



Circular No – 023/2026

Date: 27.04.2026

To
All Members of The Association

KEA IN THE NEWS

The Deccan Herald's 26 April 2026 edition reports on the Karnataka government's proposed minimum wage revisions, highlighting a significant, pending proposal to set the rate for unskilled labourers in Zone 1 (Bengaluru) at ₹23,276. While a VDA of ₹435.60 was mandated effective 1 April 2026, concerns remain regarding the impact of inflation and legal challenges on wage compliance. The edition as also carries an article titled "Wage reform case in Karnataka". The article also carries the views of the President of Karnataka Employer Association and the extract of the article is given below:

WAGE REFORM CASE IN KARNATAKA

DH News 26.04.2026

Recently, thousands of factory workers across north Indian cities protested, demanding higher minimum wages and better working conditions. These workers earn between Rs. 9,000 and Rs. 12,000 a month.

In Karnataka, however, the situation is different. Karnataka offers some of the highest minimum wages in the country, second only to Delhi. At present, unskilled workers earn around Rs. 16,000 per month, while



semi-skilled workers receive about Rs. 17,000. Skilled and highly skilled workers are paid approximately Rs. 18,500 and Rs. 19,900 respectively.

With the introduction of the new labour codes by the central government, state governments are required to revise wages across different categories of workers. An earlier proposal by the Karnataka government to increase minimum wages was challenged in the High Court and is still pending.

"This is now infructuous with the new labour codes coming into force. A fresh proposal will have to be made once rules are framed under the new code," says B C Prabhakar, President of the Karnataka Employers' Association.

The Karnataka government had earlier proposed increasing minimum wages for different categories to between Rs. 22,000 and Rs. 32,000 per month — levels that smaller industries within the state would find difficult to sustain, he says.

The Karnataka government is also drafting a new MSME Policy and has already held two rounds of consultation with key stakeholders.

"MSME units in the state, especially in Bengaluru, are grappling with an acute shortage of workers, as many ITI and diploma holders have shifted to e-commerce and quick commerce companies where they earn significantly more than what manufacturing units offer," adds a representative of the Karnataka Small Scale Industries Association.





Link to the newspaper:

• **Deccan Herald:**

<https://www.deccanherald.com/india/karnataka/wage-reform-case-in-karnataka-3981078>

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