



Government of Maharashtra

REPORT
OF THE
MINIMUM WAGES COMMITTEE
FOR EMPLOYMENT IN TANNERIES AND
LEATHER MANUFACTORY IN
MAHARASHTRA STATE
1964

1965

India by the Manager, Government Press
3, Kolhapur, and Published by the Director,
Government Printing and Stationery,
Maharashtra State, Bombay-4.

Price Re. 0-30 Ps.

*Maharashtra Government Publications
can be obtained from--*

THE DIRECTOR
Government Printing and Stationery
Publications Branch, Charni Road Gardens
Netaji Subhash Road - - - BOMBAY-4

THE SUPERVISOR
Maharashtra Government Publications
Sales Branch, Room No. 160, First Floor
Sachivalaya Annexe - - - BOMBAY-32

ess
- - POONA-1

Depot
- NAGPUR-1

OR
Book Depot
AURANGABAD

OR FOR INDIA

ONDON, W C - 2

AND

THE RECOGNISED BOOK SELLERS

K
MINIMUM WAGES COMMITTEE
FOR EMPLOYMENT IN TANNERIES AND
LEATHER MANUFACTORY IN
MAHARASHTRA STATE

1964

.....

CHAIRMAN :

Shri B. S. Kalekar, M. A., LL. B.,
Additional Commissioner for
Workmen's Compensation, Bombay.

SECRETARY :

Shri H. A. Sathe, B. Sc.,
Assistant Commissioner of Labour.
Bombay.

.....

REPORT OF THE MINIMUM WAGES COMMITTEE FOR
EMPLOYMENT IN TANNERIES AND
LEATHER MANUFACTORY

CONTENTS

	Pages
1. CHAPTER I — INTRODUCTION AND PROCEDURE	1
2. CHAPTER II — PRESENT CONDITION OF THE INDUSTRY	5
3. CHAPTER III — ZONES AND CATEGORIES	11
4. CHAPTER IV — CONCEPT OF MINIMUM WAGE	13
5. CHAPTER V—MINIMUM WAGE FOR DIFFERENT ZONES	15
6. CHAPTER VI — SUMMARY OF RECOMMENDATIONS	22
7. CHAPTER VII — ACKNOWLEDGMENTS AND THANKS	27

.....

REPORT OF THE MINIMUM WAGES COMMITTEE FOR EMPLOYMENT IN TANNERIES AND LEATHER MANUFACTORY

CHAPTER I

INTRODUCTION AND PROCEDURE

Appointment of the Committee :

1. By Resolution, Industries and Labour Department, No. MWA-2162-Lab-III dated 9th February 1963, the Government of Maharashtra appointed a Committee, under section 5 (1) (a) of the Minimum Wages Act, 1948, to enquire into the conditions prevailing in the employment in Tanneries and Leather Manufactory and to advise Government in the matter of revision of minimum rates of wages fixed under the Minimum Wages Act, 1948, under the former Governments of Bombay, Madhya Pradesh and Hyderabad Notifications No. 146/48-III dated 27th December 1951, No. 570-451-XXIII dated 23rd February 1956 and No. 41 dated 25th March 1952 respectively.

2. The Committee consisted of the following persons :

CHAIRMAN

Shri B. S. Kalelkar,
Additional Commissioner for
Workmen's Compensation, Bombay.

EMPLOYERS' REPRESENTATIVES

1. Shri Chas A. Ferens,
Premier Leather Krafts,
35/37, Hamam Street, Fort, Bombay-1.
2. Shri M. K. Bhagwat,
Secretary and Manager,
Modern Tanners' Co-operative Society Ltd.,
220, Dharavi Road, Bombay-17.

3. Shri S. P. Pandit,
Director,
Western India Tanneries Ltd.,
Dharavi, Bombay-17.

EMPLOYEES' REPRESENTATIVES

1. Shri Vinayakrao Changole,
House No. 4, Ganesh Peth, Nagpur.
2. Shri A. D. Sawant,
General Secretary,
Bombay Labour Kamgar Sangh,
346, Ghod Bunder Road, Andheri,
Bombay.
3. Shri D. M. Tulpule, General Secretary,
Bombay General Employees' Union,
Mazdoor Karyalaya, Congress House, Bombay-4.

3. Shri M. N. Bhatkal, Assistant Commissioner of Labour, Bombay was appointed Secretary of the Committee in addition to his own duties. By Government Resolution, Industries and Labour Department, No. MWA-2162-Lab-III dated 10th April 1963, Shri S. M. Yousuf Nazim, Assistant Commissioner of Labour, Bombay was appointed Secretary of the Committee in place of Shri M. N. Bhatkal, Assistant Commissioner of Labour, Bombay.

4. By subsequent Resolution, Industries and Labour Department, No. MWA-2162-Lab-III dated 18th May 1963, Shri H. A. Sathe, Assistant Commissioner of Labour, Bombay was appointed Secretary of the Committee in place of Shri S. M. Yousuf Nazim, Assistant Commissioner of Labour, Bombay.

Terms of Reference :

5. The Committee was appointed to enquire into the conditions prevailing in the employment in Tanneries and Leather Manufactory and to advise Government in the matter of revision of minimum rates of wages, fixed under the Minimum Wages Act, 1948, under the former Governments of Bombay, Madhya Pradesh and Hyderabad Notifications No. 146/48-III dated 27th December 1951, No. 570-451-XXIII dated 23rd

February 1956 and No. 41 dated 25th March 1952 respectively (Annexures 'A', 'B' and 'C').

Time Limit for Submission of the Report :

6. The Committee was directed to submit its Report to Government within 6 months from the date of its appointment. Owing to the changes in the appointment of the Secretary, the work of the Committee could not be started for about 4 months. As the work of the Committee progressed, it became clear that it would not be possible for the Committee to submit its Report within the time limit prescribed and hence an extension of the time limit for submission of the Report by a further period of 6 months was requested. Government accordingly extended the time limit upto 8th February 1964, under its Resolution, Industries and Labour Department, No. MWA-2162-LAB-III dated 9th August 1963. As the work of the Committee could not be completed within the time limit prescribed, Government was again requested to grant a further extension of 4 months. Accordingly, Government extended the time limit for submission of the Report upto 8th June 1964, under its Resolution No. MWA-2162-LAB-III dated 22nd February 1964.

Procedure followed by the Committee :

7. The first meeting of the Committee was held in Bombay on 11th May 1963 to consider the procedure to be followed and to draft the questionnaire to be issued to Employers' Associations and Federations of Employers and Trade Unions of Employees. With a view to facilitate the work of the Committee a draft questionnaire had been circulated among the members of the Committee in advance before the meeting. The Committee discussed and finalised the draft questionnaire. It was decided to issue the questionnaire both in English and Marathi so that a large number of persons could understand the same. The questionnaire was divided into three parts. The first was meant for the employers, the second for Associations and Federations of employers and the third for Trade Unions. The Committee decided to issue the questionnaire to the Employers' Associations and Unions and to give them time of one month for submission of the replies.

8. The Committee then tentatively chalked out a tour programme for visiting the Tanneries and Leather Manufactory Centres with a view to make enquiries on the spot and to record evidence of the persons

interested in the enquiry. In all 220 questionnaires were issued out of which only 15 replies were received.

Publicity :

9. After issue of the questionnaire, a press note was issued through the Director of Publicity inviting information from persons interested in the enquiry. Such persons were asked to obtain copies of the questionnaire from the Secretary of the Committee and to submit their replies to him within one month.

Tours undertaken by the Committee :

10. The Committee visited important centres of the Industry in the State. Before undertaking any tour, the Committee used to issue a press note giving publicity to the proposed visits of the Committee. Persons interested were requested to appear before the Committee and to place their views in the matter of revision of minimum rates of wages. During the visits, the Committee observed the various manufacturing processes carried on and made enquiries both with employers and employees with regard to the rates of wages of employees, amenities, hours of work and other conditions of employment. The Committee also made enquiries regarding the existing conditions in the Industry in the various centres. In several places the Committee inspected the Muster Rolls and the Wage Registers also.

11. The Committee visited the following places :

Place	Date
1. Poona, Satara and Kolhapur	25-11-1963 to 29-11-1963
2. Bombay	3-3-1964 to 5-3-1964
3. Amravati, Yeotmal, Wardha, Kamptee and Nagpur	30-3-1964 to 2-4-1964
4. Nanded, Aurangabad, Ahmednagar and Sholapur	6-4-1964 to 11-4-1964
5. Chalisgaon, Bhusaval	15-4-1964
6. Bombay	28-4-1964

12. During the visits to the various centres, views of the employers, employees and representatives of only 3 trade unions were recorded.

Meetings :

13. In all, 4 meetings of the Committee were held in Bombay on the dates mentioned below :

1. 11th May 1963.
2. 6th March 1964.
3. 29th April 1964 to 30th April 1964.
4. 29th May 1964 to 4th June 1964.

CHAPTER II

PRESENT CONDITION OF THE INDUSTRY

Tanneries :

14. The tanning of hides and skins and making of leather goods for village purposes is one of the oldest village industries in India. As observed by Mahatma Gandhi, village tanning is as ancient as India itself (Harijan 7-9-1939). The village tanner and cobbler were like the weaver, blacksmith and carpenter, village artisans. The process of tanning hides and skins into leather, and materials and implements they used for manufacturing leather goods like chappals and footwear, motes and pakhals for drawing and carrying water from wells and rivers have remained practically the same from ancient times to this day. It is believed that in ancient times the persons who were engaged in the work of skinning the dead animals or tanning their skins and preparing of leather goods were not looked down as inferiors or un-touchables. Later on however this work was confined to certain castes or communities who became 'Untouchables' and whom Mahatmaji called 'Harijans'. The carrying of dead animals, skinning or flaying was done by the Mahars, tanning was done by Dhors and leather goods were made by Chamars. Recently the Mahars are given up their traditional work of removing dead animals and in villages it is a problem how to dispose of or utilise the bodies of dead animals. Even to-day outside Greater Bombay, all over the State tanning is almost exclusively in the hands of the Dhor Community and the manufacture of leather goods in the hands of Chamar Community. The members of the co-operative societies in the tanning industry and in leather

goods manufacture belong to those communities respectively almost exclusively. In bigger tanneries in Bombay, however, workers belong to all communities and come from all parts of India.

15. There are several types of tanning processes. But two of them are the most important and practised in Maharashtra. They are (1) Vegetable tanning and (2) Mineral tanning. The minerals used for vegetable tanning are (1) Babul, (2) Myrabolans, (3) Turward or Avaram barks. There are three types of vegetable tanning which are (1) bag tanning, (2) pit or vat tanning and (3) drum and paddle tanning. Numbers (1) and (2) are mainly practised in villages and concerns which do not use power. Number (3) is practised by factories equipped with power and modern machinery. Of these bag tanning is the most ancient and the most widely practised not only all over Maharashtra, but in the whole of India. This bag tanning method, the Khadi and Village Industries Commission says, "is a typical Indian cottage process which has been evolved by the village Chamars through experience, experiments and practices throughout centuries". This process is primitive and the quality of leather produced leaves much to be desired. The leather is not finished. The greatest defect in such leather is low water resistance and non-retention of shape.

16. The Khadi and Village Industries Commission in their book 'Village Leather Industry' says that India is the largest single producer of hides and skins. On an average the annual production of hides and skins in India is as follows :

Cow hides	.....	200 lakh pieces.
Buffalo hides	.....	57 lakh pieces.
Goat skins	.....	274 lakh pieces.
Sheep skins	.....	170 lakh pieces.

17. Some valuable information with regard to tanning and leather goods industry in Maharashtra can also be obtained from the Report of the Bombay Leather Survey Committee appointed by the Government of Bombay (31st March 1960). That Committee has estimated the potential production of raw hides and skins in the State of Bombay according to the cattle census of 1951 as follows (page 27) :

Cattle Kips	.....	19,43,000
Buffalo hides	.....	55,00,000
Sheep	.....	28,00,000
Goat	.....	31,15,000

According to the same Committee tanning is going on in about 3,500 villages and 600 towns in the whole of the State. The total number of tanners, says the Committee may come to about 25,000. The Committee says that the bag tanned and country leather though suitable for chappals etc. does not give the same satisfaction as pit tanned leather for the manufacture of western style footwear. Bag tanning process has certain advantages of its own, such as short time taken for tanning and small initial investment required.

18. The only variety of mineral tanning practised in Maharashtra is 'Chrome Tanning' of which there are only two factories in the State — one in Bombay and the other in Sholapur. The Khadi and Village Industries Commission recommends that chrome tanning should be introduced in villages also. Kora Gramodyog Kendra at Borivali is starting chrome tanning shortly.

19. It is difficult to ascertain the exact number of workers in the tanning industry. The Maharashtra Government has published (1963) a Directory of the Industries in Maharashtra in three parts — Part I consists of small scale Industrial units registered under the Factories Act, Part II consists of large scale Industrial units registered under the Factories Act and Industries Development and Regulation Act of 1951 and Part III consists of small scale Industrial units excepting those registered under the Factories Act. Of the large scale industries, there are four tanneries in Greater Bombay in which the number of workers employed is 524. Of these, the biggest is the Western India Tanneries employing about 350 employees. In the small scale industry (Part I), there are 12 concerns of tanneries in Greater Bombay, 3 in Poona, 2 in Sholapur, 1 in Wardha and 1 in Nagpur. The total number of workers in these concerns is 442. Part III consisting of the small scale industrial units not registered under the Factories Act mentions only 3 units of tanneries in Greater Bombay and one in Sholapur employing in all 32 employees only. It appears that this list of small scale industrial units given in the Directory not registered under the Factories Act is not complete because it does not apparently include the large number of establishments registered under the Bombay Shops and Establishments Act.

20. According to 1961 census, the number of persons employed in tanneries for curing, tanning and finishing of hides and skins and for preparation of finished leather in Maharashtra is as follows :

Household Industry		Non-household Industry	
Male	Female	Male	Female
4,347	1,297	1,723	144

Thus it can be seen that according to the census the number of employees employed in tanneries in Maharashtra State is 1,723 males and 144 females.

21. According to Khadi and Village Industries Commission the "cottage tanners produce nearly 80 per cent of the total bag tanned leather turned out in India. The work is done generally with the help of the members of their family and no outside labour is employed."

22. There are a number of co-operative societies registered for the Tanning Industry. Our Committee found that nearly all of them in Maharashtra have stopped working. The Leather Survey Committee observes (at page 102) "Even though there are quite a number of tanning and leather working societies all over the State their position both economically as well socially is far from satisfactory. Quite a number of these societies are stagnant and those that are still working are having a lot of difficulties in maintaining day to day production and keeping the members fully employed". The Leather Survey Committee gives a number of reasons for this state of affairs both in tanning and leather working societies. They are :

1. Lack of sufficient finance at the proper time,
2. Members of a society carry on their private work also,
3. No management control,
4. Disputes among members,
5. Marketing difficulties.

The experience of this Committee particularly with regard to tanning societies was the same. The conclusion of the Committee, therefore, is that except in Greater Bombay and except in the case of tanneries registered under the Factories Act, the economic condition of the tanning industry in Maharashtra is not satisfactory. But the Committee was informed that there is ample scope for the development and improvement of the tanning industry in Maharashtra provided the hides and skins produced in the State and other raw materials and working capital necessary for tanning are made available to the tanners.

Leather Goods Manufacture

23. The condition of the leather goods manufacture industry is a little better than that of tanning. The Leather Survey Committee observes (at page 54) that 'leather goods manufacture as compared to

its previous sister industries, flaying and tanning is more extensive, well developed and fairly organised and offers bigger employment potential than they'. The financial position of the workers of this class of industry is also somewhat better than those of the other. This Committee concurs in this view. The main articles of leather manufacture produced in Maharashtra are as follows :

1. Footware — (a) Western type, (b) Indian type.
2. Miscellaneous Leather Goods — Suitcases, holdalls, folio cases, waist belts, purses.
3. Requirements of Army, Police and Home Guards.
4. Industrial Leather Goods.
5. Agricultural Leather Goods.
6. Sports Goods.
7. Taxidermy.

For many of those articles materials other than leather are also being used such as plastics, rubber, leather cloth and webbing. For footware, however, owing to its porosity, 'breathability' and toughness, leather has been found to be the most suitable material.

24. Footware is by far the most important item in leather goods manufactory in Maharashtra State. The Leather Survey Committee observes (at page 56) "Marathi area comparatively is economically poor and therefore we estimate 2 pairs for 5 persons in the urban area and one pair for 6 persons in rural area as against 1 for 2 and 1 for 5 as suggested by the (Second) Planning Commission". According to this estimate the total requirements of the footware for the Marathi area would come to 90 lakhs pairs on (1951) census basis.

25. The Khadi and Village Industries Commission says (at page 58) "though the production of footware appears large, its per capita availability at present is very low, averaging roughly 0.23 pairs and 0.28 pairs for rural and urban areas respectively". According to the Industrial Directory there is only one concern — M/s. Carona Sahu Co. Pvt. Ltd. — producing footware and employing 1,200 workers. Out of those, about 300 workers are employed in Leather Section. In Part I containing small scale industrial units, there are 11 concerns, out of which 10 are in Greater Bombay and one in Poona, and the number of employees as shown is 214. In the small scale units not registered under the Factories Act, Part III of the Directory shows that there are 6 concerns, 3 of them in Bombay, 2 in Ahmednagar and one at

Chanda. The total number of workers is 54. This list is obviously not complete because there are a number of co-operative societies in leather goods manufacture and small shops all over Maharashtra which are registered under the Bombay Shops and Establishments Act in places where the Act is made applicable and which manufacture footwear both western and Indian types.

26. As regards leather goods other than footwear, Part I of the Directory gives a list of 8 concerns out of which 7 are in Greater Bombay and one at Jalgaon. The total number of workers employed is 259. The number of small scale industrial units not registered under the Factories Act given in Part III of the Directory is 14 concerns, 13 of which are in Bombay and one in the district of Ahmednagar. The total number of employees employed in them is 106. This list also does not appear to be complete. There are some establishments in towns registered under the Bombay Shops and Establishments Act which are not included in the list. Still these statistics are enough to show that leather manufacture in Maharashtra is in a better condition than that of tanning.

27. As in the case of tanning, it is difficult to ascertain the exact number of workers employed in the leather goods manufacture industry. According to the Census of 1961, the number of persons engaged in the leather goods industry in Maharashtra are as follows :

	Household Industry		Non-household Industry	
	Male	Female	Male	Female
1. Manufacture of shoes and other leather wares.	41,727	2,737	10,153	253
2. Manufacture of clothing and leather apparels (except footwear) made of leather and fur.	400	26	241	3
3. Manufacture of leather products except items 1 and 2 above.	2,074	197	1,777	64
4. Repairs of shoes and other leather goods.	3,441	370	6,125	157
5. Repairs of other leather products except footwear.	613	49	189	11
	48,255	3,379	18,485	488

From this it can be seen that according to 1961 Census the number of employees in the leather goods industry are 18,485 males and 488 females, leaving aside the persons employed in household industry.

28. Though the condition of the footwear and leather goods manufacture in the State of Maharashtra is better than that of tanneries, still it is the view expressed to the Committee by some of the employers that the leather goods industry in Greater Bombay which is its main centre is experiencing difficulties of various kinds and there is a trend for certain sections like chappal-making to shift to places outside Bombay and even outside the State. The Committee is however convinced that if the supply of raw hides and skins available in the State from dead animals and animals slaughtered for meat is better regulated and distributed at a reasonable price to the small tanners in towns and villages and the supply of leather produced by them is also regulated and made available to the numerous small shoe making and leather goods making establishments, which are scattered all over the State, in towns and villages, the leather industry in Maharashtra will improve considerably and provide employment to a large number of persons. It is surprising that the Techno-Economic Survey of Maharashtra published by the National Council of Applied Economic Research, New Delhi (July 1963) under the aegis of the Maharashtra State Government does not seem to have considered this important industry at all.

CHAPTER III

ZONES AND CATEGORIES

Zones :

29. At present there are three notifications in force with regard to the rates of minimum wages in the tanning and leather goods manufacturing industry in the State of Maharashtra, one for the Western Maharashtra Region, one for the Vidarbha Region which formed part of the former Madhya Pradesh and the third for the Marathwada Region which formed part of the old Hyderabad State. The Committee has proposed one integrated scheme for the whole State and has divided it into 4 Zones as follows :

Zone I consists of the Corporation limits of Greater Bombay.

Zone II consists of the Corporation City of Nagpur, Municipal limits of Kamptee, the Corporation limits of Poona, the Cantonment areas of Poona and Kirkee and the adjoining industrial area from Dehu Road on one side to Hadapsar on the other and the Corporation limits of Sholapur.

Zone III consists of all cities and towns having a population of 25,000 and above as per Census of 1961.

It may be mentioned that under the existing notification in the Maharashtra Region, Poona and Sholapur are included in Zone No. III. But in that notification Zone II was confined to the City of Ahmedabad, which no longer forms part of the Maharashtra State. We have grouped Nagpur with Poona and Sholapur because apart from Nagpur being a Corporation City the cost of living there is sufficiently high as the cost of living index figures will show (Annexure 'D'). Kamptee is joined with Nagpur as it is almost an industrial adjunct of Nagpur.

Zone IV consists of all areas not included in the first three Zones. All small towns and villages will thus be included in Zone No. IV. In the case of some other industries like Glass or Rubber villages may not be important industrial places. But so far as tanning and shoe making are concerned, villages are the most important because most of the tanning and Indian style footwear like chappals are done in villages. The Committee also proposes that an area of 5 miles outside the municipal limits of each city and town in Zones II and III should be included in those respective Zones. The main reason for this is that the tanneries in towns and villages are generally situated near the border or outside the limits of the town or the village. In Greater Bombay tanneries big and small are mostly situated at Dharavi which can be said to be in the heart of the present city limits. We have, therefore, not proposed the extension of 5 miles limit for Greater Bombay which constitutes Zone No. I.

Categories :

30. As regards categories, we have specified some categories elaborately and have added a few to the existing list. The additions are as follows :

Tanneries*Skilled*

1. Grader
2. Unhairing (E. I. Skins.)
3. Measuring.

Semiskilled

1. Trimming.

Unskilled

1. Pounders and Crushers of bark and myrabolans.

Leather Goods Manufactory*Skilled*

1. Assembling
2. Finishing in footwear

Semiskilled

1. Lining
2. Joining
3. Skiving
4. Packing in footwear.

Unskilled

1. Pasting and sticking
2. Back Finishing
3. Packing in trade other than footwear.

CHAPTER IV

CONCEPT OF MINIMUM WAGE

31. During the last decade the concept of minimum wage along with the allied terms, the fair wage and the living wage, has been the subject matter for discussion by Economists, Trade Union Leaders, Labour Conferences, Pay Commissions, Wage Boards, Minimum Wage Committees and Industrial Tribunals. The Constitution of India in one of its Directive Principles (Article 43) provides "The State shall endeavour to secure by suitable legislation or economic organisation or in any other way to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities". In July 1957, the Tripartite Indian Labour Conference at its 15th Session adopted certain norms for a need based minimum wage, which for the

first time provided a quantitative basis for a minimum wage. The norms provide not only for the bare necessities of life for a workman and his family consisting of husband, wife and two children (three units in all) but also for certain other amenities. Since then, it is a common practice for the workers and their representatives to demand a minimum wage according to these norms. But the Wage Boards of even such well-established all-India industries like the Textile Industry, the Sugar Industry, the Coal Industry and the Cement Industry have not yet found it possible to fix a minimum wage according to the norms of the 15th Labour Conference.

32. In a number of decisions the Supreme Court has also considered the question of minimum wage. The most important of these are the (1) Express Newspaper Co. vs. Its Workers, (1961-I. L.L.J. 339), (2) the Standard Vacuum Refining Co. of India (1961-I. L.L.J. 227), (3) Crown Aluminium Case (1958-I. L.L.J. 1) and (4) Liptons Case (1959-I. L.L.J. 431). The latest decision of the Supreme Court on the subject of the minimum wage is the Hindustan Times Case (1963-I. L.L.J. 108). In this decision the Supreme Court referring to its earlier decisions observes (at page 113) :

“At the bottom of the ladder there is the minimum wage which the employer of any industrial labour must pay in order to be allowed to continue an industry. Above this is the fair wage which may roughly be said to approximate to the need based minimum in the sense of a wage which is adequate to cover the normal need of the average employee regarded as a human being in a civilised society. Above the fair wage is the living wage, a wage which will maintain the workman in the highest state of industrial efficiency, which will enable him to provide his family with all the material things which are required for health and physical well-being, enough to enable him to qualify to discharge his duties as a citizen.”

33. This decision shows that it is the view of the Supreme Court that every employer of an industry must pay the minimum basic wage which in its earlier decisions was called the minimum necessary for a worker's subsistence. It is sometimes contended that in fixing the minimum wage the economic condition of the industry or its capacity should not be considered. In support of this argument reliance is placed on the remarks of the Supreme Court in the Crown Aluminium Case cited above that “the industry which cannot pay the minimum

wage has no right to exist." But this dictum of the Supreme Court does not mean that in considering what the minimum under the Minimum Wages Act should be the needs of the workers alone should be considered and general economic condition of the industry, its prospects, special features and all other things should be ignored. Of course once the minimum wage is fixed by law, the question of capacity to pay, of any unit of the industry is immaterial and irrelevant. It is obligatory for every employer to comply with the legal provisions. We are unable to accept the argument that in considering the revision of minimum wage the economic condition of the tanning and leather manufacturing industry in Maharashtra or its capacity to pay the minimum wage should be left out. If that were so, there would be no necessity for appointing different Committees for different scheduled employments under the Act. In fact no Committee will be necessary for revision of the minimum rates of wages. Once the minimum wage has been fixed, it will be the work of simple calculation to ascertain the increase or the decrease in the cost of living since the date of earlier fixation of the minimum rate. The Committee is of the opinion that whatever may be the purely theoretical views with regard to the fixation or the revision of the rates of minimum wages, the revision they are proposing should not be such as would result in closure or dislocation of the particular industry by shifting to places of the neighbouring States where lower rates of wages may be prevailing or as would result in any serious economic disturbances to the Tanning or Leather Goods Manufacture Industry by lockouts or strikes.

CHAPTER V

MINIMUM WAGE FOR DIFFERENT ZONES

34. From the discussion about the meaning and scope of the minimum wage under the Minimum Wages Act in the last Chapter, it can be seen that in considering the revision of minimum wage in the Tanning and Leather Goods Manufacturing Industry, the Committee has to consider the following three things :

1. Economic condition including the capacity to pay and special features of the industry in the region.

2. The prevailing wages in similar industries in the locality and
3. The change in the cost of living in the locality since the date of the previous fixation of minimum rates of wages.

35. We have discussed the general condition of the industry above in Chapter II. The discussion would show that the condition of tanning and even of the leather goods manufacture at present in Maharashtra is not very prosperous or satisfactory. In tanneries the conditions may be called almost poor outside Greater Bombay. There are no doubt possibilities for its improvements as shown by the Leather Survey Committee in its Report referred to above. But with regard to the second thing viz. the prevailing wages in similar occupations in Greater Bombay we are on a surer ground. There are a number of Awards of the Industrial Tribunals in 1962 and in 1963 in which it has been held that the minimum wage in Greater Bombay should not be less than Rs. 80 P.M. for unskilled workers or mazdoors, e.g. Award in Ref. (I.T.) No. 146 of 1962 in case of Raja Oil Mills, Bombay and Award in Ref. (I.T.) No. 283 of 1962 in case of Jakhubhai Lalji Co. Dal Mill, Bombay. The rate of minimum wage for unskilled workers under the existing notification in Greater Bombay is Rs. 60 P.M. The increase in the cost of living since 1952 is about 35 per cent. Moreover, in June 1963, there was an agreement between the employers of the tanning concerns in Bombay and their workers under which the rate of minimum wage for semiskilled is Rs. 90 P.M. and for skilled Rs. 122.50 nP. P.M. In another factory i.e. Gold Field Leather Works, Bombay, unskilled labours are paid Rs. 3 per day. The Committee, therefore, considers that Rs. 80 P.M. as minimum wage for unskilled workers in the tanning and leather goods manufacturing Industry in Greater Bombay is reasonable. The Committee also considers that Rs. 95 P.M. for semiskilled workers and Rs. 110 P.M. for skilled workers in Greater Bombay as proper and reasonable.

36. Having fixed the minimum wage for the three classes of workers in Greater Bombay the task of proposing the revision of the rates of minimum wages for the corresponding classes of workers in the remaining three Zones is comparatively easy. The Committee proposes Rs. 65 P.M. as the minimum wage for the unskilled worker in Zone No. II, Rs. 55 P.M. in Zone No. III and Rs. 50 P.M. for Zone No. IV for the unskilled workers. For semiskilled workers in Zones II, III and IV the Committee proposes that the rates of minimum wage should be Rs. 80 P.M., Rs. 65 P.M. and Rs. 60 P.M. respectively. The

rates of minimum wage for the skilled workers in Zones II, III and IV proposed by the Committee are Rs. 95 P.M., Rs. 80 P.M. and Rs. 70 P.M.

37. Having fixed the monthly rate of minimum wage the next question is how to obtain the minimum rate for workers who are employed on a daily rate basis. The usual rule for obtaining the daily rate for factories is to divide the monthly rate by 26 because there are 26 working days in a month and under the Factories Act the weekly holiday is not a paid holiday. In the Marathwada Region, under the old Hyderabad Rules (Rule 23) under the Minimum Wages Act which were in force until recently employers in any scheduled employment had to give a paid weekly holiday to the workers. The same is the case under the Bombay Shops and Establishments Act (Section 18 (3)). As shown above in Chapter II, there are only a few concerns registered under the Factories Act in Maharashtra while the number of smaller establishments registered under the Bombay Shops and Establishments Act both in Tanning and Leather goods manufacturing Industry are very large. They have to give a paid weekly holiday to those workers who work for six days in a week. If in their case the daily rate is obtained by dividing the monthly rate by 26 they will have to pay 30 days' wages in a month at that rate. Thus in Greater Bombay we have proposed Rs. 80 P.M. for an unskilled worker as the minimum rate. Division by 26 gives the daily rate of Rs. 3.10 nP. per day. 30 days' wages at this rate will come to Rs. 93 P.M. Thus a factory will have to pay Rs. 80 P.M. as minimum wage to its daily rated workers while the smaller establishment employing daily rated employees will have to pay Rs. 93 P.M. to unskilled workers. There is no meaning in fixing a monthly wage at Rs. 80 P.M. and compelling an employer to pay Rs. 93 P.M. to a daily rated worker. Further, it is also unjust because a smaller establishment with smaller financial resources and turnover will have to pay a higher monthly wage than the bigger concerns like the factories whose capacity to pay and financial resources are greater. If in establishments registered under the Bombay Shops and Establishments Act, the monthly rate of minimum wage is divided by 30 to obtain the daily rate, a daily rated worker of the establishment who works for 26 days will get the same monthly wage and will also get a paid weekly holiday. This will also ensure equality and justice. It may be noted that this method of obtaining the minimum rate of daily wage by dividing by 30 in those units who give a paid weekly holiday and by 26 in other units, is proposed by the Government of Maharashtra in the Draft Notification in the Bidi

Industry dated 30th April 1964. The Committee considers this is a reasonable method of obtaining a daily rate of minimum wage from the monthly wage.

38. Recently the Maharashtra Government has issued new Rules under the Minimum Wages Act known as 'Maharashtra Minimum Wages Rules, 1963 (Maharashtra Government Gazette dated 16th April 1964)'. These Rules repeal the previous Rules in force and introduce uniform rules for the whole of Maharashtra State. For the first time, provision is made by the Rules (Rule 23) for a paid weekly rest day in all scheduled employments. But proviso to Rule 23 (4) makes an exception when the daily minimum rate is obtained by dividing the monthly rate by 26. In that case 'no wages for the rest day are payable'. The result of this Rule 23 (4) with the proviso is that in the whole of Maharashtra if the daily rate of minimum wage is obtained by dividing the monthly rate by 26, in any factory in a scheduled employment, the worker will not get payment for the weekly rest day and the employer will not have to pay anything more than the monthly minimum wage. But in the case of establishments registered under the Bombay Shops and Establishments Act, 1948, the position seems to be different. In their case, under the new Minimum Wage Rule 23 (4) no wages will be payable for the weekly holiday if the daily rate is obtained by dividing the monthly rate by 26. But sub-rule (6) of Rule 23 provides "the provisions of this Rule shall not operate to the prejudice of more favourable terms if any to which an employee may be entitled under any other law or under the terms of any award, agreement or contract of service, and in such a case, the employee shall be entitled only to the more favourable terms aforesaid". Now under Section 18 (3) of the Bombay Shops and Establishments Act employees are entitled to wages for the weekly rest day if they have worked continuously for 6 days in the week. This is a more favourable provision than the proviso to Minimum Wage Rule 23 (4). Therefore it appears to us that if the daily minimum rate is obtained by dividing the monthly rate by 26, the employee of an establishment registered under the Bombay Shops and Establishments Act who has worked for 6 days in the week will get wages for the weekly rest day. The Committee therefore thinks that the new Minimum Wage Rule does not change the position with regard to the establishments registered under the Bombay Shops and Establishments Act. The Committee is not particular about this division by 26 or 30. All that it desires is that the method adopted should be just and equitable. Smaller establishments should not be made to bear a heavier burden of wages than the bigger ones.

39. The Committee therefore recommends that in the case of units where a paid holiday is given under the law the daily rate should be obtained by dividing the monthly rate of minimum wage by 30. In the case of all other units the daily rate will be obtained by dividing the corresponding monthly rate by 26.

40. So far the Committee has discussed the time rate of minimum wage. During the visits to various concerns of tanning and leather manufacture industry, the Committee found that wages are paid on a piece rate basis, in a large number of concerns outside Greater Bombay. Even in Bombay in many of the smaller concerns payment is made on piece rate. Under the existing notification which is in force in Vidarbha minimum rates of wages are fixed on piece rate basis for footwear, shoes, chappals, sandals and slippers, separate rates being fixed for bottoms and uppers. During our visits we found that all over Maharashtra the common practice was to entrust the work of the whole pair of sandal, slipper, chappal or shoe to one worker and to pay him for the whole pair on a piece rate basis. In a few places where the manufacture of footwear was carried on on a large scale the different intermediate operations of footwear were divided and the workers were paid on a piece rate basis for those operations. In smaller establishments, who employ one to five workers, however, the universal practice was to entrust the whole pair of chappal or shoe to one worker and to pay him on a piece rate basis. We found that in such a case the fixation of wage by the time rate is not always useful in practice, though under Section 17 of the Minimum Wages Act when an employee is employed on piece rate for which a minimum time rate and not a minimum piece rate has been fixed under the Act, the employer has to pay to such employee wages at rate not less than the minimum time rate. Sufficient attention does not seem to have been paid to this clause by the employers. Some of the employers of those establishments have even contended that the workers in such establishments working on piece rate basis were not employees under the Act and did not maintain the necessary registers in the case of such employees. The Committee is of the view that in the case of those establishments which manufacture footwear and pay the workers on piece rate basis for a whole pair a minimum piece rate should be prescribed for the whole chappal, shoe, slipper and sandal. The Committee finds that it is not practicable to fix the minimum piece rates for the different intermediate operations of the footwear or for the various miscellaneous goods manufactured out of leather. The previous Minimum Wage Committee on whose report minimum wages were fixed in 1952 was of

the same opinion. That Committee did not even recommend the piece rate for the whole chappal or shoe. This Committee however thinks that piece rates for whole footwear should be prescribed.

41. The question whether a worker is an employee or an independent contractor is a question of fact depending on the facts and circumstances in each case. This question whether a particular worker working on piece rate is an employee under the Minimum Wages Act or an independent contractor can only be decided by a Court or a Tribunal. In a number of decisions, the Supreme Court has discussed and laid down principles and tests to determine whether a worker is an employee or an independent contractor, under various labour laws. Those decisions are (1) Dhangadhara Chemical Works Case (1957-I. L.L.J. 477), (2) Chintamanrao's Case (1958-II. L.L.J. 252), (3) State of Kerala Vs. V. M. Patil (1961-I. L.L.J. 549), (4) Birdi Chand's Case (1961-II. L.L.J. 86) and (5) Shankar Balaji Vaje's Case (1962-I. L.L.J. 119). But in any event there is no warrant for the argument that a piece rate worker cannot be an employee, because under the Minimum Wages Act itself and some other enactments there are provisions for payment of wages of employees on a piece rate basis. Section 3 (2) (b) gives power to fix the minimum rates of wages by piece work which is called the minimum piece rate. Section 3 (2) (c) provides for guaranteed time rate for employees employed on piece rate. The Committee believes that in majority of establishments in Tannery and Leather Manufacture Industry the workers who are paid on piece rate basis are employees within the meaning of the Minimum Wages Act. But even in the establishments where they may not fall under the definition of an employee, still the piece rate for the footwear workers that we are recommending will be useful as a guide or standard for remuneration below which these workers should not receive payment. The Committee believes that by fixing the piece rate of minimum wages for the whole footwear it will ensure the benefit of minimum rates of wages to a large section of workers in the Leather Manufacture Industry in Maharashtra.

42. In the case of other establishments which pay the workers on piece rate basis their wages should be subject to the provisions of Section 17 of the Act, viz. the minimum piece rate should not work out at less than the minimum time rate fixed under the Act.

43. The labour employed in the industry is mostly unorganised. There are hardly any trade unions specifically of the workers in the

tanning or leather goods manufacturing industry. The Committee received no reply to any questionnaire from any trade union and except at Chalisgaon and Nagpur, no trade union or labour representative met the Committee or made any representation on any of the tours anywhere in the whole of Maharashtra. As the trade union activity among the workers in the Industry is practically non-existent, the responsibility of the State Government to see that the benefits of the Minimum Wages Act and other labour legislation is secured to the workers is greater. As shown above, the tanning and leather footwear manufacture is practically a village and small town industry. The only officer who under the existing arrangements in the State of Maharashtra supervises the implementation of the Minimum Wages Act in a district is the labour officer of the district who is appointed as Inspector under Section 19 (1) of the Act. This officer has several other duties and has in some cases two districts in his jurisdiction. It is practically impossible for him to inspect, single handed, establishments in the smaller towns and villages of the district. The Committee therefore recommends that in order to ensure proper implementation of the Minimum Wages Act in the towns and villages a special staff should be appointed or the district labour officer should be assisted by at least two assistants in each district for the scheduled employments to which the Minimum Wages Act has been made applicable. Unless this is done, it would be difficult for the workers of this Industry in the IVth Zone to secure the benefit of the rates of minimum wage which the Committee is recommending.

44. In making these recommendations for revision, the Committee has kept these objects in view : (1) the rise in the cost of living should be adequately, if not wholly, neutralised, (2) the rates of minimum wage proposed should be such that they are more or less on a parity in the similar employment in the locality, (3) the majority of units of the Industry in the locality will be able to bear the additional burden, (4) the rates proposed should not cause any violent dislocation or economic disturbance of the industry as a whole by closures, lockouts or strikes which would result in the loss of national production or unemployment in the Leather Industry on a large scale.

45. The Committee is proposing a revision for the minimum rates of wages even for the smallest unit of tanning and leather goods manufacturing industry. The object of the minimum wage legislation is to prevent exploitation and sweating of labour. In the opinion of the Committee it is not the object of the Minimum Wages Act to fix a

wage or a minimum wage of a particular unit. Its object is to give a bargaining capacity to the worker so that having been assured of the legal minimum wage, he may, if he chooses, demand a higher wage from his employer by individual bargaining or collective bargaining or by judicial adjudication of Industrial Tribunals, as provided by law. In no way the Act restricts the rights of the worker. But it restricts the rights of the employer prohibiting him from paying a wage lower than the minimum prescribed under the Act. The rates of minimum wages fixed under the Minimum Wages Act do not affect the workers of prosperous units of Industry who have secured or can secure higher wages from their employer by agreements, settlements or awards under the Industrial Acts. For example the Western India Tanneries is paying the lowest grade of their employees Rs. 4.47 nP. per day to unskilled workers, under a settlement arrived at in 1963. That settlement will be unaffected by the revised minimum rates, the Committee is proposing. Similarly, the biggest concern of footwear manufacture, M/s. Carona Sahu Ltd., Bombay, are paying Rs. 3.50 nP. per day to the lowest category of their unskilled workers, under an agreement arrived at in 1962. That agreement and wages under that agreement will not be affected in the least by the recommendations of the Committee. The Committee hopes that its recommendations for revision of the minimum rates of wages will serve the object of the Act with regard to the tanning and leather goods manufacturing industry in Maharashtra.

CHAPTER VI

SUMMARY OF RECOMMENDATIONS

46. The employees in the tanneries and leather manufactory should be divided in three classes, viz. (1) Skilled, (2) Semiskilled and (3) Unskilled.

47. The area in Maharashtra State should be divided into the following four Zones :

1. Zone I shall comprise of the areas lying within the limits of the Municipal Corporation of Greater Bombay.

2. Zone II shall comprise of the areas lying within the Corporation limits of Poona, Nagpur and Sholapur, Municipal limits of Kamptee, Poona and Kirkee Cantonment and the adjoining industrial area from Dehu Road on one side to Hadapsar on the other.
3. Zone III shall comprise of the areas lying within the limits of the Municipalities or the Cantonments as the case may be of the following.

Amravati, Ahmednagar, Akola, Aurangabad, Amalner, Achalpur, Ambernath, Akot, Bhusaval, Barsi, Bhiwandi, Bhir, Bhandara, Chanda, Chalisgaon, Chopda, Dhulia, Deolali Cantonment, Dhond, Gondia, Hinganghat, Ichalkaranji, Jalgaon, Jalna, Kolhapur, Kalyan, Khamgaon, Karad, Karanja, Latur, Malegaon, Miraj, Manmad, Malkapur, Nasik, Nanded, Nandurbar, Nasik Road-Deolali, Pandharpur, Parbhani, Pulgaon, Ratnagiri, Sangli, Satara, Thana, Ulhasnagar, Wardha, Washim, Yeotmal.

Note : An area of 5 miles outside the Corporation, Municipal or the Cantonment limits of the cities and towns mentioned in Zones II and III shall be included in the Zone in which the town or the city is placed. When two Zones are overlapping in any area, the area shall be deemed to be included in the higher Zone.

4. Zone IV shall comprise of all other places not included in Zones I, II and III above.

48. The categories of the workers in the three classes and their respective rates of minimum wages in each Zone should be as follows :

Sr. No.	Category	Zone I	Zone II	Zone III	Zone IV
---------	----------	--------	---------	----------	---------

SKILLED :
TANNERIES

1. Boiler Attendant		Rs. 110	Rs. 95	Rs. 80	Rs. 70
2. Maistry		P.M.	P.M.	P.M.	P.M.
3. Grader (Jachandar)					

Br. No.	Category	Zone I	Zone II	Zone III	Zone IV
	<i>Persons doing the work of</i>	Rs. 110	Rs. 95	Rs. 80	Rs. 70
		P.M.	P.M.	P.M.	P.M.
4.	Unhairing (E. I. Skins)				
5.	Fleshing (By hand or machine)				
6.	Splitting.				
7.	Setting (By hand or machine E. I. Skins).				
8.	Shaving (By hand or machine)				
9.	Staking (By hand or machine)				
10.	Currying including shaving				
11.	Buffing				
12.	Glazing				
13.	Rolling				
14.	Measuring				
15.	Employees by whatever name called doing skilled work of the nature done by persons fall- ing under the above entries.				

LEATHER MANUFACTORY

1. Maistry.
2. Mechanic.

Persons doing the work of :

3. Marking and Cutting
4. Assembling
5. Finishing in Footware
6. Employees by whatever name
called doing skilled work of
the nature done by persons fall-
ing under the above entries.

SEMISKILLED :

TANNERIES

- | | | | | | |
|----|--------------------|--------|--------|--------|--------|
| 1. | Drum Operator | Rs. 95 | Rs. 80 | Rs. 65 | Rs. 60 |
| 2. | Oiler | P.M. | P.M. | P.M. | P.M. |
| 3. | Hydraulic Pressman | | | | |
| 4. | Fireman. | | | | |

Sr. No.	Category	Zone I	Zone II	Zone III	Zone IV
---------	----------	--------	---------	----------	---------

Persons doing the work of :

5. Lining
6. Unhairing
7. Stitching
8. Pasting and Drying
9. Straining and Drying
10. Applying colours and finishes by brush or spray.
11. Trimming of finished leather.
12. Lace Cutting
13. Currying excluding Shaving
14. Employees by whatever name called doing semiskilled work of the nature done by persons falling under the above entries.

LEATHER MANUFACTORY

Persons doing the work of :

1. Finishing other than Footware
2. Lining
3. Joining
4. Repairing
5. Skiving
6. Packing (In Footware Trade)
7. Employees by whatever name called doing semiskilled work of the nature done by persons falling under the above entries.

UNSKILLED :

TANNERIES

- | | | | | |
|--|----------------|----------------|----------------|----------------|
| 1. Pounder or Crusher of Myrabolans or bark by hand. | Rs. 80
P.M. | Rs. 65
P.M. | Rs. 55
P.M. | Rs. 50
P.M. |
|--|----------------|----------------|----------------|----------------|

Sr. No.	Category	Zone I	Zone II	Zone III	Zone IV
2.	Suspender				
3.	Layer				
4.	Sweeper				
5.	Mazdoor				
6.	Machine Helper.				

Persons doing the work of :

7. Handling
8. Salting
9. Trimming in raw hide Godown
10. Weighing
11. Delimiting
12. Employees by whatever name called doing unskilled work of the nature done by persons falling under the above entries.

LEATHER MANUFACTORY

Persons doing the work of :

1. Pasting and Sticking
2. Back Finishing
3. Packing in Trade other than Footware
4. Mazdoor
5. Employees by whatever name called doing unskilled work of the nature done by persons falling under the above entries.

49. In case of employees employed on daily wages, the minimum rates of daily wages payable to him shall be computed by dividing the minimum rate of monthly wages fixed for the class of employees to which he belongs by 26, the quotient being stepped up to the nearest naya paisa.

Provided that where an employee is entitled to a paid weekly off, the minimum of daily wages shall be computed by dividing the minimum rate of monthly wages by 30.

50. In the Leather Footware Manufactory wherever the employees are paid on piece rate for a complete pair of footwear, the minimum rates should be as follows :

	Zone I	Zone II	Zone III	Zone IV
1. Shoe	Rs. 4.50 per pair.	Rs. 3.75 per pair.	Rs. 3.25 per pair.	Rs. 2.75 per pair.
2. Slipper	Rs. 3.50 per pair.	Rs. 3.00 per pair.	Rs. 2.50 per pair.	Rs. 2.00 per pair.
3. Sandal	Rs. 3.00 per pair.	Rs. 2.75 per pair.	Rs. 2.25 per pair.	Rs. 1.75 per pair.
4. Chappal	Rs. 2.00 per pair.	Rs. 1.75 per pair.	Rs. 1.50 per pair.	Rs. 1.25 per pair.

51. The minimum rates of wages payable to an adolescent if certified to work as an adult shall be the same as those fixed for an adult and if certified to work as a child shall be the same as those fixed for a child.

52. The rates of minimum wages recommended by the Committee consist of all inclusive rates.

53. The minimum rate of wages payable to a child shall be 50 per cent. of the minimum rate of wages fixed for an unskilled employee.

54. The minimum rates of wages payable to an apprentice shall be 75 per cent. of the minimum rate of wages fixed for an unskilled employee.

CHAPTER VII

ACKNOWLEDGMENTS AND THANKS

55. The Committee is thankful to the employers in the Tanneries and Leather Manufacture Industry who sent replies to the Committee's questionnaire. The Committee also desires to thank the Managements of the factories and establishments while the Committee visited for

readily and courteously supplying all information about their respective units, which the members of the Committee called for during those visits. The Committee is also thankful to those who appeared to place their views before the Committee.

56. The Chairman is thankful to the members of the Committee for their courtesy and co-operation, throughout the work of the Committee. Though the two groups of members represented opposite interests, they readily appreciated each other's point of view. It was owing to this helpful attitude of the members that unanimity was reached on all points without any bitterness.

57. The Committee is also thankful to the Secretary of the Committee, Shri H. A. Sathe, Assistant Commissioner of Labour, Bombay and the staff working under him for assisting the Committee in its work and travel.

(B. S. KALELKAR.)
CHAIRMAN

(S. P. PANDIT.)
MEMBER

(C. A. FERENS.)
MEMBER

(M. K. BHAGWAT.)
MEMBER

(D. M. TULPULE.)
MEMBER

(A. D. SAWANT.)
MEMBER

(H. A. SATHE.)
SECRETARY.

(VINAYAKRAO CHANGOLE.)
MEMBER

BOMBAY,
4th June, 1964.
