



Circular No - 029/2026

Date: 25.05.2026

To
All Members of The Association

KEA REPRESENTATION TO THE CHIEF MINISTER

Reg. Final Notification Dated 22.05.2026 Steeply Revising the Minimum Wages in the State of Karnataka in 81 Scheduled Employments

The Association has submitted a representation dated 25.05.2026 to the Hon'ble Chief Minister, Government of Karnataka, requesting the Government to withdraw the final notification dated 22.05.2026 revising the minimum wages for 81 scheduled employments.

The Association has further requested the Government to immediately initiate consultations with Industries and their Associations and thereafter issue a fresh draft notification only after the Floor Wages are fixed by the Central Government under the Code on Wages.

A copy of the representation dated 25.05.2026 is enclosed for reference.

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



+91 9449183208



Bengaluru, Karnataka



kea@kea.co.in

☎ Off : 080-26613091 / 26607167
080-42103360 / 26761733
Email : kea@kea.co.in
Web : www.kea.co.in

KARNATAKA EMPLOYERS' ASSOCIATION

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



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

25.05.2026

The Hon'ble Chief Minister,
Government of Karnataka
Bengaluru

Respected Sir,

Sub: Final Notification dated 22.05.2026 steeply revising the Minimum Wages in the State of Karnataka in 81 Scheduled Employments.

On behalf of Karnataka Employers' Association (KEA), please accept our 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.

About our Association:

Our Association is one of the oldest and largest Association of Employers in Karnataka representing leading industries in software, pharmaceuticals, textiles, engineering and other sectors. The Association has members from all sectors of Industry both in private sector as well as in public sector. In its more than six decades of its existence, the Association has been taking up the cause of the

Industry and Commerce and Service Sector with the different authorities for redressal or resolution of the issues confronting its members relating to labour laws.

Sir, we are writing this letter to bring to your kind notice the following in the matter of revision of minimum wages by Final Notification dated 22.05.2026:

Brief background on the events leading to the final notification dated 22.05.2026:

- 1) The Government of Karnataka issued a draft notification dated 11.04.2025 under the Minimum Wages Act, 1948 proposing to issue a common notification to fix uniform minimum wages for employment in 61 scheduled employments and also in another 18 new scheduled employments totalling 81 scheduled employments in all which is contrary to the object of the Minimum Wages Act, 1948.
- 2) Writ Petition No. 18515/2025 was filed on 23.06.2025 before the Hon'ble High Court of Karnataka challenging the proposal to issue a common notification through the draft notification dated 11.04.2025. The Hon'ble High Court was pleased to pass the following order dated 30.06.2025:

"Government is proposing to fix uniform wages irrespective of the Industry and irrespective of the Region which is contrary to the object of Minimum Wages Act, 1948. It is further submitted that to the said proposal, the petitioners have already filed objection and the respondent - Government is yet to convene a meeting to have a discussion on the proposal. Learned Government Advocate would submit that no further action would be taken unless meeting is held and representatives of the concerned industry are heard. Under these circumstances, emergent notice is issued. Respondent Government shall file reply if any. If the Notification is sought to be implemented, petitioners are at liberty to move this Court to seek appropriate relief."

- 3) The Government convened the Minimum Wages Advisory Board meeting on 29.07.2025. Writ Petition No. 21852/2025 was filed on 21.07.2025 before the Hon'ble High Court of Karnataka seeking a direction against the Government not to take any precipitative steps by issuing final notifications subsequent to the Advisory Board meeting dated 29.07.2025. The Hon'ble High Court was pleased to pass the following order dated 22.07.2025:
- ".....this Court directs that in case, any decision is taken on 29th of this month in the Advisory Board meeting, the decision shall not be implemented till next date."**
- 4) Two more Writ Petition Nos. 22771/2025 and 22776/2025 were filed on 28.07.2025 before the Hon'ble High Court of Karnataka seeking a direction against the first Respondent Government not to take any precipitative steps by issuing the final notification subsequent to the Advisory Board meeting dated 29.07.2025 pertaining to, in connection with and relating to the draft notification dated 11.04.2025. The Hon'ble High Court was pleased to pass the following order dated 29.07.2025:
- ".....The order that would be passed by the meeting of the Advisory Board on 29.07.2025 or subsequently, shall not be implemented till the next date of hearing.."**
- 5) Despite a clear direction from the Hon'ble High Court as reproduced above, the Government has issued the final notification dated 22.05.2026 without seeking leave of the Court. It is submitted that this action of the Government is violative of the Order of the Court.
- 6) In the meantime, Code on Wages was notified by the Central Government on 21.11.2025 which had the effect of repealing the Minimum Wages Act, 1948. Since the Code on Wages has abolished the concept of Scheduled Employments, the draft notification dated 11.04.2025 issued by the Government under the repealed Minimum Wages Act is infructuous.

- 7) Further, under the Code on Wages, the State Government is required to revise the minimum wages only after the Central Government has fixed the Floor Wages.

The final notification dated 22.05.2026 suffers from legal infirmities:

- 8) The final notification dated 22.05.2026 has been issued by exercising powers under the repealed Minimum Wages Act (which was repealed by Code on Wages which has come into effect from 21.11.2025) and hence is without the authority of law.
- 9) The Code on Wages has abolished the concept of Scheduled Employments whereas the notification dated 22.05.2026 is made applicable to 81 scheduled employments which do not exist in law.

Impact of the final notification dated 22.05.2026 - Unprecedented wage hike:

- 10) The rates in the final notification dated 22.05.2026 are extremely high and therefore has come as a shock and would deal a crippling blow to the business as a whole and also to the employers.
- 11) Such a steep 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.
- 12) The proposal of the Government to increase the already high minimum wages by another 60% 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.

Impact on Karnataka's economy:

- 13) 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 other states 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.

- 14) The rates of minimum wages in Karnataka are already highest among the Southern States and second in the Country next only to New Delhi. 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.
- 15) The steep increase in the rates of minimum wages would lead to significant impact on Karnataka's economy. All the neighbouring states including Maharashtra have lower rates of minimum wages
- 16) For all the above reasons, it is requested that the Government should withdraw the final notification dated 22.05.2026 and immediately hold consultation with the industries and their Associations and only thereafter issue fresh draft notification after the Floor Wages are fixed by the Central Government under the Code on Wages. Any increase should be a reasonable one.

For Karnataka Employers' Association

B. C. Prabhakar

B.C. Prabhakar
President

Mob: 98440 33348