

Garment and Allied Workers Union
Rao Maichand Complex, Plot No. 1, Jwala Mill, Old Delhi Gurgaon Road, Gurgaon- 122015
Ph. 01244385478, 7042390530

Date: 04.09.2017

To

The Additional Labour Commissioner(Gurgaon NCR)
Gurgaon.

Subject: Memorandum of Demands for the implementation of Haryana Minimum Wages Notification since November 2015, published under Minimum Wages Act, 1948, and request for diligent intervention in the matter to ensure minimum wages compliance across Gurgaon- Manesar.

It is hereby submitted that:

1. A memorandum dated 28.04.2016 was given to this office, by the Garment and Allied Workers Union and endorsed by several other unions, against the wide scale minimum wages violation by companies/employers in the Gurgaon Industrial District. Several demands were raised in this letter which were:

- The companies/employers should be directed to stop the minimum wages violation with immediate effect.
- The workers should be given proper increment and promotions as per their skill and experience as mandated by the minimum wages Notification(s), by the employers.
- Minimum Wages for Domestic Workers

A

A category shall be deemed categorized as skilled B, and to be paid wages at those rates.

5. It is already known that the basic wages and dearness allowance of an employee have a direct bearing on their contributions and benefits in several welfare schemes like PF and ESI, and paying less basic wages means lesser contribution in these schemes and so lesser benefits can be availed by the worker. Paying basic wages at below minimum wages level not only deprives the worker economically but also impacts the future security and quality of medical services that the worker and his family avail.
6. Upon studying and analyzing more than 400 pay slips of different establishments of the garment industry of Gurgaon - Manesar and talking to many more workers we found that the companies of this sector are blatantly violating the minimum wage laws and directions. Big Manufacturers like Richa & Co, Gaurav International, Modelama, Style Stich, Orient Craft, Magsons etc. are some of the biggest violators.
7. These companies never take into consideration the years of experience of the worker to assign them proper skill categories and do not pay statutory wages, most of the times the basic wages paid to the workers is much below the appropriate minimum wages as per the notification.

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8. The November 2015 notification states that the basic wages cannot be bifurcated into components, but what we found out after analyzing the pay slips is that most of the companies are paying basic wages much below minimum wages level and they pay certain allowances like HRA, conveyance and food allowance to bring the total wages to equal minimum wages, whereas the basic wages remain much below the minimum wages. This is done by the companies so as to pay lesser amount as employer's contribution in welfare schemes such as PF and ESI.
9. The Dearness Allowance as provided for in the 2016 and 2017 notifications is not being paid by any of the companies of Gurgaon to their workers.
10. These companies have started to mostly employ workers by way of contract and most of the workers who are employed through a contractor are not given any proof of employment and other facilities like PF and ESI, this has become a rampant practice and the biggest nuisance by companies across Gurgaon. The workers who work through these contractors are forced to work for whatever wages the contractor pays them and are most of the times unaware of the appropriate minimum wages that they are entitled to.
11. There is no uniform system of payment of wages to workers of many companies, wherein one can see that in a previous month the basic wage given to a worker is different from the basic wage paid

same category may get wages at different rates. The companies of the garment sector employ unskilled, semi- skilled and skilled workers in the ratio of 2:1:8.

15. In Richa & Co. and Gaurav International in Gurgaon- Manesar, both of which are owned by the same family, is one of the large companies of the garment sector and employs more than 30000 workers in this area, the companies are paying an Operator(Tailor), which is a skilled job, basic wages in 2017, at the rate of Rs. 6017 and no dearness allowance, whereas as per the notification the basic wages should be Rs 8797 for A category and Rs.9237 for B category, so the company is paying the worker wages around Rs 2780- Rs. 3220 below minimum wages. Apart from this the company was not paying the stipulated dearness allowance of Rs. 787- 826, so the total loss for a skilled worker in wages comes to Rs. 3567- 4046. The loss of worker in PF contribution comes to around Rs. 428- 485. So the total loss per worker per month is around Rs 4000- 4500 and Rs. 48000- 54000 per year and Rs. 1450000 – 1620000 in his full service. Due to the lesser amount of contribution in PF the workers lose lakhs of rupees in PF accumulations and interest too. Like- wise a helper which is an unskilled category and a checker which is a semi- skilled category are getting Rs 5887 and Rs. 6017 which are Rs. 1720 and Rs. 1953- 2350 below minimum wages respectively. The company is not

paying any dearness allowance to these workers as well. A company as big as this is stealing around 150- 200 crores in wages from its workers per year.

16. The skilled category workers constitute around 70% of workers of the garment industry and there are around 5 lakh workers working in the industry in Gurgaon and Manesar alone. Orient Craft employs more than 35000 workers in the area, Modelama employs around 10000. So if we consider the above example as average, only the skilled category workers of the garment sector lose close to 1680 crores to 1890 crores per year in wages due to the violations in minimum wages by garment companies only in Gurgaon.
17. If we add the other skill categories workers the amount would go up by 100s of crores more. The smaller company workers and the workers who are employed through contractors, where the violations are much higher, and loss of wages of garment sector workers would again go up by hundreds of crores. This money which could have been used by the workers for their betterment, securing their future, educating their children and living better lifestyles is going into the pockets of the employers. This is a multi- billion rupees wage theft and a scam by these companies, an attempt to severely deprive a large section of the society.
18. There are various smaller companies which do not even give PF and ESI facilities to workers, some others deduct contributions from

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18. There are various smaller companies which do not even give PF and ESI facilities to workers, some others deduct contributions from

wages of workers without ever depositing the same in any account. There are companies and contractors which are making workers work for half the rate of stipulated minimum wages also. The acts of all these employers may very well be termed as felony as they are seriously hampering the lives of the workers.

19. This practice has been going on for years now and is likely to go on for many more years unless the Labour Department, Haryana diligently intervenes.
20. The Garment and Allied Workers Union has been formed for the aid of the workers of the garment industry in Gurgaon and NCR and to organize them and provide them legal help in matters of enforcement of their rights. It is also our endeavor to proactively participate towards framing of new laws and improvement/amendment of existing laws to ensure legal compliance by companies and provide ideal and dignified work environment to workers of the garment industry. We had started the Minimum Wages Campaign in 2015 and have since taken several steps to win the legal and stipulated wages for the workers of the Garment Industry. We have conducted various research and approached several authorities to intervene and ensure compliance of Minimum Wages in Gurgaon- Manesar.

It is therefore our request that:

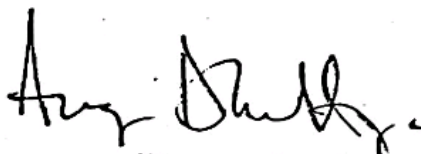
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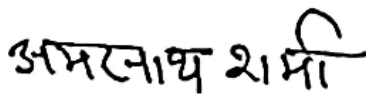
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It is therefore our request that:

1. This Authority conducts a thorough investigation of these violations and conduct thorough inspections of the companies engaged in garment manufacture and also of other industries in Gurgaon and Manesar. The companies which are found non-compliant, the owners and erring personnel of these companies must be prosecuted.
2. That the minimum wages notification(s) of the Haryana Government be directed to be enforced with immediate effect in industries across Gurgaon.
3. The companies/employers be directed to provide proper proof of employment to workers and to avoid employing workers through contractors as far as possible. Investigation of misappropriation of service records of workers by companies must be carried out by this authority across Gurgaon and Manesar.

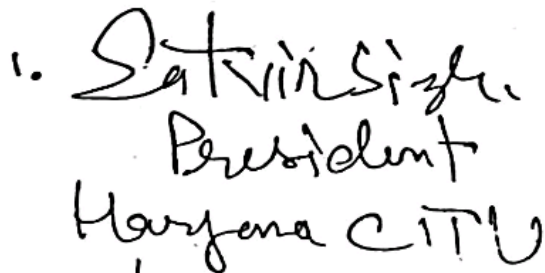


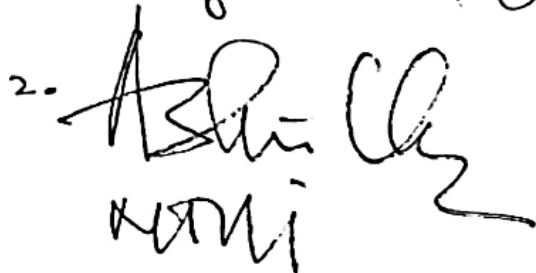
Anannya Bhattacharjee
(President)
Garment and Allied Workers' Union

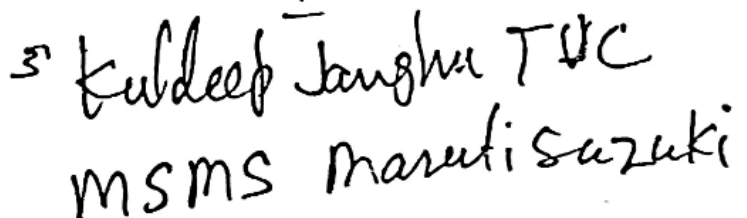


Amarnath Sharma
(General Secretary)
Garment and Allied Workers' Union

ENDORSED BY

1. 
President
Haryana CITU

2. 
KATKI

3. 
TVC
MSMS Maruti Suzuki