



STATE BANK OF HYDERABAD STAFF ASSOCIATION

CENTRAL OFFICE: GUNFOUNDRY, HYDERABAD-5001 Regn. No.269
Phone: 040-23387262, 300, 396, 217, 23387696 040-66661941 Fax: 040-66661941
e mail sbhshyd@gmail.com – website – www.sbhhsa.org

CIR. NO. SA-CO/27/2015

Dated: 30th June 2015

ALL THE MEMBERS:

Dear Comrades,

We reproduce hereunder the **CIRCULAR LETTER NO. 27/115/2015/26, dated: 30th June, 2015**, issued by our National Organization – AIBEA, for your information.

With Greetings,

Yours Comradely,

(JAGDISH M BHAVTHANKAR)
GENERAL SECRETARY

Dear Comrades,

GOVT'S LABOUR REFORMS AGENDA Stop – Read – Understand Think – Oppose – Fight March on to 2nd September Strike By 100 million workers of India

**Onslaught on labour rights – proposals by BJP-NDA Government
to impose slavery conditions on the workers**

a) Small Factories & Other Establishments (Regulation of Employment & Conditions of Service) Bill, 2014:

This Bill seeks to exempt Factories and Establishments with less than 40 workers from applicability of 14 important labour laws like Industrial Disputes Act, Minimum Wages Act, Payment of Wages Act, Factories Act, Employees Provident Fund & Misc. provisions Act, Employees Insurance Act, Gratuity Act, Maternity Benefit Act, Payment of Bonus Act, Workman Compensation Act, etc.

With this amendment, about 70% of the workforce who are working in such small factories will be deprived of the protection and benefits of these Acts. The amendment will give full freedom to the employers to hire and fire and impose slavery conditions.

b) Labour Code on industrial Relations Bill:

The Govt. has brought a Labour Code on Industrial Relations Bill consolidating the existing the Industrial Disputes Act, Trade Unions Act and Industrial Employment (Standing Orders) Act and modifying certain provisions in favour of the corporates. Amendments moved are sought to further dilute the right to

association, collective bargaining, and security of employment. Through amendments in Trade Unions Act, the existing provision of seven workers applying for registration of a trade union is sought to be changed to 10% of the total workmen or 100 whichever is less. Through another amendment outsiders are being prohibited to become office bearers of a union of organized workers. The existing provision is that 25% of the office bearers can be honorary members as outsiders. Similarly for unorganized sector workers union only two outsiders are being allowed in place of existing provision of 50% of the office bearers.

In the code the amendment is being brought to raise the ceiling of 100 workers to 300 workers seeking approval for lay off, retrenchment and closure of an establishment. There is also no provision in the bill for promoting collective bargaining and there is an emphasis on arbitration. The exercise of right to strike has been made impossible as the movement the strike notice is served, the conciliation is deemed to have been started and during conciliation the strike is deemed illegal. In the Industrial Employment (Standing Orders) Rules, a change has been proposed in Schedule I and IA (Model Standing Orders) by adding a category of Fixed Term Employment workman which will adversely affect the process of making the employees permanent. Raising the ceiling from 100 to 300 workers will exclude 2/3 of the total Industrial establishments out of coverage of application of labour laws.

Labour Code on Wages Bill

Another bill on Labour Code on Wages has been brought by the Govt. consolidating the existing Minimum Wages Act, Payment of Wages Act, Payment of Bonus Act and Equal Remuneration Act. It is not only consolidation but some amendments have also been proposed.

- a) Inspector for enforcement has been given a go bye and is sought to be replaced by facilitator is who will assist the employers in enforcement of these acts.
- b) In the portion of the code dealing with Minimum Wages the definition of employee and employer are vague and leave out many establishments from coverage of the Act. From the definition it transpires that persons employed in mines, construction, maintenance of buildings, loading and unloading, security jobs, distribution, operations, schools, colleges, hospitals, domestic work, sports complexes etc. will not be covered under Minimum Wages Act.
- c) The Bill proposes fixation of minimum wages by states even for undertakings which are under control of the Central Govt. There is also no mention of norms for fixation of minimum wages and demand of fixing wages as per norms of 15th ILC plus addition of 25% as per Reptakos case does not find any mention in the code. So our demand for fixing minimum wages of Rs. 15000/- per month is ignored.
- d) Nowhere in the code normal working day is defined as comprising of 8 hours. This has been left to the State Govts. To define the normal working day, it may comprise of 10 hours or 12 hours.

Payment of Wages

The code provides for payment of wages by depositing it in workers bank accounts electronically or by cheque. Most of the workers do not have their bank account and it may cause problems. Additionally the power to fix time limit for payment of wages is proposed to be given to the government. This may create uncertainty. The existing statute provides for 7th or 10th day of a month for

payment of wages depending on the total number of workers in an establishment.

Bonus

Under the code the eligibility for bonus has been left to be decided by the Govt. which is contrary to existing position where ceilings for eligibility and payment amount are decided by the Parliament by way of amendment in the Payment of Bonus Act. Govt. may decide the limits of payment of amount which may less than 8.33% (one month wage) or the amount to which an employee is entitled to as per allocable surplus.

EPF Act

The amendment provides for one time option to subscriber of EPF for joining the New Pension Scheme. NPS is a saving scheme whereas EPF and EPS are defined contribution and defined benefit scheme and have a built in system of insurance in case of death of a person or disablement. The other amendments include new definition of small establishment for which the Govt. can reduce the contribution from 9% to 12%. In the proposed amendments Govt. has been authorized to reduce and waive the contribution payable for employees by a specified period.

ESI Act

Provision for an employee to opt either for ESI or for health insurance product recognized by Insurance Regulatory Development Authority (IRDA) has been added.

The operation of option in both these social security statutes will make the schemes unviable leading to winding up.

The Factories (Amendment) Bill, 2014

The Bill amending Factories Act, 1948 was introduced in Lok Sabha on 7th August, 2014. The Bill was referred to the Standing Committee of Parliament which has since submitted its report to the Speaker. The amendments seek to authorize the State Govts. to raise the number of workers from 10 to 20 (using power) and 20 to 40 (not using power) for coverage of factory. It also allows night shifts for women, raising overtime per quarter from current 50 hours to 100 hours which can further be increased to 125 and changing the definition of hazardous industries. The Standing Committee in its report has opposed these changes.

The Apprentices Act, 1961 - has already been amended allowing flexibility to employers to train apprentices from 2.5% to 10% of the workforce including contract workers and to add any trade and extend the period of training. The greater flexibility granted to the employer in the name of skill development to replace regular and contract workers with apprentices who are not even entitled to minimum wage.

Minimum Wages Act - Move to amend Minimum Wages Act has already been put on public domain. In Minimum Wages Act a new concept of National Floor Level Minimum Wage (NFLMW) has been introduced with the stipulation that no state will fix wages below NFLMW. The NFLMW is now around Rs. 3400 per month whereas Central Trade Unions have demanded a Minimum Wage of Rs. 15000/- per month for unskilled workers.

Child Labour (Prohibition & Regulation) Act, 1986 has been amended recently to exclude children engaged in household work/avocation and family business from penal provision thereby authorizing children's engagement in such avocations. This contradicts Right of Education of the child.

AMENDMENTS BY STATE GOVTS.

Besides the amendments in labour laws moved by the Central Govt., some State Govts. like Rajasthan, MP and Gujarat have already done the amendments. States such as Maharashtra and Haryana have already declared to introduce amendments in the same manner.

Rajasthan Govt. has already passed amendments in Industrial Disputes Act, Contract Labour (Regulation & Abolition) Act and Factories Act. In I.D. Act, it has raised the ceiling of 100 workers to 300 workers for seeking permission by employers for lay off, retrenchment and closure and for recognition of a union the limit of 15% membership has been raised to 30%. In Factories Act, the statutory limit of registration has been raised from 10 to 20 workers (using power) and from 20 to 40 workers in units not using power. In Contract Labour (Regulation and Abolition) Act, the statutory limit of 20 workers for registration of principal employer and obtaining of licence by contractors has been raised to 50 workers.

Madhya Pradesh Govt. has done labour law amendments in 15 Acts to deal with so-called nuisance of inspectors and trade unions, raising the limit of workers for lay off, retrenchment and closure permission to 300 workers, unproductive/inefficient workers losing job security, making it compulsory for unions to have at all times 33% membership or 300 workers whichever is less and exclusion of retired and outsiders from becoming office bearers of a union in order to not to be able to harm industrial peace, etc.

Gujarat State Assembly has passed the Labour Amendment Bill 2015, allowing hire and fire in special investment zones and extending the ban on strikes in public utility services from 6 months to two years.

ATTACKS AT A GLANCE

- ☞ Factories and Establishments with less than 40 workers will be exempted from applicability of 14 important labour laws like Industrial Disputes Act, Minimum Wages Act, Payment of Wages Act, Factories Act, Employees Provident Fund & Misc. provisions Act, Employees Insurance Act, Gratuity Act, Maternity Benefit Act, Payment of Bonus Act, Workman Compensation Act, etc.
- ☞ In I.D. Act provisions of 100 workers for seeking for permission of lay off, retrenchment is being raised to 300 workers. **i.e. in factories with upto 300 workers, employer can freely lay off or retrench.**
- ☞ Going on **strike is being made almost impossible** in all establishments.
- ☞ In Trade Unions Act, the existing provision of **7 workers** applying for registration of a trade union is being changed to **100 workers.**
- ☞ **No outsider can become the office bearer of trade union** of organized sector workers and in unorganized sector only two outsiders could be there as office bearers in place of existing provision of 50%.
- ☞ In Industrial Employment (Standing Orders) Rules, provision for employment of **Fixed Term Employment** is being introduced.
- ☞ In Minimum Wages Act – Instead of fixing the minimum wage as per 15th ILC norms and subsequent Supreme Court judgement, a new concept of **National Floor Level Minimum Wage** (NFLMW) is being introduced which means floor level minimum wage will be Rs. 3400-3500 per month only.
- ☞ Normal **working hours of 8 hours is being deleted** and Government is being given power to define normal working day.

- ☞ Application of **EPF Act and ESI Act is being made optional**
- ☞ **Factories Act will be exempted** in factories employing 20 workers (with power use) and 40 workers (without power use)
- ☞ **Women are being allowed (rather compelled) to work in night shifts** and overtime hours are being increased.
- ☞ **Apprentices Act** has already been amended allowing flexibility on number of apprentices to be trained and trade variation making it **easy for employers to replace permanent and contract workers by apprentices** who are not entitled to even minimum wage.
- ☞ **Child labour (Prohibition & Regulation) Act** has already been amended allowing children to work on family and household work and **thereby legalizing deployment of children** on such avocations. Such children's right to education is being denied.

Thanks for reading
Thanks for understanding the gravity of the attacks
Thanks for deciding to fight back these offensives

Yes, let us proceed to make the National General Strike on 2nd September, 2015 a grand success. Let us join the 100 million workers of India to make the strike a historic success. Prepare from now on, campaign from now on and explain from on.

With greetings,

Yours comradely,



C.H. VENKATCHALAM
GENERAL SECRETARY