



CIRCULAR

Circular No - 047 / 2022

Date: 21.06.2022

To
All Members of The Association

MINIMUM WAGE ADVISORY BOARD MEETING
INDUSTRY REPRESENTATIVES URGE POSTPONEMENT OF THE
REVISION

1. The Labour Commissioner and Chairman, Minimum Wages Advisory Board, Govt of Karnataka, Dept. of Labour had convened a meeting of the Minimum Wages Advisory Board on 21.06.2022 at 12.30 pm to consider the objections and suggestions to the following 8 Gazette Notifications, proposing to revise the rate of Minimum Wages in the following Industries in respect of the Scheduled Employments of namely:
 - I. Automobile Engineering Production, Assembling, Body Building Servicing & Including Repairing Works
 - II. Clay Pots, Ceramics Stoneware, and other Allied Industries
 - III. Fish Catching, Fish Processing, Fish Peeling, Shrimp/Crab Processing and Frog Leg Exporting Industry
 - IV. Foundry (Including Machineries or Excluding Machine Shop)
 - V. Security Agencies (Office Staff & Security Staff & including Industries)
 - VI. Toilets, Bathrooms, Scavenging (Excluding Urban Local Bodies & Panchayat Raj)
 - VII. Urban Local, Bodies, Town and Village Panchayats
 - VIII. Veneer Industry

2. As a member representing the employers, KEA also attended in the meeting. Sri K N Vasuki, Advocate and Treasurer, KEA participated in the meeting. The other members representing the employers in the meeting included officials from FKCCI (Trade and Commerce), KASSIA (MSME), KPHRA (Hotel and Restaurant Industry), CII (Confederation of Indian Industry), KTMA (Karnataka Textile Mills Association), CMAI (Clothing Manufacturer's Association of India), AWAKE and BAI (Builders Association of India).
3. Some of the important points highlighted by the members representing Employers at the meeting are as follows:
 - a. Since the Industry is just out of the two years COVID pandemic, it would be advisable to put off the exercise of revising the rates of minimum wages by at least one more year.
 - b. Further, since the Labour Codes are likely to be notified very soon and the Labour Code providing for fixation of a national floor wage and also abolition of scheduled employments, it would be advisable to put off the exercise of revising the rates of minimum wages by at least one more year.
 - c. Proposed rates of minimum wages especially in Zone I are as high as 25% more than the previous rates which is unsustainable by the industry. There will be no option for industries but to shift to the neighbouring states such as Tamil Nadu (Hosur), Andhra Pradesh (Anantapur) or Maharashtra as the rates in these states is much lower.
 - d. VDA neutralisation should be on 7973 points (Base Year 2020) instead of 7616 points (Base Year 2019) since the final notification is notified in the financial year 2022-2023.
 - e. It is necessary to rename the Scheduled Employment of "Toilets, Bathrooms Scavenging (excluding Urban Local Bodies & Panchayat Raj Institutions) to "Employment in industries/establishments providing Public Toilets, Bathing

Rooms and Drainage Cleaning Services”. This is all the more important because many industries are already receiving notices from Safai Karmachari Board directing the industries to pay wages considering the workers engaged in House Keeping as Safai Karmacharis. Bringing the Housekeeping staff under “Safai karmachari” will have a huge cost implication on the Facility Management industry.

- f. When the basis of revision of rates is based on Reptakos Brett & Co ruling of Supreme Court, how can different states have varied rates based on the same principle.
- g. Regarding the demand that the revised rates have to be made effective retrospectively (w.e.f. 01-04-2021) – This point was very strongly opposed by the employer groups – considering that all sectors of employers are just coming out of the pandemic related economic challenges and this burden cannot be passed on to customers now. This is especially so in case of Hotels / restaurants, since they cannot charge their customers on retrospective basis.
- h. The govt. has not conducted any fresh study for the revision of rates of minimum wages – this may be challenged in the Court.
- i. Draft notifications should be shared with the representatives of both employers and employees immediately after they are published so that there is sufficient time available for preparing the objections and suggestions.
- j. Meeting with stake holders should be held even before publishing the draft notifications so that the revision of rates of minimum wages can be done more realistically.
- k. FKCCI requested that a separate rate table should be published for MSMEs as this is a very price sensitive category that cannot be clubbed with other industries

4. Members representing FKCCI, KASSIA, KPHRA, CII, KTMA and CMAI also vociferously emphasised the need to put off the revision by at least one year or reduce the rate of increase to 10% without which industries will be forced to either close down or relocate to neighbouring states.

For KARNATAKA EMPLOYERS' ASSOCIATION

Sd/-

[B.C. PRABHAKAR]

PRESIDENT