for 34 scheduled employments at the same level since it was increased as recently as in 2022-23. Instead of again increasing the minimum wages for 34 scheduled employments in such a short period, the Government should have brought the rates of minimum wages in the remaining 28 scheduled employments as well as in the 18 new scheduled employments to the same level as in the 34 scheduled employments. As already mentioned, the minimum wages as it exists presently in the 34 scheduled employments is already highest in the country except New Delhi.
- 28) The proposal of the Government to increase the already high minimum wages by another 70% will badly affect the small industries, small businesses, shopkeepers. Further, since the minimum wages are applicable throughout the state, small businesses, small industries and small shopkeepers in semi-urban and rural areas will be badly affected.

#### **Whether there could be uniformity in minimum wages in all 80 scheduled employments:**

- 29) The Government has for the first time proposed to revise the minimum wages for 80 scheduled employments uniformly. This is in clear violation of the provisions of Minimum Wages Act which states that different rates of minimum wages are to be fixed for each scheduled employment in accordance with the nature of the industry. This is because the nature of the business varies, and the profit margins are not uniform in all the businesses. The potential for employment also varies depending on the nature of business. Keeping all this in mind, the Legislature has provided for fixing different rates of minimum wages for different scheduled employments. Therefore, the draft notification fixing uniform rates of minimum wages for all scheduled employments is violative of the provisions of the Minimum Wages Act.

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- 30) The proposed uniform wage notification disregards sector-specific economic realities in many Employments such as manufacturing Industries and trading establishments. Some manufacturing industries are highly labour-intensive and mostly semi-skilled in nature, with substantial variation in product cycles and process. Applying a one-size-fits-all approach ignores the principle of economic classification that was fundamental to earlier wage notifications under the Minimum Wages Act.
- 31) A comparative statement of the minimum wages in the neighbouring states including Maharashtra is enclosed herewith. It clearly shows that different rates of minimum wages are fixed for different scheduled employments. This is not only the necessity of law, but it is also a pragmatic way to encourage growth of employment in different industries. This point has been totally ignored in the draft notification.

#### **Reduction in classification of zones from 4 to 3:**

- 32) Reduction in classification of zones from 4 to 3 is again against the interests of the employers especially those who have their industries in the neighbouring areas of metropolitan cities like Bengaluru, Hubballi, Dharwad, etc.

#### **Violation of Natural Justice Principle (Audi Alteram Partem):**

- 33) Rule 19 of the Karnataka Minimum Wages Rules 1958 provides for summoning of witnesses and production of documents in accordance with principles of natural justice. The procedure adopted by the Government is clearly violative of Rule 19. Employers have not been adequately consulted in the decision-making process. Without considering / consulting the employer's representative bodies, the proposed draft notification has been published, which, if implemented will impact a steep wage hike nearly 60% and this is against the principle of natural justice (Audi alteram partem). There should have been adequate stakeholders dialogue/ participation or evidence of consideration of employer feedback is mandatory and the absence of which violates the spirit of Section 5(1)(b) of the Minimum Wages Act.

#### **Anomalies in Classification:**

- 34) There are several anomalies in the classification of employees as contained in Annexure-V under the headings of Highly Skilled, Skilled, Semi-Skilled and Unskilled. Following examples are given to highlight the issue:
- a. In the case of scheduled employment of Hospitals, the existing notification dated 13.01.2023 classifies the employees working in Hospitals under nine categories Part 1

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to Part 9 with different minimum wages fixed for each category. In the Proposed Draft Notification dated 11.04.2025, the classification of nine categories Part 1 to Part 9 have been reclassified to 4 categories as Highly Skilled, Skilled, Semi-Skilled and Unskilled. The employees under Part 4 and Part 5 have been clubbed together under Highly Skilled thereby employees under Part 5 who were getting lesser salary will be getting same salary as Part 4. In addition, both Part 4 and Part 5 employees get different salary enhancement as both are classified as Highly Skilled. The Staff Nurse under Part 4 who was getting higher salary than Registered Nurse under Part 5 will both get the same salary thereby causing heartburn and serious Industrial Relations issues causing unrest among employees.

- b. In the case of scheduled employment of Engineering, same person will be handling multi type of activities. Eg. Machine operator himself is an operator but new notification differentiates minimum wages between Machine operator and operator. Further, there is also a category of operator both in highly skilled and semi-skilled. Turners are again shown both under Highly skilled as well as Skilled. Similarly in the canteen a person kneading himself may be sweet maker or grinder, but notification differentiates between all three of them. There are several such discrepancies. It will be impossible to differentiate between Operators, Senior Operators etc and this may lead to ambiguity and difficulty in implementation. Lack of clarity may lead to IR issues, disputes and industrial unrest leading to loss of productivity.

#### **Example of extent of Wage Hike:**

- 35) There is substantial increase in the minimum wages as proposed to be notified.

#### **ENGINEERING INDUSTRY & SHOPS AND COMMERCIAL ESTABLISHMENTS – ZONE-1**

Sl. No.	Category of employees	Existing wages payable inclusive of VDA(Per month in Rs)	Proposed revision of wages (Per month In Rs.	Increase in Minimum Wages	% Increase
1	Unskilled	15701.43	23276.43 + VDA	7575.00 + VDA	48%
2	Semi-skilled	16860.21	25714.07 + VDA	8854.00 + VDA	53%
3	Skilled	18134.87	28285.47 + VDA	10151.00 + VDA	56%
4	Highly Skilled	19537.00	31114.02 + VDA	11577.00 + VDA	59%

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**Impact on Karnataka's economy:**

- 36) The above increase would adversely affect all the industries including small industries which provide almost 90% of the employment in the industry in the State. If the minimum wage hike is implemented as proposed, the small industry particularly those engaged in parts manufacturing would be adversely affected. The obvious consequence of increase in wages would result in increase in the price of the products. The users would definitely source their requirement from the sources where it is cost effective for them. The order position of those manufacturing spare parts in Karnataka would decline and put the employment of employees engaged in such industry at stake.
- 37) The rates of minimum wages in Karnataka are already highest among the Southern States and second in the Country next only to New Delhi. By undertaking the exercise as indicated in the draft notification dated 11.04.2025, the rates of minimum wages which were revised only a few months ago, are now being revised even further. Cost of production and services will be more affecting the viability of the industries. Investors will hesitate to invest in Karnataka if minimum wages are further increased thereby depriving the employees of employment opportunity.
- 38) The increase proposed in the draft notification would lead to significant impact on Karnataka's economy. All the neighbouring states including Maharashtra have lower rates of minimum wages and also different rates of minimum wages for different scheduled employments. Only if the rate of minimum wages is on par with its neighbouring states as well as Maharashtra, our State would be able attract businesses and industries. Our state can reap the benefits of growth of our State's economy with comparable rates of minimum wages among the Southern states as well as Maharashtra. A brief table of the comparable rates of minimum wages in the neighbouring states as well as Maharashtra is annexed herewith.
- 39) For all the above reasons, it is requested that the Government should withdraw the draft notification dated 11.04.2025 and immediately hold consultation with the industries and their associations and only thereafter issue fresh draft notification after adjusting for inflation.

**On behalf of (YOUR ORGANIZATION NAME)**

NAME  
DESIGNATION

**ON YOUR ORGANIZATION LETTERHEAD**

Cc:

- 1) Hon. Deputy Chief Minister of Karnataka, (E-mail id:) [dkshivakumar1@gmail.com](mailto:dkshivakumar1@gmail.com)
- 2) Hon. Minister for Large & Medium Industries, Govt of Karnataka (E-mail id:) [indusmin.gok@gmail.com](mailto:indusmin.gok@gmail.com)
- 3) Hon'ble Minister Health & Family Welfare Department (E-mail id:) [healthminister2023gok@gmail.com](mailto:healthminister2023gok@gmail.com); [min-health@karnataka.gov.in](mailto:min-health@karnataka.gov.in)
- 4) Hon'ble Labour Minister (E-mail id:) [ministerforlabour75@gmail.com](mailto:ministerforlabour75@gmail.com)
- 5) Chief Secretary to Government (E-mail id:) [cs@karnataka.gov.in](mailto:cs@karnataka.gov.in)
- 6) Principal Secretary to Government, Commerce and Industry - [prs-ci@karnataka.gov.in](mailto:prs-ci@karnataka.gov.in)
- 7) Principal Secretary to Government, Department of Health and Family Welfare - [prs-hfw@karnataka.gov.in](mailto:prs-hfw@karnataka.gov.in) | [hfwprincipalsecretary@gmail.com](mailto:hfwprincipalsecretary@gmail.com)
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