

To,
The Additional Labour Commissioner
Gurgaon, Haryana

Date. 13.10.17

Subject: Memorandum elaborating the violations of the minimum wages act and the rules made by the Government of Haryana therein, and non-payment of stipulated minimum wages as published under the Minimum Wages Notification of the Government of Haryana to workers of the garment industry by specific employers along with the list of employers.

Ref: Memorandums dated 28.04.2016 and 04.09.2017, given to this office by the Garment and Allied Workers Union.

It is hereby stated that.

1. The Garment and Allied Workers' Union has been fighting for the legal and constitutional rights of the workers of the garment industry in the NCR area- most importantly in Gurgaon. The government of Haryana published its periodical Minimum Wages Notification in November 2015, wherein the minimum basic wages for different skill categories of workers were revised. Thereafter in January 2016 and January 2017 the Government added dearness allowance to the total minimum wages to be paid to workers of different skill categories.
2. The Garment and Allied Workers' Union gave two memorandums to the Additional Labour Commissioner, Gurgaon, the first one on 28.04.2016 and the second on 04.09.2017, informing about the wide scale violations of minimum wages going on in the garment industry across Gurgaon and Manesar, and thereby requesting a thorough inspection and investigation of the alleged violations by the garment sector establishments of Gurgaon and Manesar. At the time of submitting the second memorandum this office of the Additional Labour Commissioner had asked us to furnish information and analysis of specific companies so as to help him with starting any investigation or enquiry into the alleged violations in

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minimum wages by these establishments, and to expedite the matter and render proper penalties and punishments on the companies / establishment found non-compliant as per the minimum wages act. Kindly refer to these two memorandums for the sake of clarity and brevity.

3. As per this request of the Additional Labour Commissioner the Garment and Allied Workers' Union has prepared this list of Garment Companies and analyzed the violations by them under the minimum wages act for the perusal of this authority. Whereas these are some of the biggest companies of the garment industry functioning in Gurgaon and Manesar, it is pertinent to mention that the wages paid to a worker belonging to a particular skill category is similar across the establishment which means that all the workers of a particular skill category working in one unit of a particular company will get the same salaries as the workers of the same skill category of a different unit of the same company inside Haryana.
4. The first is a group of companies which includes M/s Richa and Co, M/s Richa Global and M/s Gaurav International, all three are owned by the same family and has several units functioning across Gurgaon and Manesar. The estimated total number of workers in all these units is more than 30000. Skilled, Unskilled and Semi-skilled workers are divided in the ratio of 8:2:1. Of the hundred pay slips analyzed none of the pay slips had any date of joining of the worker mentioned on them so it was almost impossible to calculate the seniority of any worker. While the minimum basic wage was underpaid by 16.77% overtime was under paid by 58.96%, there was no mention of any dearness allowance being paid to any of the workers of the company. And the gross wages of the workers are underpaid by almost 22.73%. The company pays same wages for the same skill category across all its units in Haryana.


5. Then there is M/S Modelama Exports Limited which has more than 10000 workers in Gurgaon and Manesar. On analyzing 11 pay slips we came to know that the average under Payment of minimum basic wages across all skill categories of workers is 13.53%- whereas the average underpayment of over- time is 85.39%, there was no mention of any dearness allowance in the wage slips of the workers and the average under Payment of the gross wages of the worker came to 21.29%. This company also has several units across Gurgaon and Manesar.
6. M/s Jyoti Apparels is also one of the major garment companies in Gurgaon and Manesar and has more than 5000 workers across Gurgaon and Manesar. Of the 29 pay slips that we analyzed there was no record of date of joining on any of them so it was not possible to calculate the seniority of workers. The minimum basic wage was underpaid by 17.24% overtime was underpaid by 76.92% there was no dearness allowance being paid to the workers and a gross pay was underpaid by 25.39 percent average.
7. We analyzed 10 pay slips of M/s Magsons Exports and found that the minimum basic wage is underpaid by an average 15.7%, overtime is underpaid by 100%, there is no dearness allowance being paid to the workers and gross pay is under paid by an average 28.1%. The 18 payslips of Tetson Rai and 25 slips of Rajat International again gave us the same picture. While in Tetson the minimum basic wage and overtime work was underpaid by 12.44% and 52.44% respectively the company did not pay any dearness allowance and the gross pay was underpaid by an average 21.09%. In Rajat International the minimum basic wage was underpaid by 15.7% overtime was under paid by hundred percent there was no dearness allowance being paid to the workers and the gross pavers underpaid by an average 28.1%.

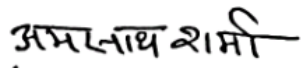
8. While we did not find any company which was paying the appropriate minimum wages to the different categories of workers there were several companies which were blatantly underpaying the basic wages of the workers much below the stipulated minimum wages and were not giving any proof of employment or salary slips to the workers so as to conceal their non-compliance. We have affixed a list of units of different factories / companies for the kind perusal of this authority.
9. While it is apparent that none of the companies of the garment sector is paying the stipulated basic rates of minimum wages to its workers, we found no company that paid any dearness allowance to its workers. The companies have to pay the wages strictly as per the Minimum Wages Notification of the Haryana Government and the wages cannot be bifurcated into components so as to bring the total salaries near minimum wages level while the basic wages were still much below the stipulated levels and none of the companies were paying any stipulated dearness allowances. This will amount to misappropriation under the Minimum Wages Act. Most of these companies take no consideration of the skill categories and the years of experience of the workers. We are affixing a few pay-slips for the better understanding of this aspect by the Authority and are also affixing the appropriate Minimum Wages Notification(s) for the sake of clarity and brevity. As the authority may already be knowing that the basic wages as well as the dearness allowance of the workers has a direct bearing on the contributions made under various welfare schemes like, PF, ESI and Gratuity, any underpayment is a misappropriation and a violation of the legal and constitutional right of the workers.

It is therefore requested that this authority may kindly take this memorandum and the affixed documents into perusal and diligently intervene in the matter and take appropriate action against the erring companies and their erring personnel under the provisions of the Minimum Wages Act. This memorandum

may be read as a continuation to the Memorandum of the Garment and Allied Workers' Union Dated 04.09.2017.

It is prayed accordingly.


Anannya Bhattacharjee
(President)
Garment and Allied Workers' Union


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

Annexure 1

Subject: List of Companies of the Garment Industry of Gurgaon and Manesar as analyzed by the Garment and Allied Workers' Union for Minimum Wages Violation.

1. Richa and Co, Plot number 239, Udyog Vihar, Phase 1, Gurgaon, Haryana
2. Style Stitch Inc, Plot no. 90, Sector 4, IMT Manesar Gurgaon, Haryana
3. Gaurav International, Plot no. 208, Udyog Vihar, Phase 1 Gurgaon, Haryana
4. Magsons Exports, 41 / 42, Udyog Vihar, Phase IV, Gurgaon, Haryana
5. Richa and Co, Plot no. 193, Phase 1, Udyog Vihar, Gurgaon, Haryana
6. Gaurav International Plot no. 411, Phase III, Udyog Vihar, Gurgaon, Haryana
7. Choice Clothing Co Pvt. Ltd, Plot no. 332, Phase 2, Udyog Vihar, Gurgaon, Haryana
8. Choice Clothing Co Pvt. Ltd, Plot no. 357, Phase 2, Udyog Vihar, Gurgaon, Haryana
9. Richa Global Exports Private Limited, Plot no. 294, Phase 2, Udyog Vihar, Gurgaon, Haryana
10. Modelama Exports Limited, Plot No. 200, Udyog Vihar Phase 1, Gurgaon, Haryana
11. Modelama Exports Limited, Plot no. 5, Sector 4, IMT Manesar, Gurgaon
12. Modelama Exports Limited, Plot no. 201, Udyog Vihar Phase 1, Gurgaon, Haryana.
13. Orient Crafts Ltd., 7D, Sector 18, Sarhaul, Gurgaon, Haryana
14. Jyoti Apparels, Plot No. 10, Sector 5, IMT Manesar, Gurgaon, Haryana
15. Jyoti Apparels, Plot no. 159, Phase 1, Udyog Vihar, Gurgaon, Haryana
16. Chelsea Mills, Plot no. 173- 174, Sector 5, IMT Manesar, Gurgaon, Haryana
17. M/s Tetson Rai, Plot No. 42, Sector 4, IMT Manesar, Gurgaon.