

*The more productive capital grows, the more it extends the division of labour and the application of machinery; the more the division of labour and the application of machinery extend, the more does competition extend among the workers, the more do their wages shrink together.*

*- Karl Marx (Wage Labour and Capital)*



**A STUDY OF THE MINIMUM WAGES STRUGGLE OF WORKERS  
IN TIRUPPUR'S GARMENT SECTOR**

By  
**Sowmya Sivakumar**



**SAVE**

**Social Awareness and Voluntary Education  
Tiruppur**

**November 2017**



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# Director's Desk

**T**he garment sector in Tiruppur has grown tremendously over the past three decades. Perhaps the most tangible evidence of the sector's remarkable growth lies in the phenomenal increase in revenue earned. *Tiruppur's export garment industry has, on average, doubled every 3-4 years in the past three decades, and touched about Rs 25,000 crore in the current scenario.*

While the achievements and success of Tiruppur's garment sector are noteworthy, it is important to understand how this growth has impacted workers in the industry. One essential criterion for assessment is to take a closer look at workers' wages and analyse to what extent they have mirrored the sector's exponential growth. Simply said, it is important to understand how profits have trickled down to workers' wages.

The underlying purpose of this study is threefold: first, it provides a comparative analysis as to what extent the growth of revenue generated in the garment sector has matched a similar growth in wages; second, it identifies the gaps as to why wages have not grown at the same rate as profits; and finally, it provides concrete recommendations for industry stakeholders on how best to correct the deficiencies in the growth of wages.

In order to better understand the context of this study and the need for it, one must remember that in Tiruppur, workers' representatives and other concerned parties have been fighting for the implementation of a living wage on behalf of labourers. Thanks to a revision of the tailoring wages in 2014, there is now some parity between the minimum wages and those wages derived from tripartite agreements and the most recent bipartite agreement in 2016. However, the negotiated wages are still low and do not reflect a decent income or living wage. Moreover, loopholes in the application of the minimum wage across various sub-sectors within the garment industry has allowed employers to pay less than the recommended minimum wage. One example of this has been a reliance on semantics to differentiate between "tailoring" and hosiery", with employers who are arguably engaged in tailoring tending to utilise the wage standard in hosiery because it is less than that for tailoring. There is also a lack of transparency in the application of the current minimum wage. Furthermore, minimum wage criteria are abandoned under 'non-regularised' type work conditions such as contract, piece rate and time-rate/shift work. Workers under these types of arrangements are not guaranteed a monthly minimum wage, and in most cases, they do not even earn a wage that reflects the daily minimum wage.

It is hoped that this study charts the path to dialogue on the importance of addressing the need for a living wage and the implementation of the same. These efforts will make the garment sector sustainable for all stakeholders.

Tiruppur  
November, 2017

**A.Aloysius**  
Managing Director - SAVE





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# Chapter 1

## Introducing the Study

### The cross-paths of wage and capital

The year was 1984. What stands today as Tiruppur's ~Rs 25,000 crore export garment industry, was then a fledgling<sup>1</sup>. Coincidentally, Tiruppur was also in the throes of the region's historic labour strike that year, which ran for 127 days. Thousands of workers had struck work for want of a dearness allowance (DA) that would allow their low wages to keep up with rising prices.

But capitalists were busy setting their sights elsewhere. Only a few years ago, a gentleman called Antony Verona from Italy had sniffed potential in this less known town in Tamil Nadu, through which flowed River Noyyal, whose then unpolluted waters is said to have imparted the very white lustre to the hosiery fabric bleached here.

In order to appease the workers, without whom cashing in on this export opportunity would have been impossible, the industry association came to the negotiating table to 'find a solution' with the workers' unions. Trade unions were known to be militant then, and the industry had little choice. While the strike went on to find a legal resolution in court, simultaneously, a dialogue between the industry and workers had begun.

These were the early beginnings of the "Tiruppur Tripartite Agreement on Wages" under Section 12 (3) of the Industrial Disputes Act, 1947. The provision became the basis on which a tripartite agreement between the hosiery and readymade garment workers of the district, the industry, and the state government, would become binding on all signatories. The reason for the birth of a periodic tripartite settlement was the lack of enforcement of minimum wages for workers in the industry under the Minimum Wages Act, 1948, owing to frequent court cases and stay orders on the government's notified wages from time to time. It is altogether another matter that even such revisions were few, and far between. In the absence of proper government enforcement of minimum wages, the tripartite settlement became both necessary and possible by the fact that labour unions were strong in the '80s and the industry then mostly hired labour on a time rate basis. These agreements uninterruptedly ensured that thousands of workers employed in the sector were assured of an increment in their wages year after year, no matter whether the government revised or enforced the minimum wages, as it was duty-bound to.

The tripartite agreements not only negotiated the minimum daily wages (sum of a basic pay plus dearness allowance plus travel allowance) payable to seven categories of workers (both time rate and

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<sup>1</sup> The earliest available export data for Tiruppur's garment industry pertains to 1985, at a value of less than Rs 10 crore (Source: Tirupur Exporters' Association (TEA), Apparel and Export Promotion Council (AEPC), Tiruppur district website)

piece rate) in both export and domestic segments of the industry every 3-4 years, but also reinforced a number of other entitlements of workers such as overtime, tea and tiffin incentives, Employees' State Insurance (ESI) for medical cover, Provident Fund (PF), bonus, Family Welfare Fund, safety, and other measures that were felt necessary from time to time.

## Tracing the timeline

Everybody knows the Tiruppur success story, but let's consider these figures – from less than Rs 10 crore in 1985, to Rs 23,000 crore in 2015-16, readymade garment exports from Tiruppur have grown at a phenomenal **compounded annual growth rate (CAGR)** of **28.4%** in these 31 years, notwithstanding a few years of falling exports post 2008 global crisis.

However, what is hardly talked about is the fact that minimum wages of the 3-5 lakh work force in this sector, despite the best efforts of trade unions as per the tripartite agreement, have grown at **only 8.8% CAGR** between 1996 and 2016, i.e, since 20 years of unbroken settlements<sup>2</sup>.

Concomitantly, what the state government has done with the official minimum wages in the readymade garment/hosiery sectors in all these years, is a story in itself that needs much detailing.

**G Sampath, General Secretary of CITU in Tiruppur**, deftly weaves in the threads of all these developments from the past right into the present. Sampath, who completed his high school and joined as a helper in a banian factory in 1983, traces the timeline:

“The first minimum wages for “hosiery manufactory” was announced by the state government in 1960. But it did not get implemented. Workers protested saying the work load had to be fixed, as the wages were not sufficient to cover the work load. Trade unions were gaining strength, and in 1984, the 127-day strike for Dearness Allowance led the government to announce DA of Rs 46/month. In 1987, the government revised the DA further to Rs 50/month. But the issue of work load had still not been resolved. The government set up a committee under Justice Varadhan, which came out with its recommendations on minimum wages for a fixed load. It was called the Vardhan award. At that time, there were no exports; only local market (inner wear). But the Vardhan award did not get implemented in reality (i.e, employers did not comply).

### Box 1: What is a Tripartite Agreement?

**12 (3) settlement**, also known as tripartite agreement refers to the section 12(3) of the Industrial Disputes Act. Parties to it are: **a)** employer(s) or their representatives **b)** workmen or union leaders and **c)** the conciliating officer (usually of Assistant Commissioner of Labour or above rank).

**Section 12 (2) of the Act states:** The conciliation officer shall, for the purpose of bringing about a settlement of the dispute, without delay investigate the dispute and all matters affecting the merits and the right settlement thereof and may do all such things as he thinks fit for the purpose of inducing the parties to come to a fair and amicable settlement of the dispute.

**Sec 12(3) states:** If a settlement of the dispute or of any of the matters in dispute is arrived at in the course of the conciliation proceedings, the conciliation officer shall send a report thereof to the appropriate Government (or an officer authorised in this behalf by the appropriate Government) together with a memorandum of the settlement signed by the parties to the dispute.

Such agreements stand binding on the employer and its employees to the dispute, for the period agreed upon.

<sup>2</sup> Formula for CAGR =  $(EV / SV)^{1 / n} - 1$  where EV = end value and SV = start value, and n = number of periods (here, years). The CAGR for wages pertains to 'tailor' category. For details, see Chapter 2

By the late 1980s, there was building pressure on the South India Hosiery Manufacturers' Association (SIHMA was the oldest of the industry associations; TEA came later) and employers to accede to the demands for fair annual increments wages and other benefits for workers put forth by the powerful trade unions. There were only four unions then – CITU, AITUC, LPF (affiliated to DMK) and ATP (affiliated to AIADMK) - as against 7-8 unions now. The tripartite agreement was born in 1990.

Simultaneously, exports were rising rapidly and global attention on Tiruppur was growing. The tripartite agreements were in force, and exporters too, had to implement them. However, the terms of hiring labour were also changing. As piece rate basis started to become more widespread with growing export orders on tight deadlines, as it did since about 10 years ago, the question arose – what should be taken as base salary for calculation of ESI and PF for these workers? Even if piece rated workers were not paid PF etc. in reality, the companies were showing it in their books. And they found a way to do that very cleverly.

They simply started maintaining 2-3 types of records. One set of records was for ESI, PF, etc. calculations, for which they would show the minimum wages (as fixed by the government) as the basis. Then, there would be another set of records to show the buyers. In an export driven market with stricter norms, buyers were keen to maintain the fair wage/labour-friendly image. In order to keep up this positive image, the companies would show buyers that workers were being paid the tripartite agreement wages (again, whether or not it was being paid in reality), which were *higher* than the official minimum wages (until recently). This too changed a few years ago, when the global crisis hit, and companies switched to showing the “tailoring industry” minimum wages to the buyers, stating that these were anyway the statutory minimum wages fixed by the government. This was convenient for them, as the government notified wages were much *lower* than those negotiated in the tripartite agreement *at that time*.

A third set of records would be for the labour and factories inspectors etc., which also showed payment of government determined minimum wages to workers.

The revision in tailoring industry minimum wages in 2014 by the Tamil Nadu government, 10 years after its previous revision in 2004, brought about an increase in the so-called official wages for the workers. This is because, by then, about 90% of factories had switched to showing the tailoring industry minimum wages *on record* (although in reality there were many different rates: time, piece, tripartite, etc.). That landed the companies in a real fix, as the tailoring industry minimum wages 2014 notification had revised wages almost on a par with, or in some categories, *even higher* than the tripartite agreement wages, for the first time in the industry's history.

Caught off guard, hundreds of companies scampered to court and got a stay on the newly revised minimum wages claiming they were not a part of the tailoring industry! In the meanwhile, the last tripartite agreement reached the end of its term, and fresh negotiations were due in 2015. The government did not participate on grounds that it had already revised the minimum wages only in 2014. The latest wage accord between unions and employers was then settled as a bipartite agreement (section 18(1) of Industrial Disputes Act), and took effect from 2016”.

But the industry had also plotted an escape route. Much to the surprise of the trade unions and workers, the Tamil Nadu government brought in another government order on January 27, 2016, which revised the “hosiery manufactory” minimum wages last fixed in 1960, i.e, after a period of 56 years. The minimum wages declared in this notification were much *lower* than the minimum

wages notified for the tailoring industry in 2014, as well as the latest negotiated wage between the industry and unions effective from 2016. Industry representatives have publicly emphasised that it is this hosiery manufactory wages that are now applicable to them, and not the tailoring industry wages. However, this is a stance that workers are simply not ready to accept. The government, on its part, has maintained an eerie silence.

### ***Which wage should prevail?***

The knitted readymade garment and hosiery sector in Tiruppur is plagued by a number of ills, both on the side of the workers as well as the industry. It is not within the scope of this report to delve into all of them. For the interested reader, there are numerous insightful studies published on the Tiruppur garment sector, at different levels of analysis, and on various aspects pertaining to labour welfare and rights, which are publicly accessible. The scope of this report is thus focussed on a single pivotal issue – that of minimum wages determination - in the context of the recent revisions undertaken by the government for tailoring and hosiery industries, given the unique history of wage fixation in Tiruppur, and the peculiarities and evolution of the industry and labour structures in the region.

The objective is to study whether the claims of the industry that the hosiery minimum wages should prevail for the entire sector are legitimate or not, and to argue out its conclusions with substantive evidence, analysis, logic, and on-ground realities, that have been completely bypassed by the employers, court, and media. In presenting facts emerging from an analysis of available data, information, and insights from various participants, this research thereby also aims to lay the foundations for a very legitimate demand for moving towards a living wage for workers in this sector that will ensure they are able to live a life of dignity and fulfillment<sup>3</sup>.

## **Methodology**

Having set up the problematic and the scope of this study, a few lines on the methodology need stating. Information collated for the research is based on both primary and secondary sources. A number of published reports, government data, news items, and websites were referred to. Wage data calculations were based on trade union sources and government notifications, adjusted for inflation based on the Consumer Price Index for Industrial Workers (CPI-IW) series (1982 base) from the Labour Bureau. Detailed interviews were conducted with representatives of 3 trade unions – CITU AITUC, and LPF in Tiruppur - who were all forthcoming with information and valuable insights. In-depth conversations with about 20-25 workers and labour contractors took place over the course of the study, at their homes and in the course of factory visit. While workers were most cooperative with details on their working and living conditions, and welcomed the researcher into their homes, a similar openness was absent on the side of the employers. A request to visit an export house similarly was turned down. However, two industry representatives – one, Mr Muthurathinam, president of Tiruppur Exporters and Manufacturers' Association (TEAMA), and two, the owner of a domestic garment factory in Tiruppur, agreed to speak at length with the researcher, and gave numerous insights from the industry's perspective, that were crucial in tying up the conclusions of this study. On the side of the government, while information applied for through the Right to Information Act failed to yield any result, discussions with the Joint Director - II, Industrial Safety and Health, Government of Tamilnadu, in Tiruppur, helped to clarify the government's present stance in the latest impasse.

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<sup>3</sup>The Committee on Fair Wages in 1948 defines 'living wage' as: "... (that) which should enable the worker to provide for himself and his family not merely the basic essentials of food, clothing and shelter but a measure of frugal comfort including education for children, protection against ill health, requirements of essential social needs and a measure of insurance against more important misfortunes including old age."

## What's in the report

The following chapter delves in depth into the time line sketch drawn in this introductory chapter, locating it within conceptual, legal and statistical analysis where required. The conceptual analysis questions the fundamental basis for the definitions of tailoring versus hosiery industry while notifying and revising wages for the two industries, the lack of clarity, and the government's silence that is the source of the present confusion. The legal analysis traces the court battle on minimum wages over the years between employers and workers' unions from the 1980s till date - a tussle that led to infrequent minimum wage revisions placing workers at the receiving end anyway - and offers a critique on the current stance put forth by the industry in court to switch to the hosiery minimum wage. The statistical analysis highlights the trajectory of nominal and real wages of workers in Tiruppur from past to present, and argues how bringing in the hosiery minimum wages at revised rates after 56 years amounts to going against the very spirit of the concept of fair or even minimum wages. It also brings out how, in recent years, even the tripartite agreement wages have just about managed to keep workers above the water. Chapter 3 ties in these findings with the ground realities of an evolving industry and labour structure in Tiruppur, in the context of larger domestic and global developments. Chapter 4 presents the most pressing recommendations to all three stakeholders – the government, the industry, and workers' unions - emerging from this study.



## Chapter 2

# Wage Analysis

### Part 1: The Path of Wages under the Minimum Wages Act, 1948

In India, The Minimum Wages Act, 1948 gives powers to the Central and State governments (under Section 3) to fix **minimum wages** payable to workers in different employments. Right at the outset, it needs to be underscored that the First Tripartite Committee on Fair Wages appointed in 1948 by the Government of India laid down a “living wage” concept as the ideal attainable for all workers. 70 years hence, it is shameful that we are still talking in terms of “minimum” wages, which, on top, continues to be violated across many industries.

The employments for which minimum wages are payable are set out in Part 1 and 2 of the Schedule appended to the Act. These lists are not static; as the Governments are empowered to notify and add any employment over the years, for which the Act then becomes applicable. As of date, the Centre prescribes minimum wages for 45 employments in the Central Sphere, while the Tamil Nadu government has included over 92 scheduled employments, of which only 73 were reported to the Centre as of 2014<sup>4</sup>. Readymade garments, hosiery and tailoring etc. have not been included in the Central Sphere.

While Chapter 1 has briefly sketched the history of the minimum wages in Tamil Nadu and the tripartite wages in Tiruppur with respect to the garment/hosiery sector, we weave in this timeline with a legal and moral narrative in this chapter, in an attempt to highlight how this path has been fraught with inconsistencies that have landed workers at a great disadvantage time and again.

We have seen how the first minimum wage for the industry in Tamil Nadu was declared in 1960. The order including ‘hosiery manufactory’ in the Schedule for minimum wages is set out in **Annexure 1**.

It is pertinent to note that, at that time:

1. there were no exports from Tiruppur.
2. There was no DA component in determining minimum wages.
3. There was only one minimum wage order pertaining to companies engaged in hosiery manufacturing, and that was specified in the 1960 G.O.

However, the 1960 hosiery manufactory minimum wages soon lost its relevance, as the Act specifies that minimum wages have to be revised at least once in 5 years. It was never revised until after 56 years, in 2016. In the meantime, as we saw earlier, the industry in Tiruppur was transforming; exports had begun in the early 1980s, the range of garments produced was expanding, and the demand for DA to be included in wage rate calculation of workers was steadily gaining ground.

In another separate development, the Tamil Nadu government included ‘tailoring industry’ in the Schedule<sup>5</sup> in 1978, and notified minimum wages for this industry for the first time in 1981.

<sup>4</sup> According to the Report on the Working of the Minimum Wages Act, 1948 for 2014, published by The Labour Bureau, Ministry of Labour and Employment at [http://labourbureau.gov.in/UserContent/Report\\_MW\\_ACT\\_2014.pdf?pr\\_id=wElJPpAklLE%3d](http://labourbureau.gov.in/UserContent/Report_MW_ACT_2014.pdf?pr_id=wElJPpAklLE%3d)

## Definitions of hosiery and tailoring industries

The immediate question which comes to mind is: how does the government define hosiery and tailoring industries?

An RTI application to this question yielded no response. (See **Box 2**) Hence, we turn to the most widely accepted standard in classification of industries for the entire country - the National Industrial Classification (NIC) for All Economic Activities. The NIC is brought out by the Central Statistical Organisation (now Central Statistics Office) under the Ministry of Statistics and Programme Implementation, Government of India. The NIC too, has been periodically revised, to take into account changes in the structure and organisation of industries.

Below are reproduced relevant abstracts from the NIC – 2008 (the latest available classification) and NIC – 2004 (see **Exhibits 2 and 3**):

**NIC 2004:** The relevant broad classification under NIC-2004 for the garment sector is “**Division 18: Manufacture of Wearing Apparel, Dressing and Dyeing of Fur.**” Under, this sub-category **18101** is the code assigned for “**manufacture of all types of textile garments, and clothing accessories.**” There is no mention of hosiery as a separate category, nor is any distinction made between knitted and woven textile garments in the 2004 classification, and hence could all be subsumed under 18101.

**NIC 2008:** The relevant broad classification under NIC – 2008 for the garment sector is “**Division 14: Manufacture of Wearing Apparel.**” The NIC 2008 classification introduced a new sub-category **143**, viz., “**manufacture of knitted and crocheted apparel.**” Thus, while 14101 continues to represent the same as 18101 as per the NIC 2004, the sub-categories under 143, i.e, **14301** and **14309** specifically represent “**manufacture of knitted and crocheted wearing apparel and other made up articles directly into shape (such as pullovers, cardigans etc.)**” and “**manufacture of other knitted and crocheted apparel including hosiery.**” respectively.

Furthermore, the NIC 2008, in its explanatory notes, clearly specifies tailoring as central activity in manufacture of wearing apparel (as produced below):

### **Box 2: Transparency and Right to Information (RTI)**

It is surprising that while the 1960 GO on hosiery manufactory in TN is easily accessible on the net, the GOs pertaining to tailoring minimum wage revisions before 1994 are elusive. Even an RTI application seeking copies of minimum wages revisions from 2004 onwards, or even the definitions of these industries yielded a negative response from the office of Deputy Director -1, Industrial Safety and Health, Tiruppur, on grounds that “it does not concern the office.” The original application had been addressed to the Labour Commissioner, Coimbatore, who had transferred the application on grounds that “it does not pertain to that office!

<sup>5</sup>Vide G.O. Ms. No.1484, Labour& Employment, dated 12.11.1978, the Government of TamilNadu, by virtue of powers conferred under Section 27 of the Minimum Wages Act, 1948, included tailoring as a scheduled employment for the purpose of the Act, which was followed by G.O. Ms. No.1229, Labour& Employment, dated 9.6.1981, wherein the the minimum rates of wages for employment for tailoring was notified. (Source: 13.07.2016 judgment of Madras High Court in state of Tamil Nadu vs Sri Ranga Apparel case)



## Exhibit 1 : Explanatory note on Division 14 under NIC - 2008

### 14      **Manufacture of wearing apparel**

This division includes all tailoring (ready-to-wear or made-to-measure), in all materials (e.g. leather, fabric, knitted and crocheted fabrics etc.), of all items of clothing (e.g. outerwear, underwear for men, women or children; work, city or casual clothing etc.) and accessories. There is no distinction made between clothing for adults and clothing for children, or between modern and traditional clothing. Division 14 also includes the fur industry (fur skins and wearing apparel).

#### 141      **Manufacture of wearing apparel, except fur apparel**

#### 142      **Manufacture of articles of fur**

#### 143      **Manufacture of knitted and crocheted apparel** 14 **Manufacture of wearing apparel**

Moreover, neither NIC 2004 nor NIC 2008 have a separate classification for “tailoring industry,” other than “custom tailoring” (codes 18105 and 14105, respectively, whose scope is clearly outside that of assembly line, mass production system followed in knitwear/hosiery factories).

We also looked to the Ministry of Textiles’ annual reports and other published data to throw some light on the matter. Once again, it emerged that the Ministry of Textiles does not specifically capture ‘hosiery’ as a separate sub segment, but rather, talks of the apparel industry in general as one of its functional areas . In presenting data on India’s total textile and clothing exports, the Ministry of Textiles uses the DGCI&S<sup>6</sup> classification. Under this, ‘readymade garments (RMG)’ is the broad category which is further broken down as ‘RMG of cotton’, ‘RMG of wool’ and so on (by material used). There is no separate categorisation as hosiery, which is most likely subsumed under “RMG of cotton including accessories (*see screenshot from the Ministry’s report below*).”

<sup>6</sup> DGCI&S is the government body under the Ministry of Commerce which compiles and publishes all trade related data from India.

## Exhibit 2: Classification of textile and clothing exports – Ministries of Textiles, Commerce

*Annual Report 2014-15*

### India's Textiles import at a glance (Principal Commodities)

#### Annexure-II

Item	2013-14 (Apr-Oct)		2014-15 (Apr-Oct) (P)		Variation		% Share in Textiles Import	
	Crоре	US\$ Mn	Crоре	US\$ Mn	Crоре	US\$	Crоре	US\$
Readymade Garment	1478.81	245.48	1733.43	286.73	17%	17%	8.33%	8.60%
RMG of cotton incl. accessories	792.88	132.15	806.31	133.50	2%	1%	3.87%	4.00%
RMG of Man-made fibre	379.53	62.39	513.80	84.88	35%	36%	2.47%	2.55%
RMG of other textile material	306.40	50.94	413.32	68.35	35%	34%	1.99%	2.05%
Cotton Textiles	4169.58	1004.12	5765.75	1136.83	38%	13%	27.70%	34.09%
Cotton Yarn	203.60	34.21	163.35	27.02	-20%	-21%	0.78%	0.81%
Other Textile Yarn, Fabric, Madeup Article	2100.64	352.63	2580.40	427.46	23%	21%	12.40%	12.82%
Cotton raw including waste	1287.22	302.02	1221.05	384.24	-5%	27%	5.87%	11.52%
Cotton fabrics & madeups	1881.43	315.26	1800.95	298.11	-4%	-5%	8.65%	8.94%
Man-made textiles	5030.25	922.03	8437.41	1051.95	68%	14%	40.54%	31.55%
Manmade staple fibres	1176.71	197.82	1546.19	256.03	31%	29%	7.43%	7.68%
Manmade yarn, fab. & madeups	5994.22	724.21	6891.22	795.92	15%	10%	33.11%	23.87%
Wool & Woollen textiles	1087.97	237.12	1339.70	273.30	23%	15%	6.44%	8.20%
RMG of Wool	64.54	10.63	64.54	10.65	0%	0%	0.31%	0.32%
Wool raw	838.19	195.40	1083.64	230.90	29%	18%	5.21%	6.92%
Woollen yarn, fabrics & madeups	185.24	31.09	191.52	31.75	3%	2%	0.92%	0.95%
Silk	803.96	135.44	821.28	136.07	2%	0%	3.95%	4.08%
RMG of Silk	17.65	3.00	20.40	3.38	16%	13%	0.10%	0.10%
Natural silk yarn, fab. & madeups	231.25	38.92	205.09	33.98	-11%	-13%	0.99%	1.02%
Silk Raw	540.03	91.00	579.58	96.03	7%	6%	2.78%	2.88%
Silk waste	15.03	2.52	16.21	2.68	8%	6%	0.08%	0.08%
Handloom Product	77.61	12.93	34.13	5.66	-56%	-56%	0.16%	0.17%
Carpets	206.94	34.65	242.03	40.08	17%	16%	1.16%	1.20%
Carpets (excluding silk) handmade	206.69	34.61	241.61	40.01	17%	16%	1.16%	1.20%
Silk carpets	0.25	0.04	0.42	0.07	68%	75%	0.00%	0.00%
Jute	581.72	100.09	672.56	111.69	16%	12%	3.23%	3.35%
Floor covering of jute	5.41	0.90	2.79	0.46	-48%	-49%	0.01%	0.01%
Other jute manufactures	242.31	41.19	269.87	44.76	11%	9%	1.30%	1.34%
Jute Raw	128.14	22.79	116.77	19.51	-9%	-14%	0.56%	0.59%
Jute yarn	161.06	27.44	195.63	32.47	21%	18%	0.94%	0.97%
Jute hessian	44.80	7.77	87.50	14.49	95%	86%	0.42%	0.43%
Coir and Coir Manufacturers	37.74	6.30	18.98	3.14	-50%	-50%	0.09%	0.09%
Total Textile & Clothing	13474.58	2698.16	19065.27	3045.45	41%	13%	91.61%	91.33%
Handicrafts (Excl. Handmade Crpts)	1610.39	271.03	1746.67	289.13	8%	7%	8.39%	8.67%
Total T&C including Handicrafts	15084.97	2969.19	20811.94	3334.58	38%	12%	100.00%	100.00%
% Textile Import	1.33%	1.51%	1.81%	1.74%				
India's overall import	1137358.04	196221.07	1151035.75	191656.27				

Source: Ministry of Textiles, Annual Report 2014-15

Given all this, it is not clear which classification/definition was followed by the Tamil Nadu government when it included hosiery manufactory and tailoring industry as two separate industries in the Schedule of Minimum Wages, starting from 1960 and 1978, respectively, or in its recent revision of the hosiery manufactory wage. Clearly, the two industries are not mutually exclusive, tailoring being the core activity in apparel making, *and hosiery being subsumed in apparel*. The NIC itself had not recognized knitted and crocheted apparel as a separate category until 2008. Besides, it makes no distinction as to whether the end-consumer markets are local, domestic, or international. We examine the anomalies in this regard in further detail in the next section (Part 2).

The point being made here is, while the state government has powers to notify minimum wages with respect to any industry in the Schedule as per The Minimum Wages Act, it is also bound to follow certain standardised classifications of industry and economic activity while including them.

The Tamil Nadu Government, specifically the Labour Department, needs to first clarify what is the scope of tailoring industry vis-à-vis the scope of hosiery industry, how they differ, and what is the rationale for counting them as two separate scheduled employments while specifying minimum wages for each (notified from 1981 and 1960 onwards, respectively). If there have been changes along the years, it also needs to come out transparently as to what they were and why they were made. This is not only necessary but crucial in moving towards a solution in the current stalemate over multiple minimum wages prevailing within the hosiery and knitwear industry. A clear, mutually exclusive delineation of the two industries is required, if the existence of different sets of minimum wages for two separate scheduled employments is to be justified, not only morally but also legally.

In this light, the RTI reply from the Labour Department that “this information is not available in this office” is unacceptable, as minimum wages could not have been fixed without first defining which industry (both definition and scope) it was being fixed for.

**Exhibit 3: NIC - 2008 Detailed Classification of Manufacture of Wearing Apparel (extract)**

DIVISION 14 : MANUFACTURE OF WEARING APPAREL			
141			Manufacture of wearing apparel, except fur apparel
	1410		Manufacture of wearing apparel, except fur apparel
			This class excludes: 46
GROUP CLASS	SUBCLASS	DESCRIPTION	
143	1430		<ul style="list-style-type: none"> <li>- manufacture of wearing apparel of fur skins (except headgear), see 1420</li> <li>- manufacture of footwear, see 1520</li> <li>- manufacture of wearing apparel of rubber or plastics not assembled by stitching but merely sealed together, see 2219, 2220</li> <li>- manufacture of leather sports gloves and sports headgear, see 3230</li> <li>- manufacture of safety headgear (except sports headgear), see 3290</li> <li>- manufacture of fire-resistant and protective safety clothing, see 3290</li> <li>- repair of wearing apparel, see 9529</li> </ul>
		14101	Manufacture of all types of textile garments and clothing accessories
		14102	Manufacture of rain coats of waterproof textile fabrics or plastic sheetings
		14103	Manufacture of hats, caps and other clothing accessories such as gloves, belts, ties, cravats, hairnets etc.
		14104	Manufacture of wearing apparel made of leather and substitutes of leather
		14105	Custom tailoring
		14109	Manufacture of wearing apparel n.e.c.
			Manufacture of knitted and crocheted apparel
			Manufacture of knitted and crocheted apparel
			This class excludes:
			<ul style="list-style-type: none"> <li>- manufacture of knitted and crocheted textiles, see 1321</li> </ul>
		14301	Manufacture of knitted or crocheted wearing apparel and other made-up articles directly into shape (pullovers, cardigans, jerseys, waistcoats and similar articles)
		14309	Manufacture of other knitted and crocheted apparel including hosiery

Source: NIC 2008, [www.mospi.gov.in](http://www.mospi.gov.in)

**Exhibit 4: NIC – 2004 Detailed Classification of Manufacture of Wearing Apparel (extract)**

GROUP CLASS	SUB-CLASS	DESCRIPTION
DIVISION: 18: MANUFACTURE OF WEARING APPAREL; DRESSING AND DYEING OF FUR		
181	1810	Manufacture of wearing apparel, except fur apparel [this class includes manufacture of wearing apparel made of material not made in the same unit. Both regular and contract activities are included]
	18101	Manufacture of all types of textile garments and clothing accessories
	18102	Manufacture of rain coats of waterproof textile fabrics or plastic sheetings
	18103	Manufacture of hats and caps from waterproof
	18104	Manufacture of wearing apparel of leather and substitutes of leather
	18105	Custom Tailoring
	18109	Manufacture of wearing apparel n.e.c.

Source: NIC 2008, [www.mospi.gov.in](http://www.mospi.gov.in)

## Part 2: The Battleground Shifts to Court

Having made the necessary digression attempting to search for standardised definitions of tailoring and hosiery industries, we return to the story of fixation and revision of minimum wages for the workers in the sector. In Tamil Nadu, it needs to be highlighted that not a single revision in minimum wages in the tailoring industry has gone unchallenged by employers in Court. This section recaps the sequence of the Court battle since 1981:

- The first minimum wage order in 1981 for the tailoring industry was challenged before the Madras High Court<sup>7</sup>. The Court upheld its validity.
- Thereafter, minimum wages were revised in 1986<sup>8</sup> and further, in 1994. The 1994 notification, of which a public copy is available (**see Annexure 2**), distinguishes between tailoring shops and export garment manufactory. Writ petitions challenging the validity of the revisions once again surfaced in Court, and were dismissed in December 1999.
- The next revision to tailoring minimum wages came in 2004 (**Annexure 3**)<sup>9</sup>. And once again, it was challenged in a batch of writ petitions<sup>10</sup> that were dismissed by the Court in January 2008. More writ petitions came up that were also dismissed in September 2011 and June 2012.
- Since the previous revision in 2004 was challenged before the Court and stay had been obtained, the Government had not taken any steps to revise minimum wages<sup>11</sup> in the tailoring industry after 2004. It is only after dismissal of the petitions finally in the 2012, that it reconstituted the Advisory Board for co-ordinating the work of the committees and sub-committees to aid the Government in revising and fixing minimum wages. It was further decided in 2013 to include representatives of employers and employees in the reconstituted Board.
- Thereafter, a preliminary notification was issued by the Government proposing to revise the minimum wages and call for objections/remarks from all concerned. The Court noted that *no representations were received from the tailoring industry*. However, representations were received from the workers' unions.

Finally, the revised minimum wages for tailoring industry were confirmed by a government notification on 10.10.2014<sup>12</sup> (**Annexure 4**).

### Developments after 10/10/2014

- Hundreds of companies went rushing to Court challenging this notification. About 550 writ petitions were dismissed by the Division Bench of the Madras High Court constituting Justice Huluvadi G. Ramesh and Justice M V Murlidharan on July 13, 2016<sup>13</sup>.
- Not only did the Division Bench uphold the 10.10.2014 notification, it also held that, given the long history of non-payment of minimum wages, an exemplary interest of 6% should be paid on the unpaid wages/arrears since December 2014, within a period of two months.
- Many more writ petitions were dismissed in similar vein. However, on April 27, 2017, in the case of a review petition filed by S.P Apparels (R.P No. 27 of 2017) in S.P Apparels vs. Govt of Tamil Nadu on the July 13<sup>th</sup> order, it was argued by the petitioner once again that the tailoring minimum wages were nowhere applicable to the hosiery industry.

**They claim that the tailoring industry wages are not applicable to themselves, being in the hosiery industry. Two questions arise here:**

<sup>7</sup> in W.P. Nos.5027 to 5033 of 1981

<sup>8</sup> G.O. Ms. No.40 dated 25.9.1986

<sup>9</sup> G.O. Ms. No.74 dated 10.12.2004

<sup>10</sup> W.P. Nos.9319/05 and 4239/06

<sup>11</sup> G.O. Ms. No.306 dated 2012 and G.O. Ms. No.229 dated 13.6.2013

<sup>12</sup> G.O. Ms. No.59, Labour & Employment (J1) Department dated 10.10.2014 and published in Part-II \_ Section 2 of the Tamil Nadu Government Gazette dated 3.12.2014

<sup>13</sup> See: State of Tamil Nadu vs M/S.SriRenga Apparels (India), 13 July, 2016

It may be recalled that minimum wages for the hosiery industry were last notified in 1960. So which wages did the petitioners follow in all the years from then, up to 2014? What wages were actually paid, and shown to international buyers, as most of the petitioners were large exporters? On what wages were the ESI, PF etc. of workers calculated?

It is open knowledge that exporters have shown *the tailoring minimum wages* before 2014 in their books, for all official purposes (whether it was actually paid or not). So how do they now suddenly turn around and say that tailoring wages are not applicable to them?

More insights on this may be gained from knowing who some of the petitioners are. Let us sample a few of them:

The website of SP Apparels <sup>16</sup>(S.P Apparels vs. Govt of Tamil Nadu, Rev. Petition No. 27 of 2017) tells us that it right away made a foray into the exports business from day one, in 1998. As of date, it has **21 manufacturing facilities**, in a 125 kms radius around its office at Avinashi, Tiruppur district. “Our manufacturing facilities are integrated and that allow us to provide end-to-end garment manufacturing services from greige fabric to finished products.” (emphasis added)

It owns, manufactures, distributes and markets under the well-known ‘Crocodile’ brand, and has incorporated a subsidiary in the UK in 2014, called S.P. Apparels (UK) (P) Limited. It acquired the Natalia brand of womenswear in 2007, which it planned to relaunch as a western outfit brand. Once again, there is no sight of hosiery in its website.

The website of Sri Renga Apparels <sup>17</sup>(in State of Tamil Nadu vs M/S.Sri Renga Apparels (India), 13 July, 2016) boasts of a “capacity to produce 3,00,000 garments a month.” It states “our products comply with international quality standards with global reach.” Its products include men’s bottoms, men’s top, formal wear, women’s wear, and kids’ wear. Its clients page lists out Perry Ellis, J C Penney, Guess, Carrera Jeans, Levi’s, Golfsmith, Paul Fredrick and so on, just to name a few. In its own words, it says “Sri Renga” is a **leading producer and exporter of fabrics and Garments.** Its products are exported to the US, Canada, and Europe.

Nowhere on Sri Ranga Apparel’s website does the word hosiery appear. Moreover, pictures of garments provided clearly show that they are also made of both knitted and woven fabric.

Both websites carry dazzling pictures of their manufacturing units with the latest machinery and processes.

The idea behind highlighting the true nature of these petitioner companies is not to single them out over the rest, but to drive home the point that it is giant integrated exporters of readymade garments, with state of art units and integrated operations from spinning/knitting to fabric making to finished apparel in different fabric and enormous variety, who have challenged the minimum wage revision for the tailoring industry, under the garb that they are not a part of it, but a part of the hosiery industry.

Even if they do make hosiery items (in the strict sense of the term, hosiery means stockings, socks, and tights collectively, or knitted underclothing<sup>18</sup>), by no stretch of imagination could everything that their websites claim to produce (outer wear, formal wear, jeans etc.) come under hosiery.

The second point pertains to the distinction between companies catering to exports and domestic markets. While it has been argued in court that the same rate should prevail whether for export or domestic (hosiery), implying the lower rate should prevail, the Court has said that different rates can be fixed for different scheduled employments for the same activity, as

<sup>14</sup> See Annexure 5

<sup>15</sup> <http://www.thehindu.com/news/national/tamil-nadu/Mixed-reaction-to-minimum-wages-for-tailoring-industry/article14556775.ece>

<sup>16</sup> <http://www.s-p-apparels.com/>

<sup>17</sup> <http://www.srirenga.com/>



per the Act. Both these points of view require further debate. The first is a contradiction in terms of the petitioners, since they have been following the tailoring minimum wage till 2014 (in their books) but now want to switch to the hosiery minimum wage (because it is lower). This goes to show how their moves are simply opportunistic and do not mean well in intent, nor are they sound in logic.

The second (different rates for different employment for same task) may hold, provided the two industries in question – tailoring and hosiery – are clearly delineated into mutually exclusive employments. As it stands, the Tamil Nadu government has not come out with any such clarification. Also, a company may have a manufacturing facility making products for the export market, and another one for the domestic market. If different wages start applying for the two sets of workers, this would violate the ‘same pay for equal work’ concept upheld by the Supreme Court, as a Constitutional Right to Equality.

### **The situation at present**

Recent Court orders in the never ending spate of petitions from companies have directed the petitioners to seek a clarification from the government, as to which wage to follow.

The government, on its part, has its tongue tied until the court cases get cleared. According to K Jagathesan, Joint Director - II, Industrial Safety and Health, Government of Tamil Nadu, “The government is in the process of coming out with a clarification. Since some cases are still pending before the High Court, the government can take a decision only after they have been cleared. In principle, we are requesting the industry to follow the minimum wages for the tailoring industry, as it is higher, until the petitions are disposed of. But the industry has represented that hosiery wages be followed.”

In reality, in the absence of any binding direction, the wages being paid and on record, at present, are a free-for-all.

“We have also filed claim petitions worth Rs 10 crore before the Deputy Labour Commissioner, which are still pending (this amount is the difference between tailoring and hosiery wages that managements have violated by following the latter; with effect from Dec 2014),” the Joint Director informed.

As on date this report is being written, the verdict is still out.

## **Part 3: Wages Under the Tripartite Agreement in Tiruppur**

While the legal rate of minimum wages is fixed and revised by the government, Tiruppur has uniquely secured wage increments and safeguarded real wages of workers through the tripartite settlement (as described in Chapter 1). The tripartite agreement (or Section 12(3) settlement) between the workers’ unions, employers’ associations, and the state government under the Industrial Disputes Act has been in vogue in Tiruppur since 1990. **Tables 1 and 2** capture the time series of wages under these agreements from 1996 to 2016, fixed by periodic negotiations of 3-4 years which have been taking place without a break (except in 2012) since they began. Although the minimum wages fixed by the state government have only two components – basic pay and DA - the Tiruppur tripartite agreements include additionally, a travel allowance (TA) also in its definition of minimum wage.

Wages are fixed for 7 categories under the tripartite settlement: 1. Cutting, Tailors, Ironing and Machine Packing 2. Checking 3. Labelling 4. Folding 5. Damage 6. Ordering and 7. Machine (local section).

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<sup>18</sup> <https://www.thefreedictionary.com/hosiery> or <https://en.oxforddictionaries.com/definition/hosiery>

Here, we consider the categories “Cutting, Tailors, Ironing and Machine Packing” and “Checking” for our analysis.

<b>Table 1: Wages as per Tripartite Agreements in Tiruppur Garment/Hosiery Industry (1996 to 2016)</b>							
<b>Category: Cutting, Tailors, Ironing, Machine Packing</b>							
Period of Agreement	Year	Basic	% Increment on Basic	Increment	DA	TA	Total
1/7/1995 onwards	1996	47.53			16.23		63.76
1/12/1996 to 30/11/1997	1997	47.53	20%	9.5	23.78	1.5	82.31
1/12/1997 to 30/11/1998	1998	57.03	5%	2.85	27.66	1.5	89.04
1/12/1998 to 30/11/1999	1999	59.88	5%	2.99	29.63	1.5	94
23/2/2000 to 22/2/2001	2000	62.9	15%	9.44	30.38	3	105.72
23/02/2001 to 22/2/2002	2001	72.34	5%	3.62	33.82	3	112.78
23/2/2002 to 22/2/2003	2002	75.96	5%	3.8	35.42	3	118.18
02/6/2003 to 01/06/2004	2003/4	79.75	10%	7.98	37.8	4	129.52
2/6/2004 to 1/6/2005	2004/5	87.73	5%	4.39	38.91	4	135.02
2/6/2005 to 1/6/2006	2005/6	92.12	5%	4.6	41.05	4	141.76
1/1/2007 to 31/12/2007	2007	96.72	10%	9.67	44.7	5	156.07
1/1/2008 to 31/12/2008	2008	106.39	4%	4.26	47.74	5	163.39
1/1/2009 to 31/12/2009	2009	110.65	4%	4.43	56.28	5	176.36
1/1/2010 to 31/12/2010	2010	115.08	4%	4.6	66	5	190.68
30/01/2012 to 29/01/2013	2012	117.35	20%	23.47	82.55	10	233.37
30/01/2013 to 29/1/2014	2013	140.82	4%	5.63	106.26	10	262.71
30/01/2014 to 29/01/2015	2014	146.45	4%	5.86	108.4	10	270.71
30/01/2015 to 29/01/2016	2015	152.31	4%	6.1	119.91	10	288.32
1/4/2016 to 31/3/2017	2016	158.41	18%	28.5	137.97	20	344.88
1/4/2017 to 31/3/2018	2017	186.9	5%	9.35		20	
1/4/2018 to 31/3/2019	2018	196.25	5%	9.8125		20	
1/4/2019 to 31/3/2020	2019	206.06	5%	10.303		20	

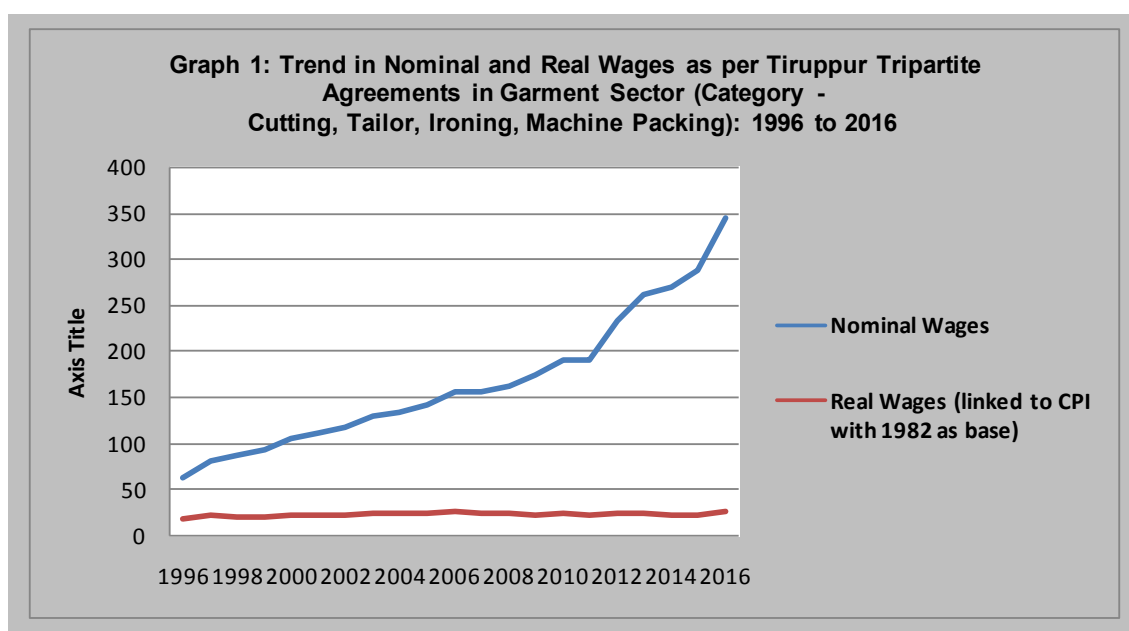
\*Note: The negotiation for 1/4/2016 to 31/3/2020 is as per bipartite (Section 18(1)) and not a tripartite agreement.

Source: CITU, calculations by researcher



## Key observations regarding tripartite wages (for cutting, tailor, ironing, machine packing category of workers):

1. Nominal wages<sup>19</sup> have grown by 440% (or by 4.4 times) in 20 years, i.e, a worker earning Rs 100 in 1996 would earn Rs 540 in 2016. In reality, wages grew from Rs 63.76 in 1996 to Rs 344.88 in 2016.
2. However, real wages<sup>20</sup> have grown only 52% (or by 0.5 times) in 20 years, i.e, a worker earning Rs 100 in 1996 would earn only Rs 150 in 2016, in terms of purchasing power. Real wages have been calculated using the Consumer Price Index for Industrial Workers (CPI-IW) for Chennai centre (base 1982=100).
3. In reality, real wages rose from Rs 17.91 in 1996 to Rs 27.32 in 2016. However it was just 22.49 in 2015, or a rise of just 25% in 19 years (2016 was a year when, as per the CPI-IW, inflation actually fell on-year, due to which real wages rose).
4. Tripartite wages have succeeded in preserving the real wage of the worker since 1996; however, the extent of rise in nominal and real wages has significantly reduced in recent years:
  - Nominal wages rose only 120% (or by 1.2 times) in the past 10 years (from 2006 to 2016), from Rs 141.76 in 2006 would earn Rs 344.88 in 2016.
  - Real wages grew merely by 1.8% in the past 10 years, in other words, it barely moved.
5. The reduction in the pace of increase in nominal and real wages clearly reflects a fall in bargaining power of workers, accentuated by the dramatic rise in proportion of piece rate type of employment, and rising contractualisation of the labour force (*for an elaboration, see Chapter 3*).
6. This observation is further clarified by the fact that, basic pay in nominal terms under the tripartite agreement rose 75% between 2006 and 2016, whereas inflation rose 115%. That implies that the basic pay component in real terms fell in these 10 years.



<sup>19</sup> <http://www.economicdiscussion.net/price/difference-between-nominal-wages-and-real-wages/3897>

<sup>20</sup> Real wages = nominal wage/ consumer price index. For this analysis, we have used CPI-IW for Chennai with 1982 as base year.

**Table 2: Wages as per Tripartite Agreements in Tiruppur Garment/Hosiery Industry (1996 to 2016)**

Category: Checking							
Period of agreement	Year	Basic	% increment on basic	Increment	DA	TA	Total
1/7/1995 onwards	1996	27.16			16.23		43.39
1/12/1996 to 30/11/1997	1997	27.16	20%	5.43	23.78	1.5	57.87
1/12/1997 to 30/11/1998	1998	32.59	5%	1.63	27.66	1.5	63.38
1/12/1998 to 30/11/1999	1999	34.22	5%	1.711	29.63	1.5	67.061
23/2/2000 to 22/2/2001	2000	35.9	15%	5.4	30.38	3	74.68
23/02/2001 to 22/2/2002	2001	41.3	5%	2.07	33.82	3	80.19
23/2/2002 to 22/2/2003	2002	43.37	5%	2.17	35.42	3	83.96
02/6/2003 to 01/06/2004	2003/4	45.54	10%	4.55	37.8	4	91.89
2/6/2004 to 1/6/2005	2004/5	50.09	5%	2.5	38.91	4	95.5
2/6/2005 to 1/6/2006	2005/6	52.59	5%	2.63	41.05	4	100.27
1/1/2007 to 31/12/2007	2007	55.22	10%	5.5	44.7	5	110.42
1/1/2008 to 31/12/2008	2008	60.72	4%	2.43	47.74	5	115.89
1/1/2009 to 31/12/2009	2009	63.15	4%	2.53	56.28	5	126.96
1/1/2010 to 31/12/2010	2010	65.68	4%	2.63	66	5	139.31
30/01/2012 to 29/01/2013	2012	67	20%	13.4	82.55	10	172.95
30/01/2013 to 29/1/2014	2013	80.4	4%	3.22	106.26	10	199.88
30/01/2014 to 29/01/2015	2014	83.62	4%	3.34	108.4	10	205.36
30/01/2015 to 29/01/2016	2015	86.96	4%	3.5	119.91	10	220.37
1/4/2016 to 31/3/2017	2016	90.46	18%	16.27	137.97	20	264.7
1/4/2017 to 31/3/2018	2017	106.73	5%	5.34		20	
1/4/2018 to 31/3/2019	2018	112.07	5%	5.6		20	
1/4/2019 to 31/3/2020	2019	117.67	5%	5.89		20	

\*Note: The negotiation for 1/4/2016 to 31/3/2020 is as per bipartite (Section 18(1)) and not a tripartite agreement.

Source: CITU, calculations by researcher

A similar trend may be observed for the checking category, as the percentage of increment during every wage negotiation and the DA applicable would be the same across categories. It is important to note, however, that checking category wages as per the tripartite accord is considerably lower than the tailor category (by ~Rs 80 per day as of March 2017), whereas they are equal or even higher for checking category as per the tailoring industry minimum wages fixed by the government.

## Part 4: Government-determined minimum wages in tailoring and hosiery industries and a comparative analysis with tripartite wages

Table 3: Minimum Wages (Rs) for Tailoring Industry as notified by Tamil Nadu Government (w.e.f. 02.02.2005)					
Cutting-Pattern Making Grade II/Tailor/Machine Operator - Grade 1					
Period	Year	Basic/month	DA/month	Total	Nominal Wage/Day
April 2004 to Mar 2005	2004	2137	281.2	2418.2	93.01
April 2005 to March 2006	2005	2137	281.2	2418.2	93.01
April 2006 to Mar 2007	2006	2137	342	2479	95.35
April 2007 to March 2008	2007	2137	527.44	2664.44	102.48
April 2008 to Mar 2009	2008	2215	734.35	2949.35	113.44
April 2009 to March 2010	2009	2215	997.69	3212.69	123.57
April 2010 to Mar 2011	2010	2215	1223.41	3438.41	132.25
April 2011 to March 2012	2011	2215	1411.51	3626.51	139.48
April 2012 to Mar 2013	2012	2215	1881.76	4096.76	157.57
April 2013 to March 2014	2013	2215	2295.58	4510.58	173.48
April 2014 to Dec 2014	2014	2215	2521.3	4736.3	182.17

*Note: Tiruppur was upgraded as Municipal Corporation in 2008, hence basic pay has been considered for Zone 'A' instead of Zone 'B' from 2008 onwards. The jump is due to this factor, and not due to any revision by the government*

**Source:** Tamil Nadu Labour Department notifications, calculations by researcher

### A. Key observations regarding tailoring industry minimum wages (for cutting-pattern making Grade 2 and tailor/machine operator – Grade 1)

1. Due to lack of data availability on the tailoring industry minimum wage revisions prior to 2004, this analysis could only look at the official wage rates post 2004.
2. Tiruppur was declared a Municipal Corporation in 2008, and hence, basic pay for factories in Tiruppur has been considered under Zone A for purpose of calculation only from 2008. No wage revision was made by the government until 2014.
3. Nominal tailoring minimum wages rose only by 95% in the 10 years between 2004 and 2014 (i.e, just before the new notification was announced). In other words, it less than doubled; from Rs 93.01 in 2004 to Rs 182.1 in 2014.
4. Significantly, real wages fell between 2004 and 2014, by 5.55%. This means purchasing power in 2014 was 94.45% of that in 2004, for a worker who received wages as per this notification. However, a similar pattern was also seen in the tripartite agreement wages (a fall of ~5% in real wage between 2004 and 2014).
5. It is important to point out that the DA calculations for wage revision announced in 2004 uses 1982 as base year, while that which was announced in 2014 uses 2001 as base year.
6. As a result, while DA as per the 2004 notification had reached Rs 2521 in 2014 itself, the wage revision in 2014 with 2001 as base year brought down the DA in absolute terms to Rs 1769 as of March 2015, and Rs 2142 for April 2015 to March 2016.

Table 4: Minimum Wages (Rs) for Tailoring Industry as notified by Tamil Nadu Government (w.e.f. 03.12.2014)					
Cutting-Pattern Making Grade II/Tailor/Machine Operator Grade 1					
Period	Year	Basic/ month	DA/month	Total	Nominal Wage/ Day
Dec 2014 to March 2015		5639	1769.85	7408.85	284.96
April 2015 to March 2016	2015	5639	2142.45	7781.45	299.29
April 2016 to March 2017	2016	5639	3042.9	8681.9	333.92

**Source:** Tamil Nadu Labour Department notifications, calculations by researcher

1. The 2014 revised notification 'caught up' with the tripartite agreement wages in nominal terms. Although the shift in base set back the DA payable, the basic was increased by 1.55 times, from Rs 2215 in the 2004 notification to Rs 5639 under the new notification.
2. As a result, if one compares the notified wages as of March 2016 with that of March 2006, wages have risen 214% (or tripled) in this period.
3. Also, real wage rose 38.34% in this period.
4. However, the rise in real wage might be a bit misleading, because it compares only the start and end points (i.e, 2006 and 2016). It is important to keep in mind that there was a decline right through 2004 to 2014 in real wages, which means workers were getting worse off for 10 years, had they been paid wages as per 2004 notification.

Table 5: Minimum Wages (Rs) for Tailoring Industry as notified by Tamil Nadu Government (w.e.f. 02.02.2005)					
Checking - Grade 1					
Period	Year	Basic/ month	DA/ month	Total	Nominal Wage/Day
April 2004 to Mar 2005	2004	2215	281.2	2496.2	96.01
April 2005 to March 2006	2005	2215	281.2	2496.2	96.01
April 2006 to Mar 2007	2006	2215	342	2557	98.35
April 2007 to March 2008	2007	2215	527.44	2742.44	105.48
April 2008 to Mar 2009	2008	2306	734.35	3040.35	116.94
April 2009 to March 2010	2009	2306	997.69	3303.69	127.07
April 2010 to Mar 2011	2010	2306	1223.41	3529.41	135.75
April 2011 to March 2012	2011	2306	1411.51	3717.51	142.98
April 2012 to Mar 2013	2012	2306	1881.76	4187.76	161.07
April 2013 to March 2014	2013	2306	2295.58	4601.58	176.98
April 2014 to Dec 2014	2014	2306	2521.3	4827.3	185.67

**Source:** Tamil Nadu Labour Department notifications, calculations by researcher

**Table 6: Minimum Wages (Rs) for Tailoring Industry as notified by Tamil Nadu Government (w.e.f. 03.12.2014)**

Checking - Grade 1					
Period	Year	Basic/ month	DA/month	Total	Nominal Wage/ Day
Dec 2014 to March 2015		5789	1769.85	7558.85	290.73
April 2015 to March 2016	2015	5789	2142.45	7931.45	305.06
April 2016 to March 2017	2016	5789	3042.9	8831.9	339.69

*Source: Tamil Nadu Labour Department notifications, calculations by researcher*

## B. Comparing tripartite wages with the tailoring minimum wage

1. The tripartite wages in nominal terms for the 'tailor' category are still slightly higher than the tailoring minimum wages set by the government (as of 2016), although the gap has narrowed.
2. The tripartite wages have succeeded in preserving and even raising the real wage of the worker in this category, by ~52% in the past 20 years. However, a further break-up decade -wise reveals that the rise in real wage in the past 10 years (2006 to 2016) has been negligible.
3. Alongside, the 2014 revision in tailoring minimum wages corrected the slide in real wages of the previous decade because of non-revision for 10 years. As of 2016, the real wage for this category was Rs 26.45 and Rs 27.32, respectively, for tailoring industry and tripartite, compared with Rs 16.32 and Rs 26.72, respectively, in 2006.

## C. Tailoring minimum wage, hosiery minimum wage, and tripartite wage: Synthesis and points of conflict

**Table 7: Comparison of nominal wages/day (tailor category) as per tripartite and minimum wages (Rs)**

Year	Tailor (tripartite)	Tailor Grade I (tailoring MW)	Tailor (hosiery MW)
1996	63.76		
1997	82.31		
1998	89.04		
1999	94.00		
2000	105.72		
2001	112.78		
2002	118.18		
2003	129.52		
2004	135.02	93.01	
2005	141.76	93.01	
2006	156.07	95.35	
2007	156.07	102.48	
2008	163.37	113.44	

2009	175.24	123.57	
2010	190.68	132.25	
2011	190.68	139.48	
2012	233.4	157.57	
2013	262.71	173.48	
2014	270.71	182.17	
2015	288.32	299.29	
2016	344.88	333.92	281.34

Source: CITU, TN Labour Department

Table 8: Comparison of nominal wages (checking category) as per tripartite and minimum wages (Rs)			
Year	Checker (tripartite)	Checker Grade I (tailoring MW)	Checker (hosiery MW)
1996	43.39		
1997	57.87		
1998	63.38		
1999	67.061		
2000	74.68		
2001	80.19		
2002	83.96		
2003	91.89		
2004	95.5	96.01	
2005	100.27	96.01	
2006	100.27	98.35	
2007	110.42	105.48	
2008	115.89	116.94	
2009	126.96	127.07	
2010	139.31	135.75	
2011	139.31	142.98	
2012	172.95	161.07	
2013	199.88	176.98	
2014	205.36	185.67	
2015	220.37	305.00	
2016	264.7	339.00	212.18

Source: CITU, TN Labour Department

Table 9: Realwages/day(1982 prices)-Cutting-Pattern Making Grade II/Tailor/Machine Operator - Grade 1 (Rs)			
Year	Tripartite	Tailoring	Hosiery
2004	24.59	16.94	
2005	25.09	16.46	
2006	26.72	16.32	
2007	25.43	16.70	
2008	24.45	16.98	
2009	23.76	16.75	
2010	23.93	16.59	
2011	22.53	16.48	
2012	24.06	16.24	
2013	24.35	16.08	
2014	23.78	16.00	
2015	22.49	23.34	
2016	27.32	26.45	22.23

Table 10: Real wages/day (1982 prices) - Checking (Rs)			
Year	Tripartite	Tailoring	Hosiery
2004	17.40	17.49	
2005	17.75	16.99	
2006	17.17	16.84	
2007	17.99	17.18	
2008	17.34	17.50	
2009	17.21	17.23	
2010	17.48	17.03	
2011	16.46	16.89	
2012	17.83	16.60	
2013	18.52	16.40	
2014	18.04	16.31	
2015	17.19	23.79	
2016	20.97	26.86	16.81

Source: CITU, TN Labour Department

1. Considering that there was no minimum wage notified for hosiery manufactory since 1960, the entire hosiery and readymade garment/apparel sector in Tiruppur was obliged to follow either the tailoring minimum wage, or the tripartite wage negotiated (and in any case, not below the minimum wage).
2. Export garment manufacturers (and domestic manufacturers) have shown on record payments to workers at the official minimum wage as per the tailoring notification for all the years till 2014. This suited them because it was below the tripartite wages until 2014. That is, no matter what wages they actually paid to workers, they have followed the tailoring minimum wages in their books for the purpose of ESI, PF, Factories Inspection, etc. This practice itself is a violation of the accords signed.
3. Now, since the newly revised minimum wages are almost equal to the tripartite wages, and even higher in the case of checking category, apparel manufacturers are up in arms against the notification, and want to 'switch' to the hosiery wage notification. How does the government justify that these companies were considered (or considered themselves) under tailoring industry till 2014, and now after all these years, have to be considered as hosiery industry? As pointed out earlier, none of the export companies are hosiery (inner wear) manufacturers, but into a wide range of apparel, readymades, outer, and even formal wear. Even among the domestic ones, there are those who make readymade apparel in large proportion. To consider all of them as hosiery manufactory would amount to a complete misrepresentation. Manufactory and tailoring industry are neither made public, nor even accessible through RTI, how is the worker supposed to assess on what basis his wages are being determined?
4. Finally, what makes the hosiery minimum wages set in 2016 unacceptable for the industry's workers is this: The minimum wage rates brought out in 2016 are **lower than** what the worker was earning in **2015** (in all categories), as per the tripartite wage accord signed in 2012 (the accord ran till 29/1/2016). This was a 12(3) settlement, i.e, binding on the employers **and** involving the consent of the state government. Hence, how can the state government formally agree to fixing



of wages at a **higher rate** as per one process (under the Industrial Disputes Act), and then agree to set a **lower rate** as per another process (the Minimum Wages Act) **at a later date**, especially when both entail a so-called participatory process with the same set of parties, i.e, the workers' unions and employers' associations endorsed by the state government?

6	Please provide certified copy of G.O. (Ms) No. 111, Labour and Employment (J2) Department dated 12.07.2012, regarding appointment of Committee under Deputy Commissioner of Labour Coimbatore with respect to Minimum wages in hosiery manufactory.	This information is not available in this office
7	Please Provide certified copy of the report submitted by the Committee appointed as per the G.O. mention in point no. 6, to the Commissioner of Labour, Tamil Nadu.	This information is not available in this office
8	Please provide certified copies of the report sent by the Commissioner of Labour to the government, along with letters from the Commissioner of Labour – Letter No. Z3/42038/2012, dated 21.08.2014 and 3.09.2015 regarding revision of Minimum wages for the hosiery sector.	This information is not available in this office

The entire discussion in this Chapter has attempted to highlight how the claims of employers to switch to a lower minimum wage structure under the garb that they belong to hosiery manufactory and hence, the applicability of the 27/1/2016 notification that has been introduced without any transparency, is a travesty of justice to thousands of workers in the readymade garment sector, who have already faced a falling or static real wage rate since 2004 (assuming they were paid the minimum wage, or the tripartite wage to begin with). The analysis also shows how the tripartite wages and the minimum wages set by the government have fared in relation to the cost of living (based on the CPI-IW), and how attempts to set back wages will push workers further to the brink.

However, the more fundamental question of – what is an adequate living wage for workers to be able to lead a dignified life? - needs a rigorous reality check and consumption survey among workers in Tirupur, that is also regularly updated.

The next chapter takes the largely statistical analysis of this section into the real world scenario of workers' lives, work conditions, wages, and perceptions, in order to arrive at broader recommendations for protection of their rights and welfare.



# Chapter 3

## Five Degrees of Exploitation

### Part 1: Recap of findings on minimum wages

- Tiruppur has earned a unique spot in the knitwear industry in India and the globe. It is said that buyers from 35 countries visit Tiruppur. Tiruppur is known to deliver customised samples in less than 12 hours; half a million pieces in a matter of days. As of date, ~90% of India's total knitwear exports comes from Tiruppur. One in every two knitwear garments consumed domestically is from Tiruppur.
- Our calculations show that exports of readymade garments from Tiruppur has grown at a phenomenal rate of 28.4% CAGR in the 31 years between 1985 and 2016, from less than Rs 10 crore to Rs 23,000 crore.
- Amid a flourishing industry, wages decided in negotiations between the workers' unions and employers, on the other hand, have grown at merely 8.8% CAGR in the 20 years from 1996 to 2016.
- Moreover, real wages of workers have hardly changed, rising only ~50% over the entire 20-year period (1996 to 2016). A further breakup decade-wise reveals that the real wages rose a miniscule 1.8% in the past 10 years (in terms of 1982 prices). If one considers 2001 as the base, real wages have actually fallen.
- The tailoring wage revision in 2014, though long overdue, was welcomed by the workers, as it brought some parity in the government announced minimum wages and the tripartite wages, although we will argue further that these are still at low levels.
- Given these, coming out with a hosiery wage notification that thrusts a much lower wage on workers and puts the industry's labour force on a regressive track, has no justification whatsoever, legal or moral.
- The nature of the hosiery manufactory has changed tremendously since 1960, when the state government first included this industry in the Schedule of Minimum Wages under the Act. You just need to step into a factory in Tiruppur to understand that the range of knitwear and the processes of production that demand a significant proportion of skilled labour today, is vastly different from the hand operated single color banian/hosiery product making factories of the 1950s and 60s. The industry and its representatives, and the government too, are aware of this fact only too well. Surely then, a blind application of hosiery manufactory definition by the government in 1960, cannot be accepted in 2016, when the industry has undergone such a sea change. While a process of wage revision by the government should have taken this into account, not disclosing the basis on which it has revised wages for an industry after 56 years, or more fundamentally, what this industry is, only further weakens the acceptability of such a revision.

- Neither the National Industrial Classification nor the Ministry of Textiles nor the Ministry of Commerce and Industry classify hosiery as a separate category, *but includes it along with all knitted apparel and garments*. Moreover, the NIC explicitly recognises tailoring as the main function in manufacturing of garments.

## Part 2: Nuances of a transforming labour structure in Tiruppur

The entire wage analysis in the previous chapter has to be located within the present labour structure scenario of the industry in Tiruppur, and the factors that led it up to here. Some important trends and elements of the labour structure as it stands today are as follows:

- The terms of employment of labour in Tiruppur has changed tremendously in the past 10-15 years. According to labour unions, only 30-35% of workers used to be hired on a piece rate basis, while now this proportion has risen to 70-75%. That implies only 20-25% are time based (shift) workers, making enforceability of minimum wage orders or agreements that much more difficult. However, the law states that the minimum wages are applicable for piece rate workers too. In Tiruppur, piece rate workers earn more than shift workers per day. But this cannot be seen in isolation. Other laws also provide that there should be no distinction in welfare benefits and other entitlements for workers, whether time or piece rate, and these are rampantly violated for piece rate workers.
- Secondly, the proportion of workers as regular/permanent employees is also rapidly declining. Only 25% are permanent, while the rest are all daily wagers, according to Mr K Ramakrishnan, Secretary, LPF Union.
- The third significant shift is the rising contractualisation of the labour force. It is difficult to put an authentic figure to it, but the labour force hired under oral contracts are as high as 90% in some factories. There is also a rising influx of unskilled labour from far away states such as Odisha, Bihar, West Bengal, and even Nepal.

Thus, there are two important and related trends in casualisation of work force that have taken place in recent years, i.e.,

1. The move from time rate to piece rate; accompanied by
2. A move from regular to contractual employment

In reality, we see a combination of these forces at work in Tiruppur. A factory could employ both time and piece rate workers directly. It could also contract out certain tasks on piece rate or time rate, where the workers physically works in the factory but is under a labour contractor. There is a third situation where certain tasks are completely 'out sourced, i.e, a contractor undertakes to get the job done outside the factory premises, in small set-ups of 10-15 labourers, usually migrant workers, in rudimentary establishments located on the peripheral areas of the city. They could also be carried out in small scale, home-based set-ups.

Let us examine what a worker faces in each of these alternative situations, with respect to wages and work conditions:

### A. Time-rated/shift worker in a factory

She is paid on a per day basis, the rate being fixed for 8 hours of work (or 1 shift, that includes a lunch break and two short tea breaks). In Tiruppur, it is almost a universal norm that shift workers

work one and a half (1.5) shifts, or 10 hours, every day. Even this is a violation of the Factories Act which states no adult worker shall be required or allowed to work for more than 9 hours in any day<sup>21</sup>. The extra half shift is in terms of wages received, i.e, as overtime wages are supposed to be paid at double the normal wages on exceeding 48 hours in any week, an extra two hours worked is counted as equivalent to four hours in the day (i.e, half of eight hours). In terms of time spent in the factory (including breaks and travel time), workers commonly say: “we leave home at 8.30 am and return at 8-8.30 pm.” The necessity felt by workers to work one and a half shifts every day, with little time for anything else, stems from the single reason that if they didn’t, they wouldn’t be able to meet house hold expenditure.

The necessity felt by workers to work one and a half shifts everyday, with little time for anything else, stems from the single reason that if they didn’t, they wouldn’t be able to meet household expenditure. This fact points strongly to the proposition that the minimum wages or the prevailing wage rates **are not sufficient**. Minimum wages are supposed to be fixed so that workers are guaranteed a minimum standard of living, working a normal 8 hours a day. The fact that they are forced to work longer in order to sustain themselves is not a solution, but simply another form of exploitation, happily abetted by the government.

Another very pertinent point is that, as majority of the shift workers are hired on a daily wage basis, even shift workers are not guaranteed the **monthly** minimum wage. This is because, most factories do not pay them on days there is no work, or on days the worker takes leave, which in the normal course of regular employment, he might have been entitled to. Hence, it is not sufficient to say that the **daily** minimum wage is being honoured; one has to consider how many days the worker worked in the factory every month to conclude if the minimum monthly wage is being paid or not, and to what extent the survival of him and his family is affected by the fact that he is a daily wage earner in an industry whose capitalistic processes are organised to a superior degree, and could afford him regular employment.

## **B. Piece rate workers hired by factory**

A piece rate worker notionally earns a higher daily wage than a shift worker, but this positioning is once again fraught with misconceptions.

“A tailor may earn Rs 1000 a day working on piece rate, but he has no social security in his old age, no medical care for the occupation related diseases he acquires, no savings to secure his children’s education. And he suffers a highly diminished capacity to work after the age of 40-45 years, given the amount of work he has had to do to earn that Rs 1000 per day,” points out AITUC General Secretary Sekar.

That is because, although piece rated workers are entitled to the same social security benefits as shift workers, they are made to believe that they can earn a ‘higher’ wage by working on piece rate and thereby ‘make up’ for those other benefits (such as PF, ESI, etc.), which the employer avoids providing them. However, with growing awareness, this is slowly being questioned.

This illustration highlights that the trend towards piece rate and away from time rate is not always a voluntary choice by workers, as popular perception goes. The preference for piece rate is often explained thus: “The worker does so because he wants to earn more, and cannot do that in time rate. So he opts for piece rate without any pressure from employers.” But clearly, as Murugan’s case exemplifies, this is not the case. The worker who is at the edge of subsistence competing with the next worker for a job will go for whatever will make his ends meet. Every worker I met in the course of this study said this: If a family of four members needs a minimum

<sup>21</sup> Section 54 of Factories Act, 1948. Many factories have found a way around the limit of working hours with regard to payments for workers. Workers are paid once a week, so a worker who has worked 1.5 shifts through the week has worked 9 shifts in total (1.5\*6). He will get paid for 8 shifts in the bank (1.25\*6) and the rest 1 shift as cash in hand on payment day (Saturday)!ww

**Box 3:**

Murugan (name changed) has been working for the past 7 years in the same company. He joined there after finishing his 9th standard, as helper. Now, he has become tailor (backlock and overlock). His company makes kidswear, men's trousers, banians, vests, chemise etc.

Murugan started receiving PF only after he turned 18 (4 years ago). He was hired on a shift basis, and was being paid Rs250/shift, or Rs 375 for 1.5 shifts per day.

"Around last Diwali, we asked for a raise in salary. The company did not agree and gave us a choice to shift to piece rate instead. I left the company and tried elsewhere but after two months, I came back and joined as piece rate worker. All of us shifted to piece rate. Now the entire tailoring, packing and checking sections are on piece rate," he says. Murugan earns Rs 600 per day (if 500-700 pieces are done). Per week, he used to earn Rs 2000-2300 on shift basis, now he makes Rs 3000-4000 on piece rate basis. While his PF continues, most piece rate workers are not as lucky.

of say, Rs 20,000 per month, to survive at today's prices in Tirrupur, both husband and wife working in the garment sector on time rate will not be able to make that, working a normal 8 hours a day. This further disputes the claim that the minimum wages prevailing as on date are adequate, and explains how the trend towards piece rate has indirectly been driven by the inadequate wages for shift workers, the setting of which is the responsibility of the government.

**C. The contract system - on time and piece basis**

The contract system is at yet another higher degree of exploitation. And even here, there are shades.

One of the shocking features of the Tiruppur industry is that, the entire labour contract system here is illegal. The illegal labour contract system is, in fact, Tiruppur's biggest open secret. It is talked about without the bat of an eyelid. Not a single factory or contractor has obtained a registration certificate, or licence, respectively, under the Contract Labour (Abolition & Regulation) Act, 1970, or the Inter-State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979. This should then render all the contractors and workers under them in the industry as illegal, and all the principal employers violators. And because they are not under licensed contractors, contract workers are technically outside the ambit of all labour legislation and even protection of their fundamental rights. The situation in Suresh's factory (**Box 4**) illustrates this.

An RTI application asking for the number of RCs and licenses issued by the government in this industry met with the response "it is not possible to provide this information as the matter related to the information sought is pending before the Hon'ble High Court of Madras!"

However, the Joint Director II, Industrial Safety and Health, Mr K Jagathesan confirmed that "not a single licence or RC has been issued by us for garment industry. Nor have we received a single application."

This is to reiterate, the illegal contract system is carried on in full knowledge of the government. "We are not in favour of the contract system, as it is more beneficial to the management and works to the disadvantage of the worker," he adds. However, when asked then why doesn't

**Box 4:**

**Suresh (name changed), a native of Tamil Nadu, describes what he sees of the migrant workers from the north in his factory, an export garment unit:**

There are about 500 workers in my factory. Of these, around 300 are on contract. About 150 workers are all migrants from Odisha. They all work on shift basis. They mainly work as helpers. There were no “*Hindi kaaran*” in the factory when I joined. Only 2-3 years ago, they have come. The factory has given them accommodation in two large rooms - one for the women and one for the men. They must be only 18-19 years old (only those with Aadhaar proof can come). There is one “madam” who is in charge of the women workers, and one “sir” for the men. They madam and sir are well educated; the workers are mostly unmarried, illiterate. The madam and sir keep a close watch on them. They are not allowed to use phones. If they want to speak to anyone at their home, to their parents, they have to call through madam/sir’s phone.

They are also given food there itself. They seem happy to get food. They (the agents) also take care of their medical expenses. It is said they get paid Rs 5000 per month, besides food and accommodation provided to them.

The factory arranges to bring them from their place of stay to work and drops them back. Once a week on Sundays, the agent takes them to the market to purchase necessities etc., or takes them for a movie once in a while. Under no circumstances are they allowed to wander off on their own.

If they want to leave the job, they can. They are dropped back in their home village and someone else is brought back.

the government ban the contract labour system altogether, he replied “that is for the state government to decide.”

Labour contracts in the garment sector can further be either time rated (as in the example above) or piece rated. In the latter, workers are not given any additional social security, or even bonus; nor are they aware of their entitlements. The illustration of Vinoth’s factory (see **Box 5**) clarifies how all these different systems may co-exist in the same company.

Vinoth sums up the major violations in his factory as follows:

1. Different wages for men and women, particularly less for women.
2. The same company hires workers both directly and through (illegal) contracts for the same job. Contract workers do not get any extra benefits, not even bonus. There is lack of awareness among workers as to their own entitlement. As they do not continuously work in the same factory, they go off to other factories if there is no work.
3. Migrant labourers get paid a lower wage and their living conditions are worse.
4. Even for workers on a shift basis, there is no pay if there is no work on any given day.
5. No maternity leave benefits are provided. ESI is deducted, but there are only two ESI hospitals in Tiruppur which are in bad shape<sup>22</sup>.

<sup>22</sup> See <https://timesofindia.indiatimes.com/city/coimbatore/esi-multi-speciality-hospital-still-a-distant-dream-despite-workers-contributing-rs-85cr/articleshow/60905854.cms>



**Box 5:****Vinoth (name changed), a union member, describes the situation in his factory -**

I have been working in this export company for the past 20 years. The company has four units. Of these, only two units follow the rules somewhat. These two units run fully on shift basis, while the other two run fully on contract. There are 7-8 contracts for each section (tailor, cutting, checking master, cutting helper, singer operator, overlock operator, packing, and checking).

The two units running on shift are like “show pieces” to buyers, who visit once every three months on a mandatory audit to see if the factory is running according to the norms (ESI and other benefits to workers, worker conditions, facilities such as loos, water, et.). At that time, the company management closes the other two units running on contract and puts a lock on their gates. If any question is raised, buyers are simply told that portion belongs to another private party's. The four units are all located within the same premises/compound.

In the two units run completely on contract, the contractors have no licenses. When government officers come for any inspection, they are ‘managed’. Women and men work here day and night. They do not get any extra benefits such as PF, bonus, etc. A lot of north Indian labour works here, brought by agents. When union tries to involve them, they do not disclose their salary, and it is difficult to communicate because of language problem. But have come to know that they come from very poor families and get no work or very low paid work in their home place. Contractor pays according to ability of workers, and rates are not exactly fixed.

About 50% of the total workers in all (700-800 workers) are women. Women receive lower wages even on shift. Discrimination is justified by the management, saying that women workers take more leave/breaks – they have to fetch water when it comes (once or twice a week), or when relatives come to visit. In my unit, there are 300 workers. Of this, 100 are from Bihar, Orissa, WB, and Nepal. They also work on shift. They mainly are in the checking, ironing, and cutting (helper) categories.

**D. Outsourcing / Job workers**

In a third variation, contractors take work out of the factory and get it done through labour under his control. This where the labourers experience the worst forms of oppression. They are completely out of the security net of any labour law, including minimum wages. It is commonly seen in processes such as knitting, dyeing, printing, and embroidery. Workers, usually migrant labourers, are given tiny shanties to live in, and have to work day and night in these small units that violate every possible rule in the book. Job work may also take the form of home-based units as in embroidery and embellishment, where again, a pittance is paid per piece.

“After yarn purchase, it goes to knitting. Here, workers are paid Rs 350 for 10 hours in total. There is no concept of minimum wage or overtime. They work in two shifts (8 am to 8 pm, and night shift). Both have the same wages.

The conditions of workers in dyeing units are worst. They are like bonded/slave labour. They are mostly located on the outskirts of the city. Workers live next to the units in shanties. Majority of them are north Indians, who are brought by agents here and ‘sold’ for a fixed rate per worker. They

cannot go on leave except once a year. They are not allowed to step out anywhere other than work and 'home', explains a veteran observer of the industry.

### Part 3: The strong case for abolishing the contract labour system

Casualisation can be seen as a direct fallout of the demands of an industry catering to global businesses, where the labour structure in the producing regions is dictated by the demands and exigencies of the market conditions prevailing in the consuming regions. Casualisation has been brought in by the rising share of exports – global orders which have to be met on tight deadlines and margins, and the global market/ economic situation affecting the conditions of the worker here.

#### Box 6:

**TEAMA President Muthurathinam spoke at length to explain the evolution of the industry, outlining the pitfalls of growing towards a “China model,” coupled with the rise of contractors that is diminishing labour welfare and resulting in direct losses for companies:**

“Tiruppur, in those days, was also known as *kutti-japaan (small Japan)*. We had a large worker base and even the big companies today have been established by individuals who were first workers, who came up by sheer dint of hard work. I too dropped out after 10<sup>th</sup> standard and joined a factory as worker, and got interested in designing. There are so many examples of this, like BEST Ramasamy, for instance.

Our region has everything – raw material and labour. We are no.1 in cotton production, both in quantity and quality, and known as Manchester of south India. So what explains the present situation, why are dyeing units are shutting down, and why are labour conditions fragile?

Some 10 years ago, production was good. The industry was running on a small scale family-based mode (*gudusai thozhil*). If four members in a family were working, they could earn a decent income.

Since the past 7 years, the workers' conditions have dramatically changed. Tiruppur's native population in this industry is now miniscule compared to migrant workers, who are now in majority. Earlier the company and workers were one, there was a sense of personal contact, and doing things for each other. Now there is a gap.

That wedge has been driven in by contractors.

Ironically, it was a good step – the heavy clamp down on child labour – that led to the proliferation of contractors. The eradication of child labour led to a 35% shortage in the industry. There was no simultaneous attempt to train labour for skill developments specific to the Tiruppur industry, or set up institutions and training centres specific to the Tiruppur industry. Even if huge funds are earmarked by the government for this, they are misused. There is corruption. The peculiar characteristic about Tiruppur industry is that labourers cannot learn these skills anywhere else – they have to be necessarily trained on the machines used here, which are highly specialized and procured from abroad.

Tiruppur has about 7000 companies today which are in exports, domestic and jobwork. Totally, they employ 5-6 lakh workers.

The export market has touched Rs 24,000 crore, of which Rs 600 crore comprises the job work market. The domestic market is Rs 18,000 crore, of which 80% is outsourced through job work in villages in and around Tiruppur from small units.

Only 10-20% are large integrated units (big shots). They have a close control over labour who are from outside. The workers are kept in hostels and do not have much contact with the outside world. About 60-70% of these are north Indians.

### Slow death of the worker-turned-entrepreneur model?

But the Tiruppur model is slowly dying. It is becoming like China now, where only 'big shots' can survive. Tiruppur epitomizes the story of the worker who makes a small investment, becomes a job worker, gradually makes more investment, and eventually sets up his own industry, becoming the owner. But that scenario is now ending. Government policies are affecting the industry, and most of us small and mid-sized companies are running only on bank loans. Additionally, the rampant system of labour contracting has been disastrous for both labourers and the industry:

- Because of contract system, quality production is suffering, as there are more mistakes, and more wastage.
- Companies find it difficult to plan their work, as contractors keep shifting their workers where there is more work/money.
- Export consignments are usually sent by ship; but due to mistakes and delays, we are compelled to send by air, which is four times more expensive. This leads to losses for the owner - and the buyer doesn't come back.
- Thus, if labour is suffering under the contractor, the owners are also suffering.
- For workers, overtime work is leading to ill-health. Workers are doing 10 days' work in 7 days. With piece rate, they are earning 6 days' wages in 4 days. So they now work only 3-4 days in a week. TASMAL sales in Tiruppur are said to be the highest in the whole of TN. Most of the workers' earnings go in these three expenditures: hospital, TASMAL, and loans (vaddikadai). The condition of ESI hospital in Tiruppur is pathetic, even if crores of rupees is sitting in the ESI fund.
- Contractors have well understood the weakness of workers. They have a well-stocked room (with liquor) and this is how they entice the workers. The end result of all this is: workers are working only 16 days instead of 26 days in a month.

Muthurathinam feels that if labour has to be healthy, there should be no contract system. There should be monthly salary for workers from the company, and only regular workers.

He also emphasizes on more investment by the government for development activity and tax benefits for the industry and its workers. Also, "the government should raise policies to maintain cotton raw material stocks, like China. We should focus on exports of cotton garments rather than raw material exports – that will add more value, and provide more employment," he suggests.

The contract system flourishes under the justification that labour flexibility is required to meet "the seasonality of demand". The most common refrain heard is "a factory cannot afford to maintain the entire work force at all times since in a globalized scenario, orders fluctuate."

The most vocal opponent to the contract system is one of the industry leaders himself, Mr Muthurathinam, president of Tiruppur Exporters and Manufacturers' Association (TEAMA). Muthurathinam rubbishes the fallacy that seasonality necessitates contract utilisation. He strongly believes that this is where government support and policy becomes crucial, in smoothing out cycles. He gives valuable insights from the industry's perspective and provides a clear-cut road map to stop and reverse a trend that he is convinced is proving fatal for the industry (**see Box 6**).

And finally, it is also important to understand that manufacturers in Tiruppur catering exclusively to the domestic market, have also grown in a closely symbiotic relationship with the exports market. Explains a domestic factory owner, "Earlier, the domestic market was mainly manufacturing innerwear. Then some businessmen from Delhi came to Tiruppur and purchased some export surplus readymades for sale in the local market. Export companies as a norm produce about 5% extra on all orders, to cover any unexpected contingencies. However, these export surplus pieces



started doing so well within India that the surplus from export companies soon became inadequate to meet the local demand. So a parallel domestic industry in apparel started to flourish, producing similar items, diversifying beyond innerwear.

The domestic industry is however, heavily dependent on the exports industry, in every input used - from surplus cloth to labels. “Cloth is the main proportion of costing in an apparel item. If a T-shirt is sold for Rs 90 (ex-factory), then the cloth alone would cost Rs 60. We typically purchase surplus cloth from the export surplus market. You will see many shops/cloth sellers here who buy up export surplus cloth (that may be rejected either because of colour variations or smallest defects etc., or are simply extra for the export companies) at cheap prices. They sell to manufacturers like us who cater to domestic demand. If the rate for cotton hosiery is Rs 400, it would only Rs 200 in the surplus market,” he explains. Even fashionable/international labels which have been made in surplus by the export manufacturers find their way into the domestic market. In Tiruppur, you can buy an international label tag for just Rs 1.50!

This close kinship between the exports and domestic markets also implies that any adverse developments in the former will have its echoes in the latter.

#### **Box 7:**

**AITUC General Secretary Mr N Sekar** poses the following question:

“Earlier, there were no big factories in Tiruppur. Now, the city is dotted with them. There are big and tall buildings. But even today, no worker owns a house. We continue to live in rented accommodations. We remain where we are. The latest internationally launched car models are spotted in Tiruppur. But there are still no proper roads in many parts of the city. My father was the sole breadwinner of our family. We were five siblings. Some families even had 8 or 9 children. He earned and supported the entire family. We didn’t have TVs, phones etc., but we were content.

Today, both husband and wife work. Most families have only one or two children. The companies say they are paying well and providing all facilities to workers. Yet, we are taking loans to survive. Why?

No garment worker is able to stay in the profession beyond 40-45 years of age. Since the ESI hospitals are dysfunctional, we go to private doctors. They tell us - the only long term solution to overcome the occupation-related diseases is to leave the city. Who is answerable for all this?

Even the most dry-eyed policymaker and hard-hearted industrialist may find it difficult to answer Mr Sekar.

# Chapter 4

## Key Takeaways and Recommendations

### Part 1: Key Takeaways from the Research

#### In conclusion:

- ☑ The study argues that the prevailing minimum wages for the industry are not adequate for workers, whether seen from a statistical, legal, or human rights perspective. In such an event, imposing an even lower (hosiery) minimum wage with no clarity on the sector it applies to, stands to be rejected on all grounds.
- ☑ Moreover, even though it appears *prima facie* that the prescribed minimum wages are being honoured by the industry, this comes into question in processes such as dyeing, knitting, printing and embroidery. More generally, when considering that a) workers have to work 1.5 shifts, or 10 hours every day to make ends meet, and b) even shift based workers do not get paid on days they do not work (due to lack of work), it is clear that the minimum wage fixed by the government is inadequate, and even that is rampantly violated.
- ☑ The widespread trend towards piece rate employment is a dangerous one. It gives the worker the impression that he is earning more, but he does so by depleting his own capital (his body) at a much faster than warranted rate. In the absence of implementation of labour laws that advocate equal benefits for all workers doing the same work in the same factory, the piece rate worker is also left with no social security for his older age, or savings. This is a gross failure of the state and industry towards the welfare of workers.
- ☑ The combination of contract labour and piece rate is the deadliest form of exploitation, where labour comes under the complete control of the contractor, to the extent even fundamental rights are forfeited. It is abominable that such a high profile industry as garments in Tiruppur, supposedly audited by international buyers of 'repute,' should allow such practices to flourish till date, with the silent abetment by the government.
- ☑ Delays in revision of minimum wages, or the lack of their enforceability, or inability of the industry to provide regular work are factors that depletes the pockets of workers, who are then forced to subsist on loans. Every delay in revision of minimum wages, every violation of the law, pushes them further and further into a debt trap. Once in it, even full payment of minimum wages becomes inadequate for them to emerge. It then becomes the case of "having to run faster to remain at the same place." The proliferation of social ills such as debts, drinks, and suicides are only the symptoms of the greater malaise that has its roots not in the workers but in nature of organization of the industry and the failure of the state.

## Part 2: Key Recommendations

### The First Recommendation: From *Minimum Wage* to *Living Wage*

Raja M Shanmugam of Warsaw International, the current president of TEA (2016-2019), is supposed to have set a target of Rs 1,00,000 crore for Tiruppur's business by the year 2020, in the industry's Vision Document 2020<sup>23</sup>. He is said to have constituted 20 sub-committees to address the issues in various areas and implement solutions so that the set vision is attained. Since this Vision 2020 is not a public document, it is not clear whether labour welfare comprises the subject matter of one of these committees.

But this detail begets the question: Why do we still speak in terms of **minimum wages** for workers, when capitalists speak of **maximizing profits**? If TEA's Vision 2020 is to attain Rs 1,00,000 crore of business in 2020, then what is the Vision 2020 for workers?

**The foremost and main recommendation of this report is this:** It is high time we shift away from talking of minimum wages, and instead demand implementation of a fair or living wage. The State, the economy, and the industry has been given ample time to achieve this transition, and if it has not done so already, it needs to be wrested.

The demand for a floor living wage of Rs 18,000 per month is gaining a strong voice among labour unions in India, and is wholeheartedly endorsed by unions in Tiruppur, too. **The findings of this report, too, strongly lend support to this demand.**

The floor living wage not only needs to be fixed at a higher level, it should be ensured that thereafter, these wages are linked to the current consumption basket and cost of living in Tiruppur.

#### Box 8: The Code on Wages Bill, 2017

As this research was being carried out, the Labour Ministry introduced the Code on Wages Bill, 2017 in the Lok Sabha on August 10. The Code seeks to replace the four existing laws relating to wages in the country – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, and the Equal Remuneration Act, 1976. The Standing Committee on Labour has been given time until the first week of the Budget Session 2018 to present its report on the Code.

The Wage Code Bill has drawn much flak from trade unions, for being anti-worker and diluting many of the safeguards in the earlier individual Acts. Some of these include: prescribing a separate national minimum wage for different states, ignoring the formula for fixing minimum wages set out by the Indian Labour Conference (ILC) in 1957 and recommended by the ILC 2012 and 2015, and doing away with the Schedule of Employments for setting industry specific minimum wages. The government has also preempted the trade unions' demand that a minimum wage of Rs 18000 be fixed for all workers in this Code<sup>24</sup>. It has severely diluted the rights of trade unions present under various Acts (For more details, see <https://newsclick.in/trade-unions-reject-wage-code-bill-2017>).

While it is not known at this juncture how the final Code will shape up, it is crucial for the trade unions in this sector to be alert to the dilutions being attempted and voice them vociferously before it is finalised.

<sup>23</sup> [www.tea-india.org](http://www.tea-india.org)

<sup>24</sup> <http://pib.nic.in/newsite/printrelease.aspx?relid=170541>

## **Key recommendations**

### **To the government**

- ☑ Immediately clear the prevailing confusion regarding hosiery and tailoring minimum wages in the industry, by revoking the 27/01/2016 notification
- ☑ Have a widespread consultation and declare a living wage, not a minimum wage for the industry, and ensure their applicability on a monthly basis.
- ☑ Tripartite agreement and minimum wage amongst, the highest have to be enforced to pay Negotiated wage has to be respected by enforcement
- ☑ Ban contractors, regularise small units in the value chain
- ☑ Tighten enforcement of all labour laws, ensure equal pay for equal work whether time or piece rated, and run special awareness campaigns to educate migrant workers of their entitlements
- ☑ If the court process keeps hindering the implementation of revisions in minimum wages, workers are at the losing end. It is important to find a solution to this, so that workers are not disadvantaged. In the meanwhile, the government should continue giving unequivocal support to the tripartite wage agreements which come in as a lifeline for workers when the government official minimum wages are constantly challenged in court. Separate policy for garment industries inclusive of labour development.

### **To the industry**

- ☑ Take a long term perspective that is good for both the workers and the survival of the industry
- ☑ Take pioneering steps in implementing a sustainable model that is founded on fair wages in reality, and in showing that an alternative role model has to be exhibited.
- ☑ Increase lobbying efforts with the government for support to the industry so that a smooth flow of orders are ensured, rather than squeeze workers who are already living on the edge

### **To workers and workers' unions**

- ☑ Resist piece rate and contracts, and raise a fevered demand for regular and secure employment, which is the only long term beneficial form of employment for workers
- ☑ Demand a living wage per month that takes into account present and future projections of cost of living in Tiruppur
- ☑ Strengthen and renegotiate tripartite wage agreements based on real, and not only nominal wages
- ☑ Oppose dilutions to the provisions governing wages and workers' rights as being attempted in the form of the Code on Wages Bill, 2017
- ☑ Encourage widespread awareness of workers' rights, organise migrant and native workers under the same umbrella

\* \* \*

# Annexure 1



## GOVERNMENT OF TAMIL NADU

### Abstract

Minimum Wages Act, 1948-Minimum rates of wages for the employment in hosiery manufactory – fixed – Notification – issued.

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### LABOUR AND EMPLOYMENT DEPARTMENT

G.O. Ms. No. 4844 ILC

Dt. 20-1-1960

READ : –

- (1) G.O. Ms. No. 3226, Industries, Labour and Co-operation (Labour) dated 1<sup>st</sup> July 1960.  
(2) From the Commissioner of Labour, dated 19<sup>th</sup> September 1960. D.O. No. B3/493/60.

### NOTIFICATION.

In exercise of the powers conferred by clause (a) of sub-section 91) of section 2 and sub section (2) of section 5 of the Minimum Wages Act, 1948 (Central Act XI of 1948), the Governor of Madras having considered the advice of the Committee appointed under clause (a) of sub-section 9a) of the said section 5, in regard to fixing minimum rates of wages for the employment in hosiery manufactory hereby fixed the minimum rates of wages specified in column (2) of the schedule below as payable to each class of employees specified in the corresponding entry in column (1) thereof employed in the said employment.

This notification shall come into force on the 26<sup>th</sup> October 1960.

### THE SCHEDULE

#### EMPLOYMENT IN HOSIERY MANUFACTORY.

<i>Class of employees</i>	<i>All inclusive minimum rates of wages</i>
<i>(1)</i>	<i>(2)</i>
Class I	1.00 per day
Class II	1.50 per day
Class III	2.00 per day
Class IV	2.50 per day

Warping (piece rate)	1.50 per roll
Supervisor / Foreman / Mechanic	100.00 per month
Clerks	75.00 per month
Watchman / Peons	40.00 per month

Categories of employees under the classes mention above and 3 employed in any Hosiery manufactory.

***Class I***

Labeling boys  
Cutting department helpers  
Damages and Proving  
Tailoring department helpers  
Finishing department helpers  
Mandoing

***Class – II***

Machine man or machine attendant – Grade II.  
Finishing  
Pressing  
Ironing  
Packing  
Warping (piece rate)

***Class IV***

Machine man or Machine attendant-Grade I  
(After 1 year of service).

Khalasis

Boilerman  
Cutting  
Chain and Chinlock tailors

***Class IV***

Overlock tailors  
Flaterlock tailors

1. Wherever wages periods fixed vary, the wages shall be calculated for the wage periods so fixed and paid, that is, where the wages period is fixed as a week, fortnight or month, the daily rates fixed above shall be multiplied by six, twelve or twenty-six respectively.

2. Adolescents and women employees wherever employed shall be paid the same rates of wages fixed above.

3. Where any category of employees are actually in receipt of higher rates of wages than the statutory minimum rates of wages fixed they shall continue to get the benefit of the higher rates wages.



# Annexure 2



## GOVERNMENT OF TAMIL NADU

### Abstract

Minimum Wages Act, 1948 - Minimum rates of wages for employment in Tailoring Industry - Preliminary Notification - Confirmed.

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### LABOUR AND EMPLOYMENT DEPARTMENT

G.O.(D)No.40

Dated:18.1.94

#### Read:

- 1)G.O.(D)No.1049, Labour and Employment Department, dt.21.10.91.
- 2)From the Commissioner of Labour, Madras, Lr.No. Z1/45948/90, dt.21.8.92.

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### ORDER:-

In the Government Order first read above, a preliminary notification containing proposals to revise further the minimum rates of wages for employment in Tailoring Industry was issued and objections and suggestions were invited from the persons likely to be affected by such revision.

2.The Government after examining the objections and suggestions with regard to the preliminary notification have decided to confirm the preliminary notification.

3.The appended Notification will be published in the Tamil Nadu Government Gazette both in English and Tamil. The Secretary, Tamil Development-Culture (Translation) Department is requested to send Tamil translations of the Notification to the Works Manager, Government Central Press, Madras-79 for publication in the Tamil Nadu Government Gazette.

(BY ORDER OF THE GOVERNOR)

**Sd/- LAKSHMI PRANESH,  
SECRETARY TO GOVERNMENT**

**APPENDIX**

**NOTIFICATION**

In exercise of the powers conferred by clause (b) of sub-section (1) of section 3 and sub-section (2) of Section 5 of the Minimum Wages Act, 1948 (Central Act XI of 1948), and in supersession of the Labour Department Notification No.II(2)/LAB/1650/88, dated the 21<sup>st</sup> March 1988, published at page 235 of Part II - Section 2 of the Tamil Nadu Government Gazette, dated the 5<sup>th</sup> April 1988, the Governor of Tamil Nadu hereby revises the minimum rates of wages as specified in Column (2) of the Schedule below as payable in respect of each class or classes of employees/workers in the employment in Tailoring Industry in the State of Tamil Nadu specified in Column (1) thereof, the same having been previously published as required by clause (b) of sub-section (1) of section 5 of the said Act.

This Notification shall come into force on and from the date of its publication in the Tamil Nadu Government Gazette.

**THE SCHEDULE**

**EMPLOYMENT IN TAILORING INDUSTRY**

Class or classes of employees/Workers	Minimum rates of basic wages per month		
	ZONE A	ZONE B	ZONE C
	Madras, Coimbatore, Madurai and Trichirapalli	All other Municipalities	Townships, Town Panchayats, Contonment and Village Panchayats
	(i)	(ii)	(iii)
(1)	(2)		
	Rs. p.	Rs. P.	Rs. p.

<b><u>A.TAILORING SHOPS</u></b>			
1. Cutter	820-00	750-00	690-00
2. Machine Operator/Tailor	750-00	690-00	630-00
3. Khaja Master	570-00	510-00	450-00
4. Ironing Master	570-00	510-00	450-00
<b><u>B.EXPORT GARMENTS MANUFACTORY</u></b>			
1. Production Manager	900-00	800-00	720-00
2. Supervisor	820-00	750-00	690-00
3. Cutter-cum-Marker/Grade I	820-00	750-00	690-00
4. Cutter-cum-Marker/Grade II	750-00	690-00	630-00
5.Tailor/Machine Operator			
Grade I	750-00	690-00	630-00
Grade II	670-00	610-00	550-00
1. Trimmer	570-00	510-00	450-00
6.Button and Khaja Operator	570-00	510-00	450-00
7.Checker Grade I	820-00	750-00	690-00
Grade II	750-00	690-00	630-00
8.Washing helper	570-00	510-00	450-00
9.Iron Man or Presser			
Grade I	620-00	560-00	500-00
Grade II	570-00	510-00	450-00
10.Packer			
11.Laver (Helpers)	570-00	510-00	450-00
12.Helper (All Kinds)			
13.Trainee-Apprentice			
14.Any other categories not covered by the above items			

<b>C.ADMINISTRATIVE STAFF (for both Tailoring shops and Export Garments Manufactory)</b>			
1. Manager (Accounts/ Shipping/Purchase/ Sales)	900-00	800-00	720-00
2. Accountant/Cashier/ Clerk/Typist	650-00	580-00	510-00
3. Store-keeper	620-00	550-00	500-00
4. Driver	700-00	630-00	560-00
5. Time-keeper	650-00	580-00	510-00
6. Security/Watchman	} 570-00	} 510-00	} 450-00
7. Sweeper			

### **EXPLANATION I:-**

#### **Dearness Allowance**

1. The wages notified above are linked to the average Madras City Consumer Price Index for the year 1988 i.e. 808 points with base 1960=100) and for every rise in one point over and above 808 points, an increase of 60 paise (sixty paise) per month shall be paid as Dearness Allowance.
2. The revision shall be effective from the 1<sup>st</sup> April of every year on the basis of the average of the indices or the earlier 12 months namely from January to December.
3. The first calculation shall thus be made with effect from the date of publication of this notification in the Tamil Nadu Government Gazette based on the average of Consumer Price Index for the previous year (i.e. from January to December)

### **EXPLANATION II:-**

Where the nature of work is the same, no distinction in the payment of wages shall be made in respect of male and female workers.

### **EXPLANATION III:-**

To arrive at daily wages, monthly wages shall be divided by 26.

### **EXPLANATION IV:-**

Wherever the existing wages are higher than the minimum rates of wages fixed herein, the same shall be continued to be paid.

# Annexure 3

## Government Of Tamil Nadu

### ABSTRACT

Minimum Wages Act, 1948--Revision of minimum rates of wages for employment in Tailoring Industry- Preliminary Notification-Confirmed.

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### LABOUR AND EMPLOYMENT DEPARTMENT

**G.O.(2D) No. 74**  
**Dated: 10.12.2004**

Read:

1. G.O.(2D) No.62 Labour and Employment Department dated 22.12.2003.
2. From the Commissioner of Labour, Chennai, letter No. Z1 / 83290 / 2002, dated 27.8.2004.

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### ORDER

In the Government Order first read above, a Preliminary Notification containing proposals to revise further the minimum rates of wages for employment in Tailoring Industry was issued and objection and suggestion were invited from the persons likely to be affected by such revision.

2. As there are no objection and suggestion with regard to the preliminary Notification, the Government have decided to confirm the Preliminary Notification.

3. The appended Notification will be published in the Tamil Nadu Government Gazette both in English and Tamil. The Secretary to Government, Tamil Development Culture and Religious Endowments (Translation) Department , Secretariat, Chennai-600 009 is requested to send the Tamil translation of the Notification to the Works Manager, Government Central Press, Chennai-600079.

(BY ORDER OF THE GOVERNOR)

**M.B.PRANESH,**

**PRINCIPAL SECRETARY TO GOVERNMENT**

**To**

The Works Manager, Government Central Press, . Chennai-79(for publication of the notification in the Tamil Nadu Government Gazette) (2 copies)

(He is requested to send 5 copies of the Notification to this Department for reference and record)

The Secretary to Government, Tamil Development , Culture and Religious Endowments (Translation) Department, Chennai-9 (2 copies)

The Commissioner of Labour, Chennai-600 006 (5 copies)

The Employers' and Employees' Organisations through the Commissioner of Labour, Chennai-60 006 (50 copies)

The Secretary to Government of India, Ministry of Labour and Rehabilitation, New Delhi-110 001

The Secretary to Government of Andhra Pradesh, Labour Department, Hyderabad

The Secretary to Government of Karnataka, Labour Department, Bangalore

The Secretary to Government of Kerala, Labour Department, Thiruvananthapuram

The Secretary to Government of Pondicherry, Labour Department, Pondicherry.

All Collectors.

The Regional Labour Commissioner, Sastri Bhavan, Haddows Road, Chennai-600 006

The Private Secretary to Principal Secretary to Government, Labour and Employment Department, Chennai-600 009

Law Department, Chennai-600 009

SF/SC

FORWARDED: BY ORDER

**SECTION OFFICER**

## **APPENDIX**

## **NOTIFICATION**

In exercise of the powers conferred by clause (b) of sub-section (1) of section 3 and sub-section (2) of Section 5 of the Minimum Wages Act, 1948 (Central Act XI of 1948) and in supersession of the Labour and Employment Department Notification No.II(2)/LE/610/94, dated the 18th January 1994, published at page 187 of Part II-Section 2 of the Tamil Nadu Government Gazette dated the 23rd February 1994, the Governor of Tamil Nadu, after



consultation with the Advisory Board, hereby revises the minimum rates of wages payable to the classes of employees in the employment in Tailoring Industry in the State of Tamil Nadu specified in column (1) of the Schedule below, as specified in the corresponding entries in column (2) thereof, the draft of the same having been previously published as required by clause (b) of sub-section (1) of section 5 of the said Act.

2. This Notification shall come into force with effect on and from the date of its publication in the Tamil Nadu Government Gazette.

### **THE SCHEDULE.**

#### **EMPLOYMENT IN TAILORING INDUSTRY.**

Class or Classes of employees/workers. (1)	Rates of minimum wages per month (2)		
	Zone-A	Zone-B	Zone-C
	Chennai, Coimbatore, Madurai, Tiruchirapalli, Tirunelveli, Salem  Rs. P.	All other Municipalities  Rs.P.	Townships, Town Panchayats, Contonment and Village Panchayats. Rs. P.
<b>A.TAILORING SHOPS:</b>			
1. Cutter.	2306.00	2215.00	2437.00
2. Machine Operator/ Tailor.	2215.00	2137.00	2059.00
3. Khaja Master	1981.00	1903.00	1825.00
4. Ironing Master.	1981.00	1903.00	1825.00
<b>B. EXPORT GARMENTS MANUFACTORY:</b>			
1. Production Manager	2410.00	2280.00	2176.00
2. Supervisor	2306.00	2215.00	2137.00
3. (i) Cutter-cum- Marker/Grade-I	2306.00	2215.00	2137.00
(ii) Cutter-cum-Pattern maker Grade-II.	2215.00	2137.00	2059.00
4. Tailor/Machine Operator			
Grade I	2215.00	2137.00	2059.00
Grade II	2111.00	2033.00	1955.00
5. Trimmer	1981.00	1903.00	1825.00
6. Button and Khaja Operator	1981.00	1903.00	1825.00
7. Checker Grade-I	2306.00	2215.00	2137.00

Grade-II	2215.00	2137.00	2059.00
8. Washing Helper	1981.00	1903.00	1825.00
9. Iron Man or presser			
Grade-I	2046.00	1968.00	1890.00
Grade-II	1981.00	1903.00	1825.00
10. Packer			
11. Layer (Helpers)			
12. Helper (All kinds)			
13. Trainee-Apprentice	1981.00	1903.00	1825.00
14. Any other Categories not covered by the above items.			
<b>C. ADMINISTRATIVE STAFF:</b>			
(For both Tailoring Shops and Export Garments Manufactory)			
1. Manager (Accounts/Shipping/Purchase/Sales).	2410.00	2280.00	2176.00
2. Accountant/Cashier/Clerk/Typist	2085.00	1994.00	1903.00
3. Store-Keeper	2046.00	1955.00	1890.00
4. Driver	2150.00	2059.00	1968.00
5. Time-keeper	2085.00	1994.00	1903.00
6. Security/Watchman			
7. Sweeper	1981.00	1903.00	1825.00

**EXPLANATIONS.-** (1) Dearness Allowance.- In addition to the wages fixed above the employees shall be paid Dearness Allowance as indicated below:-

(i) The wages notified above are linked to the Average Chennai City Consumer Price Index for the year 2000, that is, 475 points with base 1982=100 and for every rise of one point over and above 475 points, an increase of Rs.3.80 (Rupees Three and Paise eighty only) per point per month shall be paid as dearness allowance.

(ii) The revision shall be effective from the 1st April of every year on the basis of the Average of the indices for the earlier 12 months, namely from January to December.

(iii) The first calculation shall thus be made with effect from the date of publication of this Notification in the Tamil Nadu Government Gazette based on the average of consumer Price Index for the previous year that is from January to December.

(2) Where the nature of work is the same, no distinction in the payment of wages shall be made between male and female workers.

(3) To arrive at daily wages, the monthly wages shall be divided by 26.

1. (4) Wherever the existing wages are higher than the minimum rates of wages fixed herein, the same shall be continued to be paid.

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**SECTION OFFICER**

# Annexure 4

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GOVERNMENT OF TAMIL NADU  
2014

[Regd. No. TN/CCN/467/2012-14.  
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## TAMIL NADU GOVERNMENT GAZETTE

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No. 46]

CHENNAI, WEDNESDAY, DECEMBER 3, 2014  
Karthigai 17, Jaya, Thiruvalluvar Aandu – 2045

### Part II—Section 2

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(d) make copies of or take extracts from any register, account book or other document maintained in such factory, office or other premises.

**Revision of minimum rates of wages for Employment in Tailoring Industry under the Minimum Wages Act.**

[G.O.(2D) No. 59, Labour and Employment (J1),  
10th October 2014, புரட்டாசி 24,  
ஐய, திருவள்ளூர் ஆண்டு-2045.]

No. II(2)/LE/723/2014.—In exercise of the powers conferred by clause (b) of sub-section (1) of Section 3 and sub-section (2) of Section 5 of the Minimum Wages Act, 1948 (Central Act XI of 1948) and in supersession of the Labour and Employment Department Notification No. 11(2)/LE/98/2005, published on pages 58 and 59 of Part II—Section 2 of the *Tamil Nadu Government Gazette*, dated the 2nd February 2005, the Governor of Tamil Nadu, after consultation with the Advisory Board, hereby revises the minimum rates of wages payable to the classes of employees in the employment in Tailoring Industry in the State of Tamil Nadu, specified in column (1) of the Schedule below, as specified in the corresponding entries in column (2) thereof, the draft of the same having been previously published as required by clause (b) of sub-section (1) of section 5 of the said Act.

2. This Notification shall come into force with effect on and from the date of its publication in the *Tamil Nadu Government Gazette*.

THE SCHEDULE

**Employment in Tailoring Industry**

Classes of employees.	Minimum rates of basic wages (per month). (Rs. P.)		
(1)	(2)		
	Zone-A	Zone-B	Zone -C
<b>A. Tailoring:</b>			
(1) Cutter	5789.00	5639.00	5511.00
(2) Machine Operator / Tailor	5639.00	5511.00	5383.00
(3) Khaja Master	5256.00	5128.00	5000.00
(4) Ironing Master	5256.00	5128.00	5000.00
<b>B. Exports Garments Manufactory :</b>			
(1) Production Manager	5959.00	5746.00	5575.00
(2) Supervisor	5789.00	5639.00	5511.00
(3) (i) Cutter-cum-Marker, Grade-I	5789.00	5639.00	5511.00
(ii) Cutter-cum-Pattern Maker Grade-II	5639.00	5511.00	5383.00
(4) Tailor/Machine Operator:			
Grade-I	5639.00	5511.00	5383.00
Grade-II	5469.00	5341.00	5213.00

**Classes of employees.**

**Minimum rates of basic wages (per month). (Rs. P.)**

(1)	(2)		
	Zone-A	Zone-B	Zone-C
(5) Trimmer	5256.00	5128.00	5000.00
(6) Button and Khaja Operator	5256.00	5128.00	5000.00
(7) Checker:			
Grade-I	5789.00	5639.00	5511.00
Grade-II	5639.00	5511.00	5383.00
(8) Washing Helper	5256.00	5128.00	5000.00
(9) Iron Man or Presser:			
Grade-I	5362.00	5234.00	5106.00
Grade-II	5256.00	5128.00	5000.00
(10) Packer	5256.00	5128.00	5000.00
(11) Layer (Helpers)			
(12) Helper (All kinds)			
(13) Trainee - Apprentice			
(14) Any other categories not covered by the above items.			

**C. Administrative Staff:**

(for both Tailoring and Export Garments Manufactory)

(1) Manager (Accounts/ Shipping / Purchase/ Sales)	5959.00	5746.00	5575.00
(2) Accountant / Cashier/ Clerk / Typist	5426.00	5277.00	5128.00
(3) Store-Keeper	5362.00	5213.00	5106.00
(4) Driver	5533.00	5384.00	5234.00
(5) Time-Keeper	5426.00	5277.00	5128.00
(6) Security/Watchman	5256.00	5128.00	5000.00
(7) Sweeper			

**Explanations.-**

**(1) Classification of Zones.-** The Classification of Zones shall be as follows:-

Zones A, B and C shall comprise of the following areas:-

Zone A - All Municipal Corporations.

Zone B - All Municipalities.

Zone C- Other areas not covered under Zones A and B.

(2) **Dearness Allowance.**— In addition to the minimum rates of basic wages fixed as above, the employees shall be paid dearness allowance as indicated below:—

(i) The dearness allowance is linked to the Average Chennai City Consumer Price Index Number for the year 2010, that is 161 points with base 2001=100 and for every rise of one point over and above 161 points, an increase of Rs. 31.05 (Rupees thirty one and paise five only) per month shall be paid as dearness allowance.

(ii) The dearness allowance shall be calculated every year on the first April on the basis of the average of the indices for the preceding twelve months, namely from January to December.

(iii) The first calculation shall thus be effective from the date of publication of this Notification in the *Tamil Nadu Government Gazette* based on the Average Chennai City Consumer Price Index Number for the previous year, that is, from January to December.

(3) Where the nature of work is the same, no distinction in the payment of wages shall be made between men and women employees.

(4) To arrive at the daily rates of wages, the monthly wages shall be divided by 26.

(5) Wherever the existing wages are higher than the minimum rates of wages fixed herein, the same shall be continued to be paid.

#### தொழிலாளர் மற்றும் வேலைவாய்ப்புத் துறை

#### Disputes between Workmen and Managements referred to Labour Courts for Adjudication

#### தமிழ்நாடு அரசு போக்குவரத்துக் கழகம், சேலம் கோட்டம், தர்மபுரி

[அரசாணை (டி) எண். 511, தொழிலாளர் மற்றும் வேலைவாய்ப்பு (சி)த் துறை, 30 அக்டோபர் 2014, ஐப்பசி 13, ஜய, திருவள்ளூர் ஆண்டு-2045.]

No. II(2)/LE/724/2014—இந்த ஆணையின் இணைப்பில் குறிப்பிட்டுள்ள பொருள் தொடர்பாக தமிழ்நாடு அரசு போக்குவரத்துக் கழகம், சேலம் கோட்டம், தர்மபுரி என்ற நிர்வாகத்திற்கும் சேலம், தர்மபுரி, நாமக்கல், ஈரோடு மாவட்ட போக்குவரத்து மற்றும் பொது தொழிலாளர்கள் சங்கம், சேலம் என்ற தொழிற்சங்கத்திற்குமிடையே திரு. S. சேகர் (TR. 5934 ஓட்டுநருக்கு வழங்கப்பட்ட தண்டனையை ரத்து செய்யக்கோரி தொழிற்சங்கராறு எழுந்துள்ளது என்று அரசு கருதுவதாலும்;

மேற்சொன்ன தகராறை சேலம், தொழிலாளர் நீதிமன்றத் தீர்ப்புக்காக அனுப்புவது அவசியமென்று தமிழ்நாடு ஆளுநர் அவர்கள் கருதுவதாலும்;

எனவே, 1947 ஆம் ஆண்டு தொழிற் தகராறுகள் சட்டத்தின் (மத்திய சட்டம் XIV/1947) 10(1)(c) பிரிவிலும், 10(1)(d) பிரிவின் வரம்பு நிபந்தனையிலும் வழங்கியுள்ள அதிகாரங்களைக் கொண்டு, தமிழ்நாடு ஆளுநர் அவர்கள் மேற்சொன்ன தகராறு இணைப்பில் காணும் எழுவினாவுடன் சேலம், தொழிலாளர் நீதிமன்றத் தீர்ப்புக்காக அனுப்பப்பட வேண்டும் என்று இதனால் ஆணையிடுகிறார்.

மேலும், 1947 ஆம் ஆண்டு தொழிற் தகராறுகள் சட்டத்தின் 10(2ஏ) பிரிவின்கீழ், இந்த ஆணையைப் பெற்றுக்கொண்ட

நாளிலிருந்து மூன்று மாதங்களுக்குள் தீர்ப்பு அளிக்குமாறு சேலம் தொழிலாளர் நீதிமன்றத்தைக் கேட்டுக்கொள்ளப்படுகிறது.

#### இணைப்பு

#### எழுவினா

திரு. S. சேகர், ஓட்டுநரின் (5934) அடிப்படை சம்பள விகிதத்தை மாற்றி ஓட்டுநருக்கான குறைந்தபட்ச ஆரம்ப நிலை சம்பளம் வழங்க நிர்ணயித்து 09-12-2006 முதல் 5 ஆண்டுகளுக்கு வழங்கிட உத்தரவிடப்பட்ட நிர்வாகத்தின் 24-1-2007 நாளிட்ட உத்தரவினை ரத்து செய்யக்கோரும் தொழிற்சங்கத்தின் கோரிக்கை நியாயம் தானா? ஆம் எனில் உரிய உத்தரவுகள் பிறப்பிக்கவும்.

#### கிண்டி மெஷின் டூல்ஸ் லிமிடெட், ஓசூர்.

[அரசாணை (டி) எண் 518, தொழிலாளர் மற்றும் வேலைவாய்ப்பு (சி)த் துறை, 31 அக்டோபர் 2014, ஐப்பசி 14, ஜய, திருவள்ளூர் ஆண்டு-2045.]

No. II(2)/LE/725/2014.— கிண்டி மெஷின் டூல்ஸ் லிமிடெட், ஓசூர் என்ற நிர்வாகத்திற்கும் ஓசூர் எலக்ட்ரானிக்ஸ் இன்ஜினியரிங் அண்டு ஜெனரல் எம்ப்ளாய்ஸ் யூனியன், ஓசூர் என்ற தொழிற்சங்கத்திற்குமிடையே தொழிற்சங்கராறு எழுந்துள்ளது என்று அரசு கருதுவதாலும்;

மேற்சொன்ன தகராறில் கோரிக்கை எண்கள் 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 16, 18, 19, 27, 29 மற்றும் 32 ஆகியவற்றை சேலம், தொழிலாளர் நீதிமன்றத் தீர்ப்புக்காக அனுப்புவது அவசியமென்று தமிழ்நாடு ஆளுநர் அவர்கள் கருதுவதாலும்;

எனவே, 1947 ஆம் ஆண்டு தொழிற் தகராறுகள் சட்டத்தின் (மத்திய சட்டம் XIV/1947) 10(1) (c) பிரிவிலும், 10(1) (d) பிரிவின் வரம்பு நிபந்தனையிலும் வழங்கியுள்ள அதிகாரங்களைக் கொண்டு, தமிழ்நாடு ஆளுநர் அவர்கள் மேற்சொன்ன தகராறு இணைப்பில் காணும் எழுவினாக்களுடன் சேலம், தொழிலாளர் நீதிமன்றத் தீர்ப்புக்காக அனுப்பப்பட வேண்டும் என்று இதனால் ஆணையிடுகிறார்.

மேலும், 1947-ஆம் ஆண்டு தொழிற் தகராறுகள் சட்டத்தின் 10(2ஏ) பிரிவின்கீழ், இந்த ஆணையைப் பெற்றுக்கொண்ட நாளிலிருந்து மூன்று மாதங்களுக்குள் தீர்ப்பு அளிக்குமாறு சேலம், தொழிலாளர் நீதிமன்றத்தைக் கேட்டுக்கொள்ளப்படுகிறது.

#### இணைப்பு

#### எழுவினாக்கள்

#### கோரிக்கை எண்.1

அடிப்படை சம்பளம் 2000 ரூபாய் என்று அனைத்து தொழிலாளர்களுக்கும் நிர்ணயம் செய்ய வேண்டுமென்ற தொழிற்சங்கத்தின் கோரிக்கை நியாயமானதானா? ஆமெனில், உரிய உத்தரவுகள் பிறப்பிக்கவும்.

#### கோரிக்கை எண்.2

தற்போது நடைமுறையில் உள்ள பதவி மற்றும் கிரேடுகளை ரத்து செய்து அனைத்து தொழிலாளர்களுக்கும் கிரேடு மாற்றம் செய்து ஆண்டு ஊதிய உயர்வு நிர்ணயம் செய்ய வேண்டும் எனவும், தற்போது நிறுவனத்தில் பணிபுரியும் அனைத்து தொழிலாளர்களுக்கும் கிரேடு மாற்றம் செய்வதுடன் 10 வருடத்திற்கு மேல் பணிபுரியும் அனைத்து தொழிலாளர்களையும் high skilled கிரேடில் நிர்ணயம் செய்ய வேண்டுமென்ற தொழிற்சங்கத்தின் கோரிக்கை நியாயமானதா? ஆமெனில், உரிய உத்தரவுகள் பிறப்பிக்கவும்.



# Annexure 5

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GOVERNMENT OF TAMIL NADU  
2016

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[R. Dis. No. 197/2009.  
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## TAMIL NADU GOVERNMENT GAZETTE

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### Part II—Section 2

**Notifications or Orders of interest to a section of the public  
issued by Secretariat Departments.**

#### NOTIFICATIONS BY GOVERNMENT

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(b) enter any Corporation, office or other premises occupied by such principal or immediate employer at any reasonable time and require any person found in charge thereof to produce to such Social Security Officer or other official and allow him to examine such documents, books and other documents relating to the employment of persons and payment of wages or to furnish to him such information as he may consider necessary; or

(c) examine the principal or immediate employer, his agent or servant, or any person found in such factory, establishment office or other premises, or any person when the said Social Security Officer or other official has reasonable cause to believe to have been an employee; or

(d) make copies of or take extracts from any register, account book or other document maintained in such factory, office or other premises.

#### Notifications under the Minimum Wages Act.

#### Revision of minimum rates of wages for employment in hosiery manufactory under the Act.

[G.O.(2D) No.5, Labour and Employment (J1),  
27th January 2016, *தை 13, மன்மத, திருவள்ளூர்*  
*ஆண்டு 2047.*]

No.II(2)/LE/120/2016.-In exercise of the powers conferred by clause (b) of sub-section (1) of Section 3 and sub-section (2) of Section 5 of the Minimum Wages Act, 1948 (Central Act XI of 1948) and in supersession of the Industries, Labour and Co-operation Department Notification II-1, No.1916 of 1960, Published at pages 632 and 633 of Part-II-Section 1 of the *Fort. St. George Gazette*, dated the 26th October 1960, the Governor of Tamil Nadu, after considering the advice of the committee, appointed under clause (a) of sub-section (1) of Section 5 of the said Act, hereby revises the minimum rates of wages for the classes of work, payable to the employees in the employment in hosiery manufactory in the State of Tamil Nadu, specified in column (2) of the Schedule below, as specified in the corresponding entries in column (3) thereof.

2. This Notification shall come into force on and from the date of its publication in the *Tamil Nadu Government Gazette*.

#### THE SCHEDULE

##### Employment in hosiery manufactory.

Serial Number.	Classes of work	Minimum rates of basic wages per month.
(1)	(2)	(3) (Rs.P.)
(1)	Cutting	4,248.00
(2)	Tailoring	4,248.00
(3)	Ironing	4,248.00
(4)	Packing	4,248.00
(5)	Fabrication	4,248.00
(6)	Checking	2,448.00
(7)	Labelling	2,148.00
(8)	Hand folding	1,998.00
(9)	Damage	1,908.00
(10)	Fold and tie like Assistance	1,848.00

(2) **Dearness Allowance:** In addition to the minimum rates of basic wages fixed above, the employees shall be paid **dearness allowance** as indicated below:-

(i) **The dearness allowance** is linked to the Average Chennai City Consumer Price Index Number for the year 2000, that is, 475 points (with base year 1982 = 100) and for every rise of one point over and above 475 points, an increase of Rs. 3.80 (Rupees three and paise eighty only), per month shall be paid as **dearness allowance**.

(ii) **The dearness allowance** shall be calculated on the first April of every year on the basis of the average of the indices for the preceding twelve months, namely, from January to December.

(iii) The first calculation shall, thus, be effective from the date of publication of this Notification in the *Tamil Nadu Government Gazette*, based on the average of Chennai City Consumer Price Index Number for the previous year.

(3) Where the nature of work is the same, no distinction in the payment of wages shall be made between men and women employees.

(4) To arrive at the daily wages, the monthly wages shall be divided by 26.

(5) Wherever the existing wages are higher than the minimum wages fixed herein, the same shall be continued to be paid.

#### Fixation of minimum rates of wages for employment in Knitting Industry under the Act.

[G.O.(2D) No.6, Labour and Employment (J1),  
27th January 2016, *தை 13, மன்மத, திருவள்ளூர்*  
*ஆண்டு 2047.*]

No.II(2)/LE/121/2016.-In exercise of the powers conferred by clause (a) of Sub-section (1) of Section 3 and sub-section (2) of Section 5 of the Minimum Wages Act, 1948 (Central Act XI of 1948), the Governor of Tamil Nadu, after considering the advice of the committee, appointed under clause (a) of sub-section (1) of Section 5 of the said Act, hereby fixes the minimum rates of basic wages payable to the classes of employees in the employment Knitting Industry in the State of Tamil Nadu, specified in column (2) of the Schedule below, as specified in the corresponding entries in column (3) thereof.

2. This Notification shall come into force on and from the date of its publication in the *Tamil Nadu Government Gazette*.

#### THE SCHEDULE.

##### Employment in Knitting Industry

Serial Number.	Classes of Employees	Minimum rates of basic wages (per month.)
(1)	(2)	(3) (Rs.P.)
(1)	Supervisor	6,030.00
(2)	Foreman	6,000.00
(3)	Machine Operator	4,248.00
(4)	Roll Checking	2,448.00
(5)	Helper / Sweeper	1,848.00

(2) **Dearness Allowance:** In addition to the minimum rates of basic wages fixed above, the employees shall be paid **dearness allowance** as indicated below:-

(i) The **dearness allowance** is linked to the Average Chennai City Consumer Price Index Number for the year 2000, that is, 475 points (with base year 1982 = 100) and for every rise of one point over and above 475 points, an increase of Rs. 3.80 (Rupees three and paise eighty only), per month shall be paid as **dearness allowance**.

(ii) The **dearness allowance** shall be calculated on the first April of every year on the basis of the average of the indices for the preceding twelve months, namely, from January to December.

(iii) The first calculation shall, thus, be effective from the date of publication of this Notification in the *Tamil Nadu Government Gazette*, based on the average of Chennai City Consumer Price Index Number for the previous year.

(3) Where the nature of work is the same, no distinction in the payment of wages shall be made between men and women employees.

(4) To arrive at the daily wages, the monthly wages shall be divided by 26.

(5) Wherever the existing wages are higher than the minimum wages fixed herein, the same shall be continued to be paid.

#### Disputes between Workmen and Mangements referred to Industrial Tribunal for Adjudication.

ஆர்கிட் கெமிக்கல்ஸ் & பார்மாதூட்டிக்கல்ஸ் லிமிடெட், திருப்போரூர்.

[அரசாணை (டி) எண் 729, தொழிலாளர் மற்றும் வேலைவாய்ப்பு (அ2)த் துறை, 22 டிசம்பர் 2015, மார்கழி 6, மன்மத, திருவள்ளூர் ஆண்டு-2046.]

No. II(2)/LE/122/2016.—இந்த ஆணையின் இணைப்பில் குறிப்பிட்டுள்ள பொருள் தொடர்பாக ஆர்கிட் கெமிக்கல்ஸ் & பார்மாதூட்டிக்கல்ஸ் லிமிடெட், திருப்போரூர் என்ற நிர்வாகத்திற்கும் ஆர்கிட் கெமிக்கல்ஸ் & பார்மாதூட்டிக்கல்ஸ் எம்ப்ளாயீஸ் யூனியன் என்ற தொழிற்சங்கத்திற்குமிடையே ஊதிய உயர்வு உள்ளிட்ட பொதுக்கோரிக்கைகள் தொழிற்சங்கத்தின் எழுந்துள்ளது என்று அரசு கருதுவதாலும்;

மேற்சொன்ன தகராறை சென்னை தொழிற் தீர்ப்பாயத்தின் தீர்ப்புக்காக அனுப்புவது அவசியமென்று தமிழ்நாடு ஆளுநர் அவர்கள் கருதுவதாலும்;

1947 ஆம் ஆண்டு தொழிற் தகராறுகள் சட்டத்தின் (மத்திய சட்டம் XIV/1947) 10(1)(c) பிரிவிலும், 10(1)(d) பிரிவின் வரம்பு நிபந்தனையிலும் வழங்கியுள்ள அதிகாரங்களைக் கொண்டு, தமிழ்நாடு ஆளுநர் அவர்கள் மேற்சொன்ன தகராறு, சென்னை தொழிற் தீர்ப்பாயத்தின் தீர்ப்புக்காக அனுப்பப்பட வேண்டும் என்று இதனால் ஆணையிடுகிறார்.

மேலும், 1947 ஆம் ஆண்டு தொழிற் தகராறுகள் சட்டத்தின் 10(2ஏ) பிரிவின் கீழ், இந்த ஆணையைப் பெற்றுக்கொண்ட நாளிலிருந்து மூன்று மாதங்களுக்குள் தீர்ப்பு அளிக்குமாறு சென்னை, தொழிற் தீர்ப்பாயம் கேட்டுக்கொள்ளப்படுகிறது.

#### இணைப்பு

#### எழுவினாக்கள்

#### கோரிக்கை எண்.1

“அடிப்படை சம்பளம்/ஆண்டு ஊதிய உயர்வு கீழ்க்கண்டவாறு ஒவ்வொரு பிரிவு ஊழியர்களுக்கும் நிர்ணயிக்க வேண்டும் என்ற தொழிற்சங்கத்தின் கோரிக்கை நியாயம்தானா? ஆம் எனில் தக்க உத்தரவுகள் பிறப்பிக்க.”

அஸிஸ்டண்ட்	G1	2500-200-3500-350-5250-550-8000-850-12250
Senior அஸிஸ்டண்ட்	G2	3500-350-5250-550-8000-350-8500-1350-15250
டெக்னீசியன்	G3	5000-500-7500-800-11500-1100-17000-1400-24000
Senior டெக்னீசியன்	G4	6500-700-10000-1100-15500-1400-22500-1700-31000
அஸிஸ்டெண்ட் ஆபிசர்	E1	8000-1000-13000-1500-20500-2250-31750-3250-48000
ஆபிசர்	E2	10000-1500-17500-2500-30000-4000-50000-6000-80000
Junior எக்ஸிகியூடிவ்	E3	12000-2250-23250-3750-42000-5758-70250-8000-111250
எக்ஸிகியூடிவ்	E4	14000-3500-31500-5,000-56500-7000-91500-9500-139900
Senior எக்ஸிகியூடிவ்	E5	16000-5000-41000-6750-74750-8750-118500-11250-174750

#### கோரிக்கை எண்.4

“1960-ம் ஆண்டை அடிப்படையாக கொண்டு 1000 புள்ளிகளுக்கு 6000 ரூபாயும், 1000 புள்ளிகளுக்கு மேல் உயரும் ஒவ்வொரு புள்ளிக்கும் தலா 5 ரூபாயும் கணக்கிட்டு ஒவ்வொரு மாதமும் பஞ்சப்படியாக வழங்க வேண்டும் என்ற தொழிற்சங்கத்தின் கோரிக்கை நியாயமானதுதானா? ஆம் எனில் உரிய உத்தரவுகள் பிறப்பிக்க.

#### கோரிக்கை எண்.5

அடிப்படை சம்பளம் மற்றும் பஞ்சப்படியில் 50% தொகையினை வீட்டு வாடகைப்படியாக வழங்குகோரும் தொழிற்சங்கத்தின் கோரிக்கை நியாயமானதுதானா? ஆம் எனில் உரிய உத்தரவுகள் பிறப்பிக்க.

#### கோரிக்கை எண்.6

“இரவு ஷிப்டில் பணிபுரியும் ஊழியர்களுக்கு ஷிப்ட் அலவன்ஸாக ஒரு நாள் அடிப்படை சம்பளத்தில் 50 சதவீதம் அளிக்க வேண்டும் என்ற தொழிற்சங்கத்தின் கோரிக்கை நியாயமானதுதானா? ஆம் எனில் உரிய உத்தரவு பிறப்பிக்க.





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