



SUBMISSIONS ON THE CODE ON WAGES, 2017





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CHAPTER – 1

Indian Tea Industry – An Overview

1. PREAMBLE

Tea plantations in India started in the 1820's. Tea plantations were among the first industrial establishments in India, owned and managed by colonial planters. The nature of operations required mobilization of workers who were resident in the plantations with their families. Due to remoteness of the plantation areas and in the absence of infrastructure, a custom to provide the resident workforce with basic amenities like housing, food, healthcare, water supply developed on the plantations. Amenities like housing, sanitation, medical facilities, education, crèche facilities etc were later codified under the Plantations Labour Act, 1951. In addition to the amenities under the Plantations Labour Act, workers and their families continue to be provided with in-kind benefits in the form of concessional foodgrains, firewood, blankets, aprons etc as per convention or under bilateral agreements. Thus the practice of providing in-kind benefits by the employers to the workers in addition to wages has been in vogue from the very beginning. This aspect has been recognized by various legislations enacted over the years as would be evident from Section 11 of the Minimum Wages Act, 1948 which states as under :

“Where it has been the custom to pay wages wholly or partly in kind, the appropriate Government being of the opinion that it is necessary in the circumstances of the case may, by notification in the Official Gazette, authorize the payment of minimum wages either wholly or partly in kind.

If the appropriate Government is of the opinion that provision should be made for the supply of essential commodities at concession rates, the appropriate Government may, by notification in the Official Gazette, authorize the provision of such supplies at concession rates.”

The wage structure comprising of cash wages and in-kind benefits have thus prevailed in the tea plantations since long and has also been recognized by the State Governments over the years.

2. TEA : SERVING NATIONAL PRIORITIES

- Generates income and livelihood directly or indirectly for more than 10 million people.
- Women account for 50% of employment.
- Accounts for direct employment of 1.1 million & supports 3 million dependants.
- 44% of the production is contributed by small growers who depend on this industry for sustenance.
- Supports socio-economic development in remote and under-developed regions.

3. INDIAN TEA: 2016

	World	India	India's Share	India's Global Position
Production (Mkg)	5490	1267	23%	2 nd Position
Consumption (Mkg)	5168	985	19%	2 nd Position
Exports (Mkg)	1774	217	12%	4 th Position

4. CURRENT INDIAN TEA SCENARIO

(in million kgs)

	2011	2012	2013	2014	2015	2016
Production	1116	1126	1200	1207	1209	1267
Imports	21	21	20	21	19	21
Total Availability	1137	1147	1220	1228	1228	1288
Exports	215	208	219	207	229	217
Consumption (Growth <2.5% pa)	881	903	926	945	965	985
Total Absorption	1096	1111	1145	1152	1194	1202
Yrly Surplus (+)/Shortage(-)	41	43	73	76	34	86
Auction Price (Rs/Kg)	106.07	125.30	132.23	130.91	128.60	135.93

- Price realization remained stagnant over 2013 - 2015
- Entry of large no. of Small Growers & Bought Leaf Factories (BLF) resulting in Demand : Supply imbalance – excess supply over 100 million kg as pipe line stocks
- Stagnant consumption – only increasing due to population growth.
- Excess supply and low consumption growth rate leads to stagnant prices.

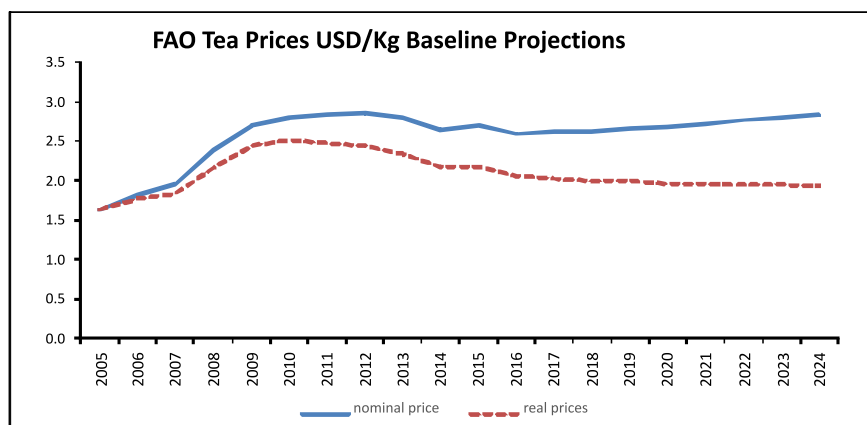
5. GLOBAL TEA AUCTION PRICES(in US\$):

Year	India	Bangladesh	Sri Lanka	Indonesia	Kenya	Malawi
2012	2.28	2.68	3.07	1.97	2.88	1.70
2013	2.20	2.46	3.44	1.98	2.41	1.82
2014	2.08	2.19	3.53	1.66	2.03	1.43
2015	1.94	2.41	2.97	1.56	2.73	1.56
2016	2.00	2.55	3.20	1.64	2.29	1.55

- Global tea prices have witnessed a declining trend over the last 5 years in majority of auction centres across the world.

FAO Projections on Global tea prices

- The Food and Agricultural Organization of the United Nations (FAO) medium term projections of Global prices indicate that although there would be an increase in global tea prices in nominal terms but in real terms, prices would actually decline by an annual average of one percent over the next decade.

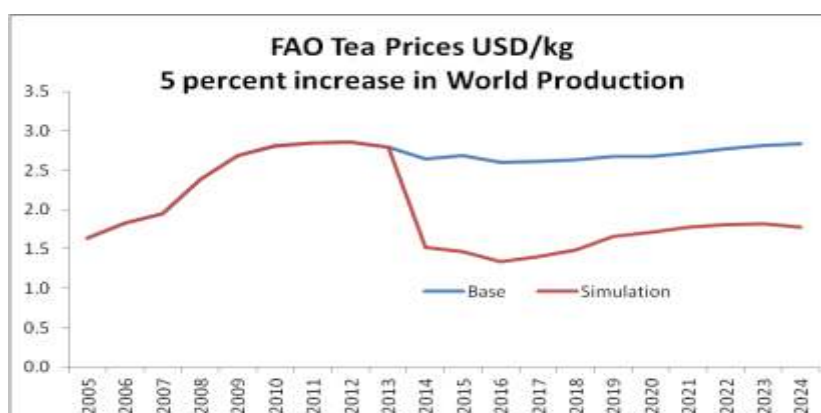


Source: FAO IGG/Tea Secretariat

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024
CPI	1.263	1.29	1.315	1.34	1.366	1.392	1.419	1.446	1.46
Nominal Price (US\$)	2.6	2.61	2.64	2.68	2.68	2.73	2.77	2.81	2.83
Real Price (US\$)	2.06	2.03	2.00	2.00	1.96	1.96	1.96	1.95	1.94

- FAO projections further indicate that there is need to maintain the delicate balance between supply and demand to achieve sustainability. An increase in output by 5% for instance could lead to a dramatic decline in prices by 40% over the next 10 years. This is indicated below :

Effect on prices of a 5 percent production increase over the baseline



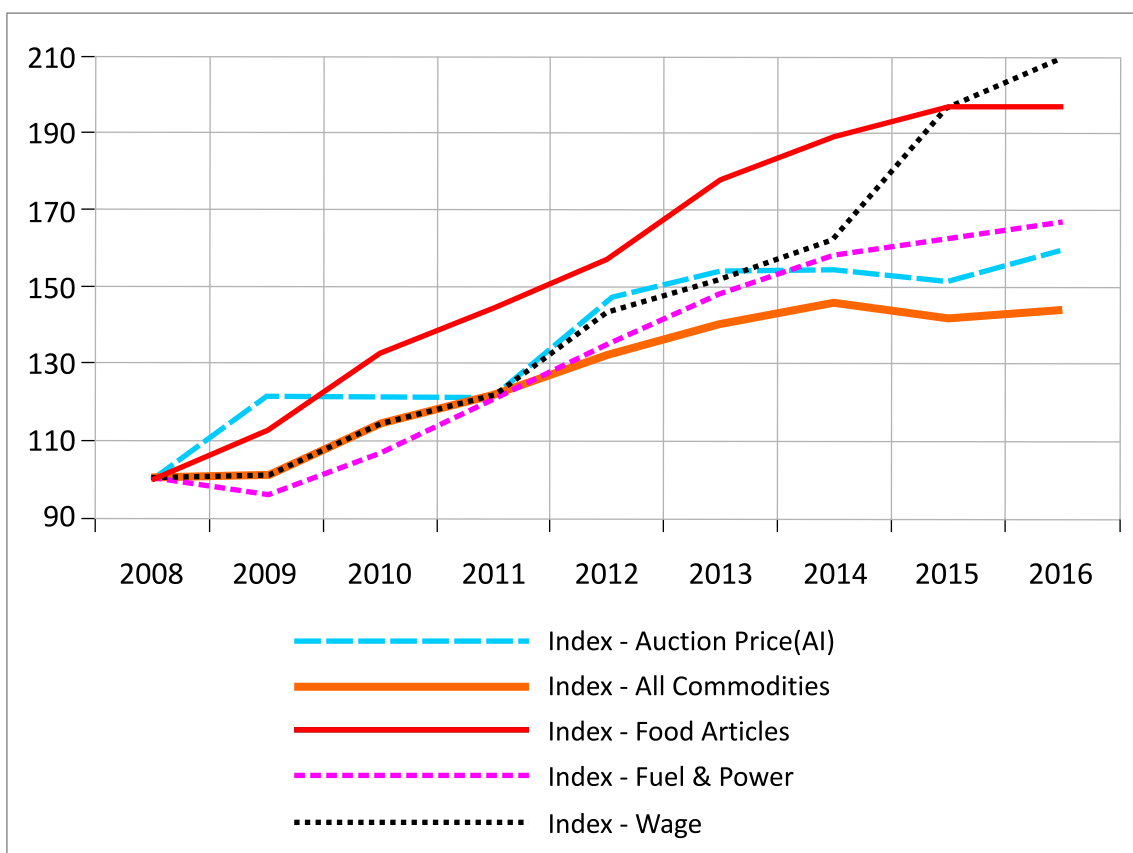
Source: FAO IGG/Tea Secretariat

6. INDIAN TEA PRICES: CAGR

- An analysis of the last ten years reveal that Indian tea prices have not kept pace with the inflationary trends which have put considerable pressure on margins. Input costs during this period have increased at a Compounded Annual Growth Rate (CAGR) of more than 10% per annum while tea prices have grown at a CAGR of only 6% to 7%.
- The price situation has become even more critical in the last five years with All India Auction price increasing at a CAGR of only 1.41% of which North India has seen a CAGR increase of only 1% as may be seen below :

Indian Auction Price (Rs/kg)			
Year	North India	South India	All India
2012	137.25	88.67	125.30
2013	142.33	100.53	132.23
2014	144.84	86.28	130.91
2015	142.05	84.37	128.60
2016	144.25	106.48	135.93
CAGR%	1.00%	3.19%	1.41%

- Prices of food articles, Fuel & Power and wage costs have outpaced Tea prices as would be evident from the chart below :

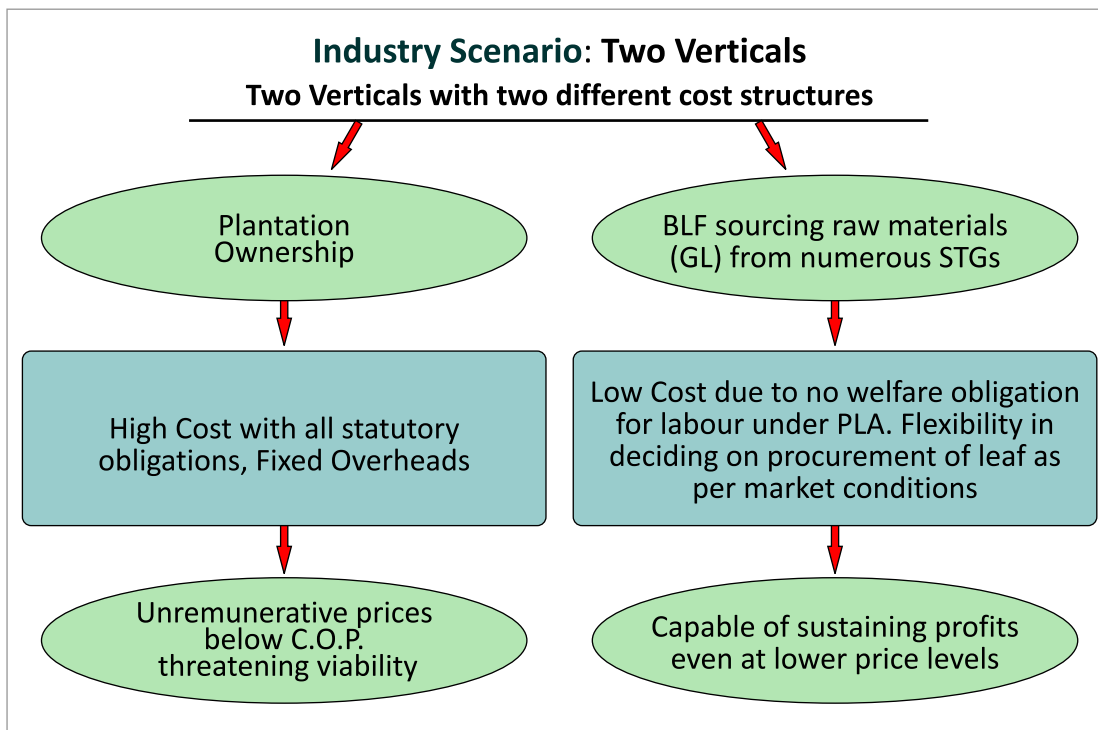


- The Tea (Marketing) Control Order mandates that 50% of the production be sold through the auction system.
- The Auction system does not assure recovery of cost of production and entails high transaction costs.
- Further, the producer is not able to pass on the increase in cost of production to the consumer as price discovery is determined by demand and supply.
- The Indian Tea Association (ITA) representing majority of the Tea producers in North India has been urging the Ministry of Commerce, Government of India to allow producers the freedom of choice of sale channels for their produce to enable fairer price discovery.

7. DUAL ECONOMY: ORGANISED SECTOR vis-à-vis STG/BLF SECTOR

- Indian Tea Industry structure has undergone a paradigm change in recent years with the growth of Small Grower Sector (STG) and Bought Leaf (BLF). The BLF sector which accounted for less than 20% share of production ten years ago – presently accounts for around 44% of total Indian production. This low cost segment caters to the domestic demand, making available lower priced teas thereby adversely affecting the demand for similar teas manufactured by the organized sector at a higher cost of production.

- Tea Estates registered under the Plantations Labour Act with a resident work force incur higher cost overheads when compared to stand alone Bought Leaf Factories where such cost overheads are negligible. **This has resulted in a dual economic structure with wide variation in the cost of production between these verticals.**



8. COST OF PRODUCTION OF TEA IN INDIA

- The high cost of production of Indian tea is impeding its competitiveness.
- The viability of the tea industry is under stress due to tea price increases not keeping pace with rising costs of production (COP). Wage and associated costs constitute around 60% of COP.
- The Tea Industry in North India covering Assam and West Bengal is seasonal in nature with effective operations being only for nine months in a year. **Though the revenue earning is for nine months, the wages of permanent labour has to be paid for the whole year covering the lean period when only few hours of work during the day is possible.**
- The Industry in Assam and West Bengal is bound by an agreement forbidding reduction in strength of permanent workers. Large scale mechanization therefore is not an immediate possibility.
- In view of a large population of workers resident on Estates, loss of employment due to mechanization would fuel social tensions.
- Tea industry employs more than 1.1 million workers. The increase in production from 986 million kg in 2007 to 1267 million kg in 2016 primarily contributed by the Small Growers has generated formal employment for unemployed youth in the rural sector.
- The current cash wages in North India (Assam) at Rs 137/- results in total cost of employment of Rs 284.87 per day. An unsustainable wage cost would result in a huge increase in the cost of production and would make estate operations unsustainable. This would adversely impact the viability of the tea industry and threaten the livelihood of the large workforce dependent on it.
- High wage costs would compel the management to gradually opt for mechanization which would result in shrinkage in employment levels and informalisation of employment patterns.

CHAPTER - 2

MINIMUM WAGE ISSUES

1. BACKGROUND

- The basic wage structure that governs the Indian Tea Industry was formulated based on the recommendation of the Wage Board which submitted its report in a form of an Award in the year 1966. The Wage Board in recommending the wage took into account the cash wage as well as the perquisites being made available to a worker resident on a tea estate under the purview of various legislations and agreements.
- The Government of Assam has been notifying minimum wages for the tea plantation workers from time to time. In computing the wages for tea plantation workers, admissible Fringe Benefits like concessional ration, fuel, medical facilities, free children education which are provided to the workers, are taken into account (**Assam Government Notification dated 01.12.2010 attached**). The “in principle view” on inclusion of Fringe Benefits had been enunciated in the Committee Report of the Government of Assam of the Chetia Committee in para 7 as follows :

“In a tea garden, a worker and his family are provided by the employer housing, medical attention and in many cases, primary education. Besides, fuel is also available free of cost. Hence the Committee is of the opinion that in assessing minimum requirements, account may be taken of these items”.

2. THE CODE ON WAGES, 2017

- The Code on Wages, 2017 is under consideration of the Government of India. The Ministry of Labour and Employment vide letter no. Z-13025/6/2015-LR Cell dated 21st March, 2015 had earlier circulated the Draft Labour Code on Wages The Indian Tea Association (ITA) as an Apex Body representing the tea producers had submitted its representation to the Ministry of Labour and Employment in this regard.
- A comparative statement of the definition of wages under the existing provisions and proposed amendments is given below:

Existing (Minimum Wages Act, 1948)	Proposed (Code on Wages 2017)
2(h) "wages" means all remuneration, capable of being expressed in terms of money, which would, if the terms of the contract of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment, 1*[and includes house rent allowance], but does not include— (i) the value of-- (a) any house-accommodation, supply of light, water, medical attendance, or (b) any other amenity or any service excluded by general or special order of the appropriate Government; (ii) any contribution paid by the employer to any Pension Fund or Provident Fund or under any scheme of social insurance; (iii) any travelling allowance or the value of any	2(x) “wages” means all remuneration, whether by way of salary, allowances or otherwise, expressed in terms of money or capable of being so expressed which would, if the terms of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment, and includes,— (i) any remuneration payable under any award or settlement between the parties or order of a court (ii) any remuneration to which the person employed is entitled in respect of overtime work or holidays or any period of leave; (iii) any additional remuneration payable under the terms of employment, whether called a bonus or by any other name;

travelling concession; (iv) any sum paid to the person employed to defray special expenses entailed on him by the nature of his employment; or (v) any gratuity payable on discharge;	<p>(iv) any sum which by reason of the termination of employment of the person employed is payable under any law, contract or instrument which provides for the payment of such sum, whether with or without deductions, but does not provide for the time within which the payment is to be made;</p> <p>(v) any sum to which the person employed is entitled under any scheme framed under any law for the time being in force;</p> <p>(vi) any house rent allowance,</p> <p>but does not include—</p> <p>(A) any bonus payable under this Code, which does not form part of the remuneration payable under the terms of employment or which is not payable under any award or settlement between the parties or order of a court or Tribunal;</p> <p>(B) the value of any house-accommodation, or of the supply of light, water, medical attendance or other amenity or of any service excluded from the computation of wages by a general or special order of the appropriate Government;</p> <p>(C) any contribution paid by the employer to any pension or provident fund, and the interest which may have accrued thereon;</p> <p>(D) any travelling allowance or the value of any travelling concession;</p> <p>(E) any sum paid to the employed person to defray special expenses entailed on him by the nature of his employment; or</p> <p>(F) any gratuity payable on the termination of employment in cases other than those specified in sub-clause (iv):</p>
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- The Plantations Labour Act, 1951 applies to Plantations that admeasure five hectares or more and in which fifteen or more persons are employed. The Act makes it obligatory on employers to provide amenities like medical facilities, housing facilities, education facilities, welfare facilities, leave with wages etc. In addition to statutory benefits, other facilities by virtue of agreements like free fuel, concessional foodgrains, dry tea etc are also provided to workers since long.
- It may be noted that Section 11 of the Minimum Wages Act, 1948 recognizes payment of wages in kind. The relevant text of Section 11 is reproduced below :

Section 11 (1) Minimum wages payable under this Act shall be paid in cash.

(2) Where it has been the custom to pay wages wholly or partly in kind, the appropriate Government being of the opinion that it is necessary in the circumstances of the case may, by notification in the Official Gazette, authorize the payment of minimum wages either wholly or partly in kind.

- (3) *If the appropriate Government is of the opinion that provision should be made for the supply of essential commodities at concession rates, the appropriate Government may, by notification in the Official Gazette, authorize the provision of such supplies at concession rates.*
 - (4) *The cash value of wages in kind and of concessions in respect of supplies of essential commodities at concession rates authorized under sub-sections (2) and (3) shall be estimated in the prescribed manner.*
- The Code on Wages, 2017 has not made provisions similar to Section 11 of the Minimum Wages Act, 1948 except for Section 7 (2) of the Code on Wages, 2017 which is reproduced below :
 - *The cost of living allowance and the cash value of the concessions in respect of supplies of essential commodities at concession rate shall be computed by such authority, as the appropriate Government may by notification, appoint, at such intervals and in accordance with such directions as may be specified or given by the appropriate Government from time to time.*
- In case of tea plantation industry, it has been the long standing custom to pay wages partly in-kind and value of such in-kind benefits have been taken into consideration while computing minimum wage. Besides the Plantations Labour Act also requires tea plantations to extend various benefits in kind which actually form part of wages. Absence of similar provisions as contained in Section 11 of the Minimum Wages Act would result in these in-kind benefits being provided without considering them as a part of wage. **The net result would be that tea plantations will have to bear the burden twice over, once while giving the benefits in kind and then again in the form of cash wages as the in-kind benefits given by tea plantations are essential components in determining the cash wage.**
- **The definition of wage under Section 2(h) read with Section 11 of the Minimum Wages Act 1948 has enabled the inclusion of “in kind fringe benefits” to be counted as components of wage for tea plantations governed by the Plantations Labour Act 1951.**
- The Plantations Labour Act, 1951 (“**Plantation Act**”) was enacted with an objective to regulate the conditions of plantation labour/worker generally. The provisions of the Plantation Act relate to assuring to the workers reasonable amenities for example, supply of wholesome drinking water or suitable medical and educational facilities or provisions for canteens etc. The Plantation Act was enacted pursuant to the report of the Labour Investigation Committee, which recommended additional amenities such as drinking water and medical facilities, the benefits/facilities which were not extended to in the other Labour Acts. It is in this light that the Plantation Act while making provisions as to health under Chapter III; Welfare under Chapter IV; Safety under Chapter IVA, retained the definition of “wages” under Section 2(i) to mean the definition assigned to it under Section 2(h) of the Minimum Wages Act 1948 (“**Minimum Wages Act**”).
- Therefore, it is clear that the subject as well as the context of the Minimum Wages Act which was by reference applicable to the Plantation Act was that:
 - wage would mean all remuneration capable of being expressed in terms of money
 - and under the prescribed statutory circumstances, wage in kind will also be considered as wage.
- In addition to such statutory benefits under the 1951 Act and the 1956 Rules like housing, medical facilities, education, creche facilities, water supply etc, as per the custom prevalent in tea plantation industry and which are recorded in bilateral agreements

between the tea plantation Managements and the Union representing the workers, certain other benefits are also extended to tea plantation workers in the form of fringe benefits like free dry tea, fuel, etc which is also recognized by the State Governments over the years and are taken into consideration for the purpose of revising the minimum wages. In fact this also finds a mention in the notifications issued by the State Government under the 1948 Act.

- The definition of 'wages' in the Code on Wages, 2017 excludes certain items. Some of these were also excluded in the definition of wage under Section 2(h) of the Minimum Wages Act, 1948. The expenditure incurred on housing and medical facilities by tea estates have been excluded in the definition of wage. **It is humbly submitted that expenditure incurred on housing accommodation and medical facilities are essential components in determining the minimum wage of a worker.** The Supreme Court in the judgment of Raptakos has also considered these as essential components in arriving at the minimum wage. As mentioned above, these facilities are required to be provided in kind by tea plantations under the Plantations Labour Act as against other industries where there is no such requirement and hence these are considered as components of cash wage. **It is only therefore just and proper that the monetized value of these benefits given in kind by tea plantations be considered as part of wage as otherwise tea plantations will have to bear the burden twice over – once as part of in-kind benefit and again as an essential component in determining the minimum cash wage.** It is therefore necessary that appropriate amendments are made in the definition of wage so that the value of in-kind benefits as mentioned above are included in determining the minimum wage.
- While the Minimum Wages Act did not exclude bonus as a component for determining the wage (Section 2(i) of the Minimum Wages Act) the Code seeks to exclude bonus payable under the Code in determining the wage [Section 2(x)(A)]. The fact of the matter is, the tea plantations in Assam have been paying bonus @ 20% for the last so many years in pursuance of bi-partite settlement between the Unions and the Management/Association of Tea Plantations. As the definition of "wage" now stands in the Code, the bonus of 8.33% payable under Section 26 of the Code is not required to be considered in determining the minimum wage but the differential bonus or Ex-Gratia of 11.67% would form part of the wage.
- There will be practical problems in including the differential bonus as a component for determining the minimum wage which may also vary. To cite an example

	Wage (Rs)	Bonus as per Allocable Surplus	Ex-Gratia	Total Wage (Rs)
Company A	100	11%	9%	109
Company B	100	8.33%	11.67%	111.67

- For example, If Company A's allocable surplus permits payment of Statutory Bonus of 11% under the Payment of Bonus Act. The Company under an Agreement with workers however pays 20% i.e 11% + Ex-Gratia 9%. The Ex-Gratia of Rs 9 in terms of Section 2(x)(A) of the Code on Wages, 2017 should be eligible for being included as wage.
- In another Company B in the same Scheduled Employment, the permissible limit may be 8.33% Bonus + 11.67% as Ex-Gratia
- Since the Ex-Gratia would vary, the wage so computed as per definition would also vary. Implementing the inclusion of Ex-Gratia as part of wage would not be practically possible as the notified Minimum Wage cannot be varied.
- **It is therefore humbly submitted that the bonus of 8.33% payable under the Code should be considered in determining the wage as was also the position in the Minimum Wages Act.**

Bonus is nothing but deferred wage and there is no reason why it should not be included in determining the minimum wage.

3. PLANTATIONS LABOUR (AMENDMENT) BILL, 2017:

- Further, in a complete departure of the earlier statutory as well as customary regime, the Central Government has introduced the Plantations Labour (Amendment) Bill, 2017 (**"Amendment Bill"**) to amend the Plantations Labour Act. It may be noted that the amendment to clause 2(i) of the Plantations Labour Act in relation to definition of "wages" is not only repugnant to the Minimum Wages Act as well as customary principles but fundamentally tinkers with the objective of the Plantation Act.
- The Amendment Bill provides that that wages will mean all remunerations which are payable to a worker "only in cash". It further provides that notwithstanding anything contained in the other statutes the definition of wage under the Plantations Labour Act (as amended) only will be applicable for any purpose in respect of employment in plantations. In other words, the proposed definition of 'wage' as given in the Plantations Labour Act will also be applicable for other statutes including the Code in so far as tea plantation workers are concerned. By proposing such an amendment, the Government is seeking to exclude all in-kind benefits in determining the minimum wage of tea plantation workers. Such a drastic amendment in the Plantations Labour Act, if made, will cause severe economic stress on the tea industry as a major part of wage is paid in kind to tea plantation workers. It is therefore submitted that the proposed amendment in the Plantations Labour Act should be withdrawn or suitably amended so that in-kind benefits are considered in determining the minimum wage.**
- At present, the tea plantation workers in Assam Valley are getting a total pay package comprising the following cash and other in-kind benefits (both statutory and non-statutory):-

Sl No.	Components of Wages of Daily Rated Workers	01.01.17 to 31.12.17
1(a)	Cash Wage	137.00
1(b)	Additional Compensation / Incentives	6.00
	Sub Total of 1(a) & 1(b)	143.00
2	Non Statutory Benefits	
(i)	Concessional Foodgrains	14.20
(ii)	Firewood	5.74
(iii)	Tea	3.66
	Sub Total of 2 (i), (ii) & (iii)	23.60
	Sub Total of 1 & 2	166.60
3	Benefits under P/L Act & Agreements	
(i)	Medical Facilities	16.75
(ii)	Housing Facilities	15.22
(iii)	Education Facilities	2.83
(iv)	Welfare Facilities	5.60
(v)	Leave with wages & Festival Holiday	14.95
	Sub Total of 3 (i), (ii), (iii), (iv) & (v)	55.35
	Sub Total of 1, 2 & 3	221.95
4	Statutory Benefits	
(i)	Bonus (Deferred Wage @ 20%)	31.59
(ii)	P.F.	20.66
(iii)	Gratuity	10.67
	Sub Total of 4 (i), (ii) & (iii)	62.92
	Total Daily Wages	284.87

- The monetized value of the in-kind benefits has been computed by a reputed firm of Cost Auditors on the basis of actual cost incurred by 147 tea plantations covered by the audit report. This report was prepared in February 2015 and since then the cash value of the in-kind benefits have gone up further because of inflation and other factors. A copy of the said report together with its addendum is enclosed for ready reference and consideration.
- Further one must note, that for the purposes of payment of wages the proposed definition under the Plantations Labour (Amendment) Bill, 2017 does not include any in-kind benefits. On the contrary the same specifically excludes all in-kind benefits for the purpose of computation of wages thereby making section 11 of the Minimum Wages Act, 1948 redundant. Section 11 of the Minimum Wages Act, 1948, under Sub Section (2) states that *where it has been the custom to pay wages wholly or partly in kind, the appropriate Government being of the opinion that it is necessary in the circumstances of the case may, by notification in the Official Gazette, authorize the provision of such supplies at concessional rates.* It must be noted that in the past the Minimum Wages Committee/Minimum Wages Advisory Board while recommending minimum wages for tea plantation workers have always taken into consideration, the wages paid in kind as well as the other benefits, including the statutory and customary benefit.

4. JUDICIAL VIEW

- In recommending the appropriate structure of minimum wage it is submitted that the ILC recommendation and subsequent judicial pronouncements merits consideration.
- The Hon'ble High Court of Madras in **Arasu Pokkuvarathu Madurai Thozhilalar Sangam V. Tamil Nadu State Transport Corporation (Madurai) Ltd. and Ors., 2017 (152)FLR 588**, while discussing the concept of minimum wage has stated at para 8.6, that all six elements that have been stated in *Reptakos Brett (supra)* must be taken into consideration for the purpose of fixing minimum wage. Relevant excerpt of the judgment has been provided below –

“8.6. Minimum wage is announced for 45 scheduled employments in the Central Sphere while the State level minimum wage is determined by every state keeping in view the sectors more dominant in the State. Minimum wage is revised while considering the following five elements: three consumption units per earner; minimum food requirement of 2700 calories per average adult; cloth requirement of 72 yards per annum per family; house rent corresponding to the minimum area provided under the Government's Industrial Housing Scheme; fuel, lighting and other miscellaneous items of expenditure to constitute 20% of the total minimum wage; and children education, medical requirement, minimum recreation including festivals/ceremonies and provision for old age, marriage etc. should further constitute 25% of the total minimum wage (the last component added by the Supreme Court in Reptakos Brett v. Workmen case in 1991). Minimum wages may be reviewed at different intervals however such intervals cannot exceed five years.”

- ILC Recommendation & views expressed by the Hon'ble Supreme Court in the Reptakos Brett Case of 1992:

The ILC Recommendation & views expressed by the Hon'ble Supreme Court in the Reptakos Brett Case of 1992 were discussed in course of the deliberation in the sub/core committee meeting, although the criteria / norms were not adopted by Government in issuing the draft notification.

The ILC had laid down the following norms:

- In calculating the minimum wage, the standard working class family should be taken to comprise three consumption units for one earner, the earnings of women, children and adolescents being disregarded.

- Minimum food requirements should be calculated on the basis of a net intake of 2700 calories as recommended by Dr. Akroyd for an average Indian adult of moderate activity.
 - Clothing requirements should be estimated on the basis of a per capita consumption of 18 yards per annum, which would give for the average worker's family of four a total of 72 yards.
 - In respect of housing, the room should be the minimum rent charged by Government in any area for houses provided under the Subsidized Industrial Housing Scheme for low – income groups; and
 - Fuel, lighting and other miscellaneous items of expenditure to constitute 20 per cent of the total minimum wage.
- The Hon'ble Supreme Court in the case of Reptakos, Brett & Co. Ltd. expressed the view that children's education, medical requirement, minimum recreation, including festivals, ceremonies, provision for old age and marriage should further constitute 25 per cent and be used as a guide for fixing the minimum wage. **The question of what needs of a worker a minimum wage should satisfy was considered by the Supreme Court in Reptakos Brett (supra).**
 - The Court observed "the minimum wage must provide not merely for the bare sustenance of life but for the preservation of the efficiency of the worker. For this purpose the minimum wage must also provide for some measure of education, medical requirements and amenities." This must be borne in mind while fixing minimum wages, and nothing in excess of the above norms can be added to the minimum as that would be unfair to the employer, whose right must also be considered."
 - From the passages quoted above it is apparent that the Government while fixing a minimum wage, must ensure that the worker gets in hand an amount in cash or kind sufficient to meet the requirements of his family unit of the items mentioned above, to the extent stipulated in the above quotation. Therefore, if he gets a part or the whole of such amount in kind by reason of the provisions of other statutes, contracts with his employer, custom or Government Scheme, then the amount he gets must be taken into account while fixing the minimum wage and the minimum wage reduced by such amount.
 - It is also pertinent to mention the recommendation of the International Labour Organization ("ILO") in relation to payment of wages, which is as follows:

"If the cost of social benefits are borne by the employer, the problem of the industry's capacity to pay wage costs has to be taken into consideration from the point of the total financial implications of minimum wage and other social regulations taken together. Secondly, in determining the minimum rates of pay sufficient to guarantee the workers a reasonable standard of living, the authorities responsible must of necessity take account of existing or planned non-wage benefits accruing to the workers, since these benefits are themselves important elements in the standard of living of those who enjoy them."

- **The ILO Recommendations – Minimum Wage Fixing Machinery (Agriculture) Convention, 1951(No.99)**

Article 2

- I. National laws or regulations, collective agreements or arbitration awards may authorise the partial payment of minimum wages in the form of allowances in kind in cases in which payment in the form of such allowances is customary or desirable.***
- ii. In cases in which partial payment of minimum wages in the form of allowances in kind is authorised, appropriate measures shall be taken to ensure that –***
 - (a) such allowances are appropriate for the personal use and benefit of the worker and his family; and***
 - (b) the value attributed to such allowances is fair and reasonable.***

Therefore, even from the recommendation of the ILO it is clearly seen that fringe benefits shall be included in computation of wage costs.

- The norms recommended by the 15th Indian Labour Conference and endorsed by the Apex Court provides that the pay of a worker should be based on a standard working class family consisting of three consumption units against one earner i.e. husband, wife (considered as two adults) & two children (considered as one adult). The benchmark of three adult consumption units has been generally accepted & followed for the purpose of determining a need based minimum wage of a worker.
- In this context, it would be pertinent to mention that families of tea garden workers, which generally consist of multiple or dual wage earners, differ substantially from a normal working family i.e. a single wage earner household as stipulated by the ILC recommendations. Due to existence of multiple wage earners in the household, the number of dependants per adult earner in tea gardens is appreciably lower than the standard size of a family which as mentioned above is usually taken to be composed of three adult consumption units.
- The minimum wage notified by the Government of West Bengal in the year 1952 took into account the total number of earners/workers in a family and after adjusting the earning with the family budget arrived at the basic wage rate to be paid.
- The 1952 Report of the Minimum Wages (Tea Plantations) Committee of the Government of West Bengal under Para 11, Page 9 has observed as follows: “*It is necessary at this stage to find the number of dependants to be maintained by each adult earner. The figures of the number of dependants per adult earner will be obtained by dividing the size of the family in adult units by the number of earners in adult units in each family, and they are set forth below with regard to three zones:-*

	<i>Size of the family in adult units</i>	<i>Number of earners per family in adult units</i>	<i>Number of dependants per adult earner</i>
<i>Dooars</i>	3.467	2.402	1.443
<i>Terai</i>	3.271	2.222	1.467
<i>Darjeeling</i>	4.163	2.548	1.634

- *It will be noticed from the above table that the number of dependants per adult earner in each of the three zones is considerably less than the standard of three adult consumption units which has generally been accepted as constituting a family in several reports and industrial tribunal*

- *awards. The reason is that in tea plantations several members of the family work and are therefore earners, and the consequence is that the number of dependants per adult earner is appreciably lower than the standard size of a family which is usually taken to be composed of three adult consumption units.”*

This principle should be adopted in determining the wage applicable to tea plantation as every family has more than one worker working and the composite family income needs to be taken into account for wage determination.

SUMMARY OF SUBMISSIONS

It is therefore humbly submitted as follows:-

- (i) **Appropriate amendments should be made in the definition of “wage’ in the Code on Wages, 2017 so that all in-kind benefits as mentioned above including the statutory bonus of 8.33% payable under the Code are considered as part of wage/minimum wage;**
- (ii) **A provision similar to Section 11 of the Minimum Wages Act be incorporated in the Code;**
- (iii) **The proposed amendment of “wages” as given in the Plantations Labour (Amendment) Bill, 2017 be deleted or appropriately amended so that all in-kind benefits including statutory bonus are also considered as part of wage.**

ANNEXURES

ANNEXURE - I

**Report on Payment of Wages, Perquisites and
Facilities of Daily Rated Tea Workmen in Assam**

**Prepared by
M/s Shome & Banerjee, Cost Accountants
on behalf of Indian Tea Association**

February 2015

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Report on Payment of Wages, Perquisites and Facilities of Daily Rated Tea Workmen in Assam

Executive Summary

a) Scope and Objective

The Indian Tea Association (ITA) has engaged M/s Shome & Banerjee, Cost Accountants, to ascertain the amount of total wages (including cash wages) being paid by to workmen engaged in Tea Estates. For the purposes of this exercise, we have carried out detailed study of various payments made towards wages, perquisites and facilities provided to the workmen engaged in Tea Estates. This report contains the computation of total wages being paid to tea workmen on the basis of audited actual data of a few tea companies having operations in Assam, which in our opinion is a representative sample.

The audited accounts for year ended December 31, 2013 / March 31, 2014 as applicable and data of the following tea companies have been considered for this computation.

Sl.	Company	Estates Nos.
1	Amalgamated Tea Plantations Pvt. Ltd.	24
2	Amgoorie Tea Limited	4
3	Andrew Yule & Company Limited	12
4	Apeejay Tea Group	17
5	Goodricke Group Limited	17
6	Koomber Tea Company Private Limited	2
7	McLeod Russel India Limited	53
8	Rossell India Limited	7
9	Stewart Holl (India) Limited	4
10	Warren Tea Limited	7
Total		147

The scope of evaluation in this report is restricted to estates located in Assam only

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b) Methodology adopted

We studied the entitlement of wages to daily rated workmen under different components of wages taking into consideration relevant agreements for making available certain facilities to the workmen, viz., housing and related infrastructure facilities, medical facilities, education facilities, welfare facilities including provision of protective clothing, blankets, other welfare materials, crèche & child care etc.

c) Summary of Total Wages and Components

We identified the different components of wages and the summarised component-wise wages is provided in the table below. The detailed explanation of each component forms part of the main report.

Components of Wages of Daily Rated Workmen	Rupees Per Manday
Basic Wages	95.00
Concessional Foodgrains	14.20
Additional Compensation/Pay-of-Post/Incentives	6.00
Leave with Wages and Paid Holidays	10.72
Liquid and Dry Tea	3.66
Firewood	5.74
Housing Facilities	10.87
Education Facilities	2.83
Medical Facilities	16.75
Welfare Facilities	5.60
Provident Fund	15.11
Bonus	22.34
Gratuity	7.40
Total Daily Wages	216.22



1. Introduction

Tea industry is one of the major agro-industrial sectors contributing significantly to the national economy through employment creation and export earnings. India is the second largest tea producing country in the world.

Tea is cultivated mainly in the northern region of India, West Bengal's Darjeeling and Dooars, and Assam. In the south, tea is grown in Tamil Nadu and Kerala's hilly western Ghat region.

The industry is highly labour intensive and the wages paid to the workmen forms a significant part of the cost of production of tea.

The Plantation Labour Act, 1951 (PLA) provides for the welfare of plantation labour and regulates the work condition in plantation activities. The term "Plantation" has been defined under the Plantation Labour Act, 1951 to mean any plantation to which the Act, whether wholly or in part, applies and includes offices, hospitals, dispensaries, schools and other premises used for any purpose connected with such plantation. Section 1(4) of the Act applies to any land used or intended to be used for growing tea, rubber, cinchona and cardamom which admeasures 5 hectares or more and in which fifteen or more persons are employed or were employed on any day of the preceding twelve months.

The PLA is administered by the State Governments. In every Plantation activity covered under the Act, medical facilities for the workmen and their families are to be made readily available as may be prescribed by the State Government. The Act also provides for setting up of canteen, crèches, recreational facilities, suitable accommodation and education facilities for the benefit of plantation workmen and their families in and around the work places in the plantation estate.

The Act provides that no adult workman and adolescent shall be employed for more than 48 hours and 27 hours respectively a week, and every workmen is entitled for a day of rest in every period of 7 days.

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2. Scope and Basis

The audited accounts for year ended December 31, 2013 / March 31, 2014 as applicable and data of the following tea companies have been considered for this computation. The scope of evaluation in this report is restricted to estates located in Assam only.

We have also taken into account the cost accounting records maintained and the cost audit reports of the companies under the Companies Act. Such records provide a reasonable and authentic basis of activity-wise payment of wages and quantitative details of mandays deployed for different activities.

The financial accounts and cost accounting records of the following companies have been considered for the present study.

Sl.	Company	Estates Nos.
1	Amalgamated Tea Plantations Pvt. Ltd.	24
2	Amgoorie Tea Limited	4
3	Andrew Yule & Company Limited	12
4	Apeejay Tea Group	17
5	Goodricke Group Limited	17
6	Koomber Tea Company Private Limited	2
7	McLeod Russel India Limited	53
8	Rossell India Limited	7
9	Stewart Holl (India) Limited	4
10	Warren Tea Limited	7
	Total	147

We studied the agreed rates of wages to a daily rated workman under different component of wages including certain other facilities to be provided to workmen viz., medical facilities, education facilities, welfare service etc. under agreement

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The evaluation has been done for Assam on the basis of estates of the above companies located in Assam (114 Estates). Individual estates of different companies have been identified with the region and average actual wages including perquisites and value of various facilities arrived at.

After a detailed analysis, the entire wages been classified under the following components:

1. Basic Wages
2. Concessional Food Grains Value
3. Additional Compensation/Pay of Post/Incentives
4. Dry Tea/Liquid Tea
5. Firewood
6. Housing Facilities
7. Education Facilities
8. Medical Facilities
9. Welfare Facilities
10. Provident Fund
11. Bonus
12. Gratuity

We have checked and verified the data and worked out the wages and value of facilities by reference to the respective companies' audited financial accounts and audited cost accounting records. In respect of Andrew Yule & Company Limited, Apeejay Tea Group and McLeod Russel India Limited we have relied upon certified data provided by their respective auditors.

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3. Methodology Adopted

- 3.1. The books of accounts and other records of all the companies under review are computerized.
- 3.2. Deployment of mandays is captured through Wage Module and the same is recorded according to activity, viz., cultivation, plucking, manufacturing and establishment etc. The recording is done under sub-activities under a major activity identified with specific account code.
- 3.3. The companies maintain Estate-wise Accounts classified under common accounting codes.
- 3.4. We have sourced the data for our computation from the estate accounts. Each element of the wage component – in cash or in kind – has been captured by identification of the accounting code under which the same is captured.
- 3.5. The total of each of the wage component has then been summarised at the estate level.
- 3.6. The mandays deployment in each estate has also been captured and classified under Permanent and Temporary. The Wage Conversion Summary/Kamjari records have been taken as the primary source for such data.
- 3.7. Since each of the facilities is not payable to the Temporary Workmen, care has been taken to consider the correct divisor (only Permanent or Permanent plus Temporary) for each of the wages component to arrive at the average cost per manday.
- 3.8. The average during the year has been computed for different wage components considering the nature of payment or facilities.

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4. Basis of Computation

4.1. Basic Wages:

As per current wage agreement, every workman is paid a daily basic wages of Rs.94. In addition to this Re.1 per day is paid as attendance pay.

During the period under review, it was observed that the rate of wages was revised upward to the rate of Rs.94 per workman per day from January 1, 2014. On checking of the wage conversion summary of the different companies, it was revealed that the companies have been paying the wages at the agreed rate including attendance pay. The objective of the study is to arrive at the actual wages being enjoyed by the daily rated workmen on date and for a realistic evaluation of the wage component under this head, we have adopted the prevailing rate of wages at which the companies are paying their workmen, though a lower rate of Rs.89 was applicable up to the period ended December 31, 2013.

4.2. Additional Compensation / Pay-of-Post / Incentives:

The workmen are also entitled to Pay of Post in Factory and Additional Compensation for Spraying and they are being paid at the applicable rates. The workmen are also entitled to plucking incentive. These amounts are not payable to all workmen uniformly nor are these paid throughout the year. For example, additional wages is paid for spraying only when the spraying activity is undertaken and not otherwise. Similarly, incentive wages are paid only during the plucking season to the pluckers based on plucking of green leaf and the same varies from workman to workman based on their efficiency. Overtime payment has not been considered in the computation since this is not to be construed a part of the regular wages. Average of these elements, excluding overtime, have been considered for the purpose of computation of wages payable to a daily rated workman on the basis of actual of all such payments during the accounting period spread over the appropriate mandays deployed.

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4.3 Foodgrains:

Each workman is entitled to get food grains at a concessional rate on the basis of their attendance and number of dependents. In case the company is unable to provide foodgrains in physical form, cash compensation is payable at the rate of Rs.14.20 per adult.

Entitlement of Food grains as per the PLA is as follows:

Region	Assam	
	Rice Kgs.	Atta Kgs.
Adult Workmen	1.63	1.63
Adult Dependent	1.22	1.22
Child Dependent	0.61	0.61

The rate of value of foodgrains as notified by the Government of Assam, vide Notification No. GLR(RC)127/87/Pt-I/301 dated December 1, 2010 is Rs.14.20 per adult workman and we have adopted the same rate for the computation.

4.4 Dry/Liquid Tea:

Each workman is entitled to get Dry Tea free of cost as per agreement. The valuation of Dry Tea distributed has been arrived at on the basis of average Guwahati Auction price of CTC Tea during the relevant period. The same methodology has been adopted to arrive at the value of distribution of liquid tea to workmen.

4.5 Firewood/Fuel, etc.:

Entitlement of Fuel (Firewood) is given below.

Particulars	Assam
Firewood (PA)	228.00 cft



The firewood available from uprooting of tea bushes is distributed to the workmen. The shortfall is met by procuring firewood from the open market. In cases where firewood in physical quantity is not distributed, the workmen are paid cash in lieu of firewood.

The total quantity of firewood distributed to the workmen at the agreed rate has been valued at the average open market procurement price of firewood.

4.6 Housing Facilities:

Workmen are entitled to housing facility as per provisions of the Act. The cost of providing housing facility takes into account regular repairs and maintenance cost, depreciation etc. In order to arrive at a fair and equitable basis of evaluation of the facility, we have adopted the norms prescribed by the Income Tax Rules, 1962, i.e., evaluating the value of housing facility at 7.50% of basic wage and other allowances. In our opinion, this is a conservative estimate of the value of housing facility as compared to the actual expenditure in this regard.

4.7 Education Facilities:

Estates are providing Education facility to the children of Permanent workmen and resident temporary workmen. Companies are providing Teachers, attendant and Bus facility with driver. The cost of education facility has been arrived at by considering all direct expenses incurred including salary of teaching and non-teaching staff etc., repairs and maintenance of school building, running cost of buses, Depreciation of the School Building.

4.8 Medical Facilities:

As per the PLA a workman is entitled to receive free medical facility for himself and his family as defined in the Act. Ambulance facility is also provided. Medical facility includes treatment at the estate hospital as well as treatments availed of at hospitals outside the estates on the recommendation of the

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estate medical officer. The total expenses incurred in this regard have been considered to compute the cost of medical facility.

Actual payments towards sickness and maternity benefits during the accounting period has been considered to compute the average cost spread over the total mandays deployed and considered as a part of Medical Facilities.

4.9 Welfare Facilities:

Welfare facility includes distribution of protective clothing such as Blanket, Umbrella, Chappal and Apron. These are distributed to the workmen as per entitlement arising out of bipartite/tripartite agreements reached at the industry level. In addition to supply of protective clothing, costs are incurred for other welfare activities like Cinema Show, Sports, Workmen' Clubs, Entertainment Programmes, Festivals and Festivities etc. The distribution of welfare materials/protective clothing is done at periodic intervals by each estate as per entitlement and is not uniform across the estates and companies in terms of cost of the specific material distributed and number thereof. Hence, the cost varies from year to year. The total cost of welfare activity divided by the total mandays (both permanent and temporary) has been considered as the average cost of welfare activity for the period under reference.

4.10 Provident Fund:

Provident Fund @ 12% is payable on Basic Wages, Attendance Pay, Plucking Incentive, Leave & Holiday Pay, Pay of Post and value of Foodstuff. The Provident Fund component has been considered @ 12% of eligible wages for Provident Fund.

4.11 Bonus:

Bonus has been considered at 20% of eligible earnings and the same has been considered for our computation.

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4.12 Gratuity:

A workman is entitled for gratuity for every completed year of service or part thereof in excess of six months, from his employer at the rate of fifteen days wages based on the rate of wages last drawn by the employee concerned. Since the gratuity is payable on the last drawn wage, impact of the same will depend on the length of service of the workman. The value of Gratuity has been taken as the average of the total Gratuity provision made in the accounts on the basis of actuarial valuation.

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5. Wages Computation

Components of Wages of Daily Rated Workmen	Rupees Per Manday
Basic Wages	95.00
Concessional Foodgrains	14.20
Additional Compensation/Pay-of-Post/Incentives	6.00
Leave with Wages and Paid Holidays	10.72
Liquid and Dry Tea	3.66
Firewood	5.74
Housing Facilities	10.87
Education Facilities	2.83
Medical Facilities	16.75
Welfare Facilities	5.60
Provident Fund	15.11
Bonus	22.34
Gratuity	7.40
Total Daily Wages	216.22

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6. Appreciation

We place on record our appreciation and thanks to the officials of the companies under our study and officials of the ITA and its committee members for their whole-hearted support and co-operation extended to us to complete the study.

February 11, 2015

5A Nurulla Doctor Lane,
2nd Floor,
Kolkata – 700 017.



For SHOME & BANERJEE
Cost Accountants


KUNAL BANERJEE
Partner

SHOME & BANERJEE
Cost Accountants

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Brief Profile of M/s Shome & Banerjee, Cost Accountants

M/s Shome & Banerjee, Cost Accountants, established in 1968, is the first firm of Cost Accountants in India. The firm has its Head Office at Kolkata and a Branch office in New Delhi. The partners are:

KUNAL BANERJEE, BA (Econ), FCMA, FCA, FCMA (SL), CMA (USA)

RAKESH SINGH, BCom (Hons), FCMA

BIMALENDU DASGUPTA, BSc, FCMA

SUGATA SENGUPTA, BSc (Hons), ACMA

The firm has experience in a number of industries which include among others – Paper, Tea, Jute, Chemicals, Engineering, Cement, Automobile Battery, Automobile, Electronics, Cigarette, Packaging, Printing, Cotton Textiles, Vanaspati, Paint, Mining, Electricity, Petroleum Products, Steel, FMCG multinational groups etc. and has been serving clients spread across the country which include:

- a) ONGC Limited, Indian Oil Corporation Limited, NHPC Limited, NTPC Limited, Balmer Lawrie & Co. Limited, GAIL India Limited among the Public Sector Companies.
- b) ITC Limited, Reliance Industries Limited, Tata Steel Limited and Tata Steel Group Companies, Alstom T&D India Limited, Cairn India Limited, CESC Limited, Phillips Carbon Black Limited, Schneider Electric Infrastructure Limited, Timken India Limited, Exide Industries Limited to name a few in the private sector.
- c) It has a long experience of working with the Tea Industry and its clients include Tata Global Beverages Limited, Amalgamated Tea Plantations Company Private Limited, Rossell India Limited, Goodricke Group Limited and other tea companies of the Goodricke Group, Harrisons Malayalam Limited, Kanan Devan Hills Plantations Private Limited, Warren Tea Limited.

Mr. Kunal Banerjee, Senior Partner served on the Council of the Institute of Cost Accountants of India from 1989-2011 and was President of the Institute during 2008-09.

Apart from serving in different Committees and representing the Institute in different International Bodies like International Federation of Accountants, South Asian Federation of Accountants, and Confederation of Asian & Pacific Accountants, he was

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Member of the Expert Group constituted by Ministry of Corporate Affairs, Govt. of India to review mechanism of Cost Accounting Records, Cost Audit and Cost Accounting Standards. He has been a Member of the Cost Accounting Standards Board of the Institute of Cost Accountants of India (at present a nominee of the ASSOCHAM on the Board) and the Accounting Standards Board of the Institute of Chartered Accountants of India; Member of the National Advisory Committee on Accounting Standards; Member of the Indo-UK Task Force on Corporate Governance constituted by the Ministry of Corporate Affairs, Govt. of India; Representative on Indo-UK JETCO Accountancy Task Force. Mr. Kunal Banerjee was the founder Chairman of the ICWAI Management Accounting Research Foundation and served on its Board till 2014.

He is the Author of "Practical Guide to Cost Accounting Records and Cost Audit" published by Taxmann and was the Recipient of "CMA Award for Excellence in Business Management" by The Certified Institute of Management Accountants of Sri Lanka in 2010.

Mr. Rakesh Singh, Partner has been on the Council of the Institute of Cost Accountants of India from 1997 till date and was President of the Institute during 2012-13. Apart from serving in different Committees, he has been a Member of the Cost Accounting Standards Board of the Institute of Cost Accountants of India and is the Chairman of the Board at present. He has been a Member of the National Advisory Committee on Accounting Standards and served on the Boards of International Federation of Accountants, South Asian Federation of Accountants, and Confederation of Asian & Pacific Accountants. Mr. Singh is also nominee member of Global Reporting Initiative (India); Member, Advisory Committee, National Corporate Crime Database of India; Nominee Member on International Integrated Reporting Council (IIRC); Prince Charles Foundation; Member Independent Evaluation Committee by RBI.

Mr. Bimalendu Dasgupta, Partner has a long experience of more than 35 years of with Coal India Limited and retired as General Manager before joining the Firm. Dasgupta also served the Eastern India Regional Council of the Institute of Cost Accountants of India and was Chairman of the Regional Council.

Mr. Sugata Sengupta, Partner is an expert in Information Technology with experience of over 40 years. Mr. Sengupta is specialised in systems study and implementation.

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COST ACCOUNTANTS

Annexure

Sl No.	Components of Wages of Daily Rated Workers	As on 31.12.14	01.01.15 to 31.12.15	01.01.16 to 31.12.16	01.01.17 to 31.12.17
1(a)	Cash Wage	95.00	115.00	126.00	137.00
1(b)	Additional Compensation / Incentives	6.00	6.00	6.00	6.00
	Sub Total of 1(a) & 1(b)	101.00	121.00	132.00	143.00
2	Non Statutory Benefits				
(i)	Concessional Foodgrains	14.20	14.20	14.20	14.20
(ii)	Firewood	5.74	5.74	5.74	5.74
(iii)	Tea	3.66	3.66	3.66	3.66
	Sub Total of 2 (i), (ii) & (iii)	23.60	23.60	23.60	23.60
	Sub Total of 1 & 2	124.60	144.60	155.60	166.60
3	Benefits under P/L Act & Agreements				
(i)	Medical Facilities	16.75	16.75	16.75	16.75
(ii)	Housing Facilities	10.87	13.07	14.14	15.22
(iii)	Education Facilities	2.83	2.83	2.83	2.83
(iv)	Welfare Facilities	5.60	5.60	5.60	5.60
(v)	Leave with wages & Festival Holiday	10.72	12.77	13.85	14.95
	Sub Total of 3 (i), (ii), (iii), (iv) & (v)	46.77	51.02	53.17	55.35
	Sub Total of 1, 2 & 3	171.37	195.62	208.77	221.95
4	Statutory Benefits				
(i)	Bonus (Deferred Wage @ 20%)	22.34	26.75	29.17	31.59
(ii)	P.F.	15.11	17.76	19.21	20.66
(iii)	Gratuity	7.40	8.95	9.81	10.67
	Sub Total of 4 (i), (ii) & (iii)	44.85	53.46	58.19	62.92
	Total Daily Wages	216.22	249.08	266.96	284.87



For SHOME & BANERJEE
COST ACCOUNTANTS

[Signature]
Partner

ANNEXURE - II

17/2

GOVERNMENT OF ASSAM
LABOUR AND EMPLOYMENT DEPARTMENT :: LABOUR (RC) BRANCH

ORDERS BY THE GOVERNOR

NOTIFICATION

Dated Dispur, the 1st December/2010

NO. GLR(RC)127/87/Pt-I/301 : In exercise of the powers conferred by clause (b) of sub-section (I) of Section 3 read with sub-section (2) of the Section 5 of the Minimum Wages Act, 1948 (Act NO.XI of 1948) as amended, the Governor of Assam having considered the advice of the Minimum Wages Advisory Board (Constituted vide govt. Notification NO.GLR(RC)127/87/Pt-I/186, dtd. 09-11-2006 extended from time to time) minuted in its meeting held on 09-06-2010 after giving cognizance to the bilateral agreement between the managements and workers of Tea gardens represented by CCPA and ACMS is pleased to revise the Minimum rate of wages of ordinary daily rated plantation workers in the Tea Estates of Brahmaputra Valley in the State of Assam at the rate as specified below :-

From :	01-11-2010 to 31-03-2011	Rs.66.50 Per day
From :	01-04-2011 to 30-06-2012	Rs.71.50 Per day
From :	01-07-2012 to 30-09-2013	Rs.76.50 Per day

In addition to the above rate of wages, the Workers will get food grains as per the scale of prevailing practice the cash equivalent of which comes to Rs.14.20 per day. Where the Tea Garden Mgt. has not extended the benefit of concessional food grains at (ration) the scale as agreed upon between the CCPA, Assam Chapter and ACMS, which is prevalent now in the Tea Garden of Brahmaputra Valley, the amount of Rs.14.20 per day will be given wages in lieu of concessional food grains

This rate, which shall be payable in cash, is inclusive of Dearness Allowance but exclusive of supplies of food stuff at concessional rates and other statutory and non-statutory fringe benefits like free dry tea, fuel, housing facility, medical facility etc being enjoyed by the workers and their dependants and inclusive of further benefits, if any, as may be provided by any agreement, settlement determination of award shall continue as usual unaffected.

The existing issue price of the quantity of food stuffs supplied to the workers and their dependants at concessional rate and other fringe benefits being enjoyed by the workers at their dependants shall remain unchanged.

The task should be so fixed that the workers by working minimum hours of works in a day should not get less wages than fixed by the Govt. under this Act for this category of workers.

The hours of work, interval of rest and spread over shall be as laid down in Section 19, 21, & 22 of the Plantation Labour Act, 1951 (Act NO. 69 of 1951).

This notification shall come into force with effect from 1st November, 2010.

Sd/- K.K.Mittal,
Principal Secy. to the Govt. of Assam
Labour and Employment Department.

Contd 2/-


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MEMO.NO. GLR(RC)127/87/Pt-1/301-A,
Copy to :-

Dated Dispur, the 1st December/2010.

1. The Deputy Director, Assam Govt. Press and the Publisher of the Assam Gazette Guwahati- 21 with the request of publish the above notification in the Extraordinary issue of the Assam Gazette immediately and to send 500 spare copies thereof to this Department.
2. The P.S. to Minister, Labour & Employment, Assam for information.
3. The P.S. to Principal Secretary, Labour & Employment, Assam for information.
4. The Commissioner & Secretary to Chief Minister, Assam.
5. The P.P.S. to Chief Minister, Assam.
6. The Labour Commissioner, Assam Gopinath Nagar, Guwahati- 16 for needful. He is requested to inform all concerned.
7. All Asst. Labour Commissioner for needful and for bringing it to the notice of the employees/worker. organization as well as Employers' organization concerned.
- ✓ 8. The Tea Management Association/Workers Union.
9. The Administrative Department of the Govt. of Assam.
10. The Director of Information & Public Relation, Assam, Dispur, with the request to give wide publicity of the above notification as a news items.
11. The Deputy Secretary to the Govt. of Assam, Printing & Stationary Department. He is requested to instruct the Publisher, Assam Govt. Press, Bamunimaidam to publish the above notification in the Extraordinary Assam Gazette immediately.

By order etc,


Deputy Secy. to the Govt. of Assam,
Labour and Employment Department

The President / Gen Secy.
ABITA,
Greeta Nagar, Zoo-Narengi Road,
Guwahati- 21.

