



Final Report of the Investigation at Jeans Knit Private Limited, Bengaluru

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ABBREVIATIONS

Abbreviations	Full Form
CITU	Center of Indian Trade Unions
ESI	Employee State Insurance
FIR	First Information Report
FOA	Freedom of Association
GIFW	Gathering Information from Workers
HR	Human Resource
ICC	Internal Compliant Committee
JKPL	Jeans Knit Private Limited
POSH	Prevention of Sexual Harassment
T&L	Training and Learning
VFC	VF Corporation

1. INTRODUCTION

ASK Training and Learning Pvt. Ltd. (Hereafter ASK T&L) received a request from the group of brands (Adidas, VF Corporation and G-Star) for a detailed, fact based and unbiased investigation and to submit them a comprehensive report including the recommendations, if any, on the “allegations” (as mentioned below) that the group received from a Local Trade Union (CITU¹) pertaining to a factory “Jeans Knit Private Limited (JKPL)” located in the North Rural District of Bengaluru, Karnataka, India.

The issues and concerns that were raised by the local trade union pertaining to the above mentioned factory are as follows:

1. **Work Arrangements:** Workers were pressed to operate 10 knitting machines per operator as against 5 machines that had been the norm – without any increase in pay.
2. **Wages & Benefits:** There has been no wage increase for the last three years.
3. **Hours of Work:** Workers were asked to work on all Sundays.
4. **Excessive working hours:** Overtime reached 150 - 200 hours extra in a month.
5. **Grievance Redressal:** There is no grievance redressal committee
6. Issues on **Freedom of Associations (FoA)**
7. **Intimidation & Harassment:** In early December (2019), factory management entered some of the migrant workers' homes and removed some of the belongings (including laptops).
8. **Worker’s Termination**

Based on the above, a joint, collaborative decision was taken by the group of the brands for conducting a detailed investigation of 7 out of the 8 concerns mentioned above (except the Worker’s Termination issue which is under the legal process now through the labour tribunal) covering factory visit, document reviews, gathering information from workers (both onsite and offsite) and interaction with the representatives from the Union (CITU) that raised the allegations. ASK T&L Team conducted the investigation in Bengaluru from January 07 to 10, 2021.

2. BRIEF PROFILE OF THE FACTORY

Name of the Factory	Jeans Knit Private Limited (JKPL)			
Year of inception	2011			
Total factory area	11625 Square Meters			
Number of building and floors	2 buildings with 2 floors each			
Operational Hours (excluding OT hours) at the time of the investigation	9.5 hours with 30 minutes break			
Total shifts and shift hours at the time of the investigation	2 Shifts for Knitting Operators – 7am – 4:30 pm and 7:30 pm to 5 am For other workers only morning shift – 8 am to 5:30 pm			
Total Number of workers in the Factory (as of the day of investigation)	395 (Male: 154, Female: 241)			
Number of workers in the Knitting Department	162 (Male: 123, Female: 39)			
Number of Departments	4			
Names of the Departments & number of workers	Department	Male	Female	Total
	Knitting	43	119	162
	Post – Knitting	103	81	184
	Finishing	2	23	25

¹The local name of the Union is “Bangalore North Industrial Workers Union”, which is affiliated to “Center of Indian Trade Unions (CITU)”, a National Level Trade Union in India

	HR & Administration	6	18	24	
Worker break up in Knitting Department	Types of Workers	Male	Female	Total	
	Operators	97	12	109	
	Primary	8	27	35	
	Maintenance	11	0	11	
	Programmer	7	0	7	

3. METHODOLOGY ADOPTED FOR THE INVESTIGATION

The methodologies adopted for this investigation comprised of the following:

- **Document Review:** All legally mandated documents plus other relevant documents in relation to the allegations were reviewed that were maintained, available and provided by the factory. List of the records reviewed is provided below:
 - ✓ **Factory Standing Order**
 - ✓ **Workforce Profile:** Total number of workers as of the date of investigation – Department wise, and separately for knitting department with types of worker wise break up: (Male & Female)
 - ✓ **Policy and procedure documents** – Working Hours, Freedom of Association, Anti-Harassment, Works Grievance Redressal and Remuneration policies and procedures
 - ✓ **Working Hours and Wages related:** Muster roll, work hour records, overtime records, wage register, payslips, and sample employee contracts
 - ✓ **Document related to different committees** (Works Committee and Internal Complaints Committee: ICC) - Current members and Minutes of the meeting (for last 2 years)
 - ✓ **Complaint Register**
 - ✓ **Worker Training Documents:** Induction and orientation related documents/ records, induction handbook, code of conduct document.
 - ✓ **Plus,** the documents shared by the brands (through VFC) related to the allegations before the investigation started
- **Gathering Information from Workers (GIFW):** Workers were engaged in discussions at the production floors, canteen and other places; inside and outside the factory. They were informed about the purpose of the discussions and given confidence that their anonymity would be protected in the reporting process. All types of workers were engaged both onsite and offsite. **Total 91 workers participated in the GIFW process: 56 were from those who are currently working in the factory and 35 from those who left the factory since the 2019 incidences happened².**
- **Committee discussions:** Intensive discussions were conducted with the Works Committee. The objective was to understand the functioning of the committee, knowledge of the worker members on the allegations, functioning of the factory, grievances reported by workers to the Works Committee during past 2 years and mechanism of addressing the same.
- **Management Discussions:** A detailed discussion with the management, including HR and Compliance team members was done to understand “internal management system” within the factory including existence of relevant policies and standard operating procedures, allocation of responsibilities for implementation of the same and also to understand the chronology and management point of view towards the allegations. Besides, 2 Ex-staff who were looking after the workers related matters and resigned later were also interviewed separately.

²² While 27 of these 35 workers were from who were terminated immediately after the October 2019 incidence, remaining 8 either resigned or were terminated over a period of time afterwards during 2020 for different reasons.

On behalf of the current Management, the following personnel were involved in the process:

- ✓ Mr. Sanjay Pillai – Vice president
- ✓ Mr. Ramesh – General Manager
- ✓ Mr. Keshav – Compliance Officer
- ✓ Mr. Anjan – HR Manager

- **Engagement with other relevant stakeholders (through Semi-Structured Interviews):** In addition to the workers and management of the factory, the investigation team also engaged with the representatives from the union (CITU) and the building owner where the migrant workers lived (whose belongings were removed as per the allegation) to get their versions on the allegations.

4. INVESTIGATION FINDINGS ON THE ALLEGATIONS RECEIVED

This section describes the findings from the investigation on each of the seven allegations:

- Findings have been presented separately for the Management and the Workers (onsite and offsite), and also the findings from the record reviews at the factory.
- As the Union Representatives supported the offsite workers versions (of more than 30 workers), the same has not been mentioned separately.
- Discussion with the owner of the rented building of the migrant workers has been included in the relevant section (allegations on harassment & intimidation).
- Legal References has also been provided wherever applicable.
- At the end of each allegation, a conclusion has been provided along with recommendations of the investigation team.

4.1. WORK ARRANGEMENT

Allegation 1: Workers were pressed to operate 10 knitting machines per operator as against 5 machines that had been the norm – without any increase in pay.

- ▶ **Findings from the Management Discussion:** The management verbally shared with the investigation team members that working on 10 machines was a standard and accepted norm/practice since beginning of the factory in 2011 (and workers worked in 5 machines only in exceptional situations and particularly when the production used to be very less), and thus there was no sudden change or pressure on any of the workers. They denied the allegation that workers were ever “pressed” to work on 10 machines.
- ▶ **Findings from the Records:** The Management did not share the details of year-wise number of machines and number of workers in the factory since 2011 from which the actual number of machines per worker could be calculated, citing the reason that “the matter is under litigation and thus the details cannot be provided”. There were / are no written and / or approved norms in the factory in terms of number of knitting machines to be operated by a knitting operator and the same are not also found as part of any of the approved / signed company policies and procedures. This was also not part of the contract letters issued to the workers³. While the standing order of the factory and the induction document kept in the personnel files of the existing workers mention that the “change of departments and the allotment of work” are as per the discretion of the management, those are silent about the number of machines to be allocated per worker. No notice or circular was

³ From this year (2020), an undertaking from the workers is being taken that they would be working in 10 machines and they do not have any objection or problem in operating 10 machines: this signed undertaking from the current operators are kept in their individual files.

also found on the number of machines a knitting worker is allocated to work. The Works Committee Meeting minutes register also did not include any discussion or decision related to number of knitting machines.

- **Findings from the Worker Discussions:** Onsite (currently working) workers shared that knitting operators have been working in 10 machines since beginning of the factory and that was the standard norm and number of machines was not increased from 5 to 10: now also they are working in 10 machines. Thus they supported the management version. However, from the responses and reactions it appeared that their responses were highly influenced by the Management⁴.

A large number of workers (more than 30) shared during the offsite discussions that the Knitting operators were all working on 5 machines since 2011 until October 14th 2019 and the number of machines they needed to work was verbally told to the workers by the management at the time of their joining. At the same time, on occasions, in case of absenteeism of some workers, they also could manage to work on 6 machines and thus while the unwritten norm was for 5 machines per worker, it could be from 4 to 6 also in a few instances depending on actual need and the workers were all fine with the arrangement.

However, the workers were told verbally by their supervisors a day before 2019 Dussehra holidays that from 14th October 2019 onwards, after opening of the factory after the Dussehra holiday, all knitting operators would have to work on 10 machines every day. The decision was taken by the Management alone and there was no worker engagement in changing the norm related to the number of machines. No prior discussion was either done with the workers or any of the committees formed within the factory, including the works committee. No consent was also asked from the workers before verbally communicating the increase in the number of machines and no reason was given to the workers for changing their work arrangement. No written notice or communication was there in relation to change of the set norm that was being followed since the beginning.

There was also no communication regarding any increase in the pay or providing any additional incentive or benefits for the knitting operators for working on 5 extra machines.

The Knitting workers reported the factory on 14th October 2019 after the Dussehra holidays and told the management that they won't be able to work in 10 machines. The reasons that were shown by the workers to the investigation team were that it was not possible to maintain the quality of product because of the variety of pieces of a cloth that too with managing products of different brands, where they had to constantly observe the work happening in the machines and if the machine was stopped for some reasons, they would have to spend about 20 minutes to fix it and if 5-6 machines are stopped at once the production would be lesser and if the machines were not been observed then it would affect the quality of the product. While working in the machines, the workers needed to adjust tension, load, re-start, measure cloth in the machines through a screen and measure tape attached to the machine. Thus it was not humanly possible for them to effectively manage 10 machines and ensure the quality of the product by one worker. Moreover, there was no additional payment or incentive for working on additional 5 machines and there was no annual increment in their wages also for past 3 years, which remained a standard practice earlier since beginning of the factory in 2011.

Moreover, the workers reported that previously they used to be scolded / verbally abused by the production manager for low production and quality though the quality and production both were majorly dependent on the machines. Before October 2019, the operators were responsible for

⁴ Fear and nervousness were clearly observed within the onsite workers by the investigation team while interacting with them within the factory, in spite of creating a friendly and facilitative environment

mending the defects in the cloth along with operating the machines and hence it was not possible for the workers to manage 10 machines. And those were the reasons why 250 workers, including 100 probationary and 150 permanent workers, in the knitting department, refused to work on 10 machines, that also without any wage increment and the fear of possible increased verbal abuse by the Production Manager due to possible increase in the faults.

The above said workers did not agree to work on 10 machines and the management also could not provide any solution. On 15th October, they were asked to leave the factory premise if they were not ready to work on 10 machines. Workers informed the management on 16th October, 2019 that they would be joining only if they were allowed to work in 5 machines and their salary increment is ensured. Management did not adopt any process of worker engagement / discussion / collective bargaining and the matter was not discussed in the works committee⁵ (which was clear from the records of the Works Committee). Rather management kept on insisting to start work on 10 machines first and looking into other issues later. After this, workers joined the Union and went on to strike & demonstration/protest outside the factory with the banner & flags of the Union.

This led to the subsequent termination of 100 probationary and 150 permanent workers from the Knitting department. However, the investigation team did not look into the “termination” issue as that is under legal process now and was not part of the investigation process.

On the days of the investigations, the current operators were found working in 10 machines. However, workers explained that the entire “programming” within these machines has been changed now & they are working for one brand’s product only at a time. It is now humanly possible to work on 10 machines without any problem, with maintaining quality, which was not the scenario before October 2019.

As stated before, the above statements are based on the analysis of the information provided by a large number of workers (more than 30), which were also supported by the Union Representatives.

- ▶ **Findings from the Union Representatives discussions:** Union Representatives also shared that working on 5 machines was the standard practice before October 2019 and the workers were pressed by the management to work on 10 machines since October 2019, which 250 workers (150 permanent and 100 probationary) refused to accept. They shared that this matter was reported in their allegation letter to the labour department and this letter was provided to the Investigation team by the brands also before the investigation.
- ▶ **Legal References:** Legal Reference is not applicable for this allegation as there is no legal provision in terms of number of knitting machines per worker.
- ▶ **Conclusion:** From the absence of any written down policy / procedure / norms/circulars / notices/communications at the factory level on the number of machines a knitting worker needed to work till 2019, absence of mention of the same in the appointment / contract letters of the workers before 2020, denial of the management to provide year wise details of total number of machines & workers since 2011 even after asking for the same by the investigation team, from the absence of any discussion / resolution in the works committee meetings on this matter, and from the sharing of a large number of workers offsite, it is concluded that working on 5 machines was actually an unwritten norm since the beginning of the factory and the workers were actually pressed to work on 10 machines since 14 October 2019 without any written notice / circular, without any discussions or

⁵ “Works Committee” is a legal requirement as per the Industrial Disputes Act 1947, for any industrial establishment that has 100 or more workers and this committee is expected to be involved in the resolution process for any industrial “dispute” occurring within the establishment.

engagement either with the workers or the works committee members, without any extra compensation / incentive / payment, and the old workers of the knitting department who have left the factory now denied to work on 10 machines & to join their duties in the factory.

Recommendations:

Formulation of a clear policy on number of machines per operator and written communication to the workers: It is recommended to develop a clear, written down policy on the decision making about the number of machines on which the operators need to work, based on the type of the product, type of the machine programming, production plan and the capacity of the workers. The written & approved “norms” in terms of number of knitting machines to be operated by a worker needs to be part of the approved / signed company policies and procedures and any change made in the written norms needs to be approved by the responsible authorities and the changing norm and the changed decision need to be communicated to the workers and if there are any reactions / responses of the workers on the same, the same need to be handled by the factory management. Such matters must be discussed in the relevant committee meetings, particularly the Works Committee and be recorded accordingly.

Workers should never be “pressed” to operate on extra knitting machines without transparent and participatory discussions with them and the effects of increasing the number of machines on the health, safety and working hours of the workers plus on the product quality need to be taken into consideration while making such decisions.

The same needs to be clearly explained to the workers at the time of the joining and during the induction. Whenever there is any change in the number of machines, the same also needs to be communicated in written and explained to the workers with the reasons of such changes. Any concerns raised by the workers need to be discussed and sorted out.

4.2. WAGES AND BENEFITS

Allegation: There has been no wage increase for the last three years.

- ▶ **Findings from the Management Discussions:** During the investigation, Management verbally shared that there was no annual increment (in addition to the regular wage that was always more than the state government notified minimum wages) during the years 2017-18 to 2019-20. However, later they have shared that the increase was up to July 2018 and after that the additional annual increment was stopped. They also shared that annual wage increase was a practice in the factory since beginning (2011) which was stopped later. However, they shared as they have always been paying more than the state government prescribed minimum wages, thus it was not legally mandatory to provide any additional increment, so they stopped the practice. Management kept on saying that they were not supposed to pay increment if the wages of workers are higher than the minimum wage but they accepted that they were adopting the practice of increment under the same condition from 2011 till it was stopped.
- ▶ **Findings from the document review:** As per the factory wage documents it was confirmed that the factory has been paying wages which were / are higher than the legally prescribed state government minimum wages. The Factory Remuneration Policy also says, “The Company had made a policy of paying more than the prevailing minimum wages to the employees appointed in any of its units”. Plus, the workers were also getting increments every year since 2011 until it was stopped in since 2017/2018. Workers offsite also shown pay slips showing annual increments till 2017. However, the actual timing was not very clear from the wage records.

Though the factory has an increment clause (11.a.) in standing order which says “increments are not automatic and it shall be earned by workman based on skills, attendance & conduct” but neither management carried out any performance appraisal nor gave any valid & written reasons for not providing the increment to any worker that was previously a standard practice. No circular/communications/notices were found on suddenly stopping the practice of annual increment and no meeting minutes were found in the works committee register on the same.

- ▶ **Findings from the worker discussions:** As per the worker’s versions, the annual increment stopped since the year 2017. In this case also, there was no worker engagement and proper communication. The increment was a standard annual practice by the factory and workers became used to it whereas it was abruptly stopped since 2017 (as per workers version)/2018 (as per management’s latest version). The works committee meeting minutes did not show any discussions on this. The reasons for the stoppage were also not clearly communicated to the workers.

From 2017 workers started approaching the supervisors and HR staffs several times with their request for increment but the management kept pushing the request for increment made by workers verbally. The workers were verbally given assurances that the increment would happen in a few months as the company is in losses but it actually did not happen since 2017⁶. Workers reported that their complaints regarding this issue were not recorded anywhere by the management, including the grievance/complaint register and the record also says the same was never discussed in the works committee meetings. **Both onsite and offsite workers confirmed this matter.** Onsite workers also added that if the annual increment was provided to the workers who started protest, they probably would not do that.

- ▶ **Legal Reference:** There is no legal reference related to “annual increment” over and above the minimum wage. Payment of Minimum Wage is mandatory as per the following acts / legal provisions:
 1. The Minimum Wages Act 1948: Section 12: [Minimum Wages Act, 1948 \(clc.gov.in\)](http://clc.gov.in)
 2. Now it is part of the Code of Wages 2019 (section 5) also (which has been passed but yet to be implemented): [THE CODE ON WAGES, 2019 No. 29 of 2019.pdf \(labour.gov.in\)](http://labour.gov.in)
 3. Minimum Wage Notifications of Karnataka State Government for the years 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21

Conclusions: Though the exact year/month from when the additional annual increment was stopped could not be clearly established because of different versions of the management and the workers and lack of adequate documentary evidences, there is no legal violation for stopping the additional annual increment. Law requires payment of “Minimum Wage” only as per latest state government official notification and the factory has always paid more than legal minimum wage as workers regular wage. Legally workers are not entitled to get any additional increment.

However, at the same time, the additional annual increment remained a standard practice of the factory since 2011 to 2017/18. Stoppage after July 2018 was accepted by the Management also. As the factory practiced annual increment (over and above their regular wage) since beginning so workers were all habituated in the same, which was suddenly and abruptly stopped. Lack of proper communication with workers regarding the actual reasons, clarifying that they were already

⁶ The document provided through VFC shows that 3 workers who were terminated after the October 2019 incidence were rehired on 11, 12 & 18 February 2020 respectively with increased wage rates of Rs. 462 per day. However, these were not pay slips rather a statement of their before termination and rehired wages. It also provided another comparative statement of wages of 7 workers from the Knitting department (4 knitting officers and 3 knitting operators) that shows increase in wages till March 2018 but these are also not pay slips and from these statements it cannot be concluded whether the additional annual increment was provided after 2017 or not.

providing more than legal minimum wages (thus additional increment was not mandatory) and not discussing the issue in the works committee led to the problem here.

Recommendations:

Strengthening communications and engagement between Management and Workers:

Management must encourage and ensure a strong communication and engagement process with the workers and the committee members on all critical decisions that can affect the lives of the workers. No decision should be taken abruptly, particularly related to practices that are being followed for years. Workers need to be clearly communicated the actual reasons for such changes in the decisions. Decision changes on any critical matter must also be discussed and documented at the committee level.

Lack of adequate and transparent communications and engagement between Management and Workers was found as a root cause of the problems which were under investigation. A strong communication mechanism and culture need to be built within the factory for ongoing, transparent and clear communications between the two regarding all critical decisions that can affect the working arrangements, atmosphere and the lives of the workers. In addition to direct communications between the management and the workers, the committees formed in the factory can also play an important role in bridging the communication gap. The communication can be strengthened through the inductions and ongoing trainings, floor meetings & announcements, committee meetings & communicating through the worker representatives of various committees, written notices / documents / materials etc. Consultation and communication with members of different committees and with the workers before taking any critical decision is strongly advised and proof / evidence of all such communications and engagement also need to be maintained. Overall, the worker engagement channels, platform and mechanisms remained very weak and thus the same needs to be strengthened in future with pro-active efforts from the Management side.

4.3. HOURS OF WORK

Allegation: Workers were asked to work on all Sundays.

- ▶ **Findings from Management Discussions:** Management confirmed that Sunday was always the “weekly off” day since the beginning of the factory (till the recent changes). They denied the allegations that workers were ever asked “to work on all Sundays” but they admitted that they wanted to start a staggered holiday system as per the legal provisions under the Factories Act where different workers would get weekly offs on different days and not necessarily on Sundays only. The reason of taking the decision of converting Sunday holiday to staggered holiday system was to keep the knitting machines running 7 days a week to enhance the production, which was later actually not implemented.
- ▶ **Findings from the Record Review:** The Policy document of the factory does not specifically mention “Sunday” will be the “Weekly Off” Day. It says “workers shall be allowed at least one day off per week”. However, till October 8th, 2019, Sunday was the weekly off day as per the factory practice which was confirmed from the records. Only 5 staff of security had staggered holiday system. There were no instances of working on “all Sundays” for the remaining workers, which was observed in the factory records.
- ▶ **Findings from the Worker Discussions:** Both Onsite and Offsite Workers confirmed that Sunday was the “Weekly off Day” as a standard practice of the factory till September 2019. However, in October 2019, Management informed the knitting operators from the knitting department through a circular on notice board that from 14th October 2019 (post Dussehra holidays) they would be working with a staggered holiday system following the Factories Act, 1948, thus different workers

would get weekly offs on different days of the week. Thus while all workers would get a full day off during the week, but not necessarily that would be on Sunday.

While the above was as per the policy of the factory and also legally allowed, workers have previously worked with this system only for a few months during high production period but not on a continuous basis. Workers were okay with that arrangement for a few months but not as a constant practice. Workers wanted “Sunday” to remain a holiday as they wanted to spend time with their families on that day. Workers admitted that they did not work on “all Sundays” in 2017, 2018 or 2019 and confirmed that there were no instances of working on “all Sundays”.

However, regarding the decision of introducing “staggered holiday system”, Management provided the information suddenly and there was no worker engagement or consent in this decision making. Even the works committee had no information on the same and the matter was not discussed in the works committee. Workers were provided with the shift chart which was posted in the knitting department to inform them about their weekly holiday.

► **Legal References:** Staggered Weekly Off is permitted as per law:

1. **The Factories Act 1948: Section 52: Weekly Holidays:** [Factories Act 1948.pdf \(labour.gov.in\)](#)

Conclusion: It is true that the factory wanted to start a staggered holiday system on a continuous basis and as a standard practice, because of which some workers had to work on “all Sundays” and get the “Weekly Offs” on any other day. Workers were actually directed / asked to follow the “staggered holiday system” after the Dussehra Holidays in October 2019. The decision was taken to keep some of the knitting machines running on Sundays. However, the decision was taken suddenly and abruptly here also and thus did not involve proper worker engagement, consultations, communications or discussions, including in the works committee that led to the resentment and rejection by the workers.

In actual, the system of staggered holidays on a regular basis was not introduced after October 2019 and the old system of providing weekly offs on Sundays continued. Recently (around 3 months back), the factory has introduced 2 days weekly offs (each Saturday and Sunday) and made 5 days a week working, with 9.5 hours as working hours per day, including half an hour break in between, which is legally approved and as per factory working hour policy.

Recommendations:

Management must encourage and ensure a strong communication and engagement process with the workers and the committee members on all critical decisions that can affect the lives of the workers. No decision should be taken abruptly, particularly related to practices that are being followed for years. Workers need to be clearly communicated the actual reasons for such changes in the decisions. Decision changes on any critical matter must also be discussed and documented at the committee level.

4.4. EXCESSIVE WORKING HOURS

Allegation: Excessive working hours: overtime reached 150 – 200 hours extra in a month. Wages did not increase accordingly.

- ▶ **Findings from the Management Discussions:** Management denied the allegation and confirmed that this never happened in the factory. They stressed that there was no illegal overtime ever practiced in the factory.
- ▶ **Findings from the Record Review:** From the documents; overtime records, muster roll & pay slips, it is seen that the workers never worked overtime for 150 – 200 hours in a month. The knitting operators on an average worked overtime of 2 – 4 hours a week, whereas legally 12 hours overtime per week is allowed. The workers were only asked to do overtime sometimes and not often or regularly. Thus there was no legal violation of overtime hours as per the records.
- ▶ **Findings from the Worker Discussions:** Both Onsite and Offsite Workers confirmed that they never worked 150-200 hours extra and shared that this allegation is not true at all.

However, the workers who were terminated or resigned after October 2019, shared that from time to time (generally during peak production periods) workers were asked to punch out and they were brought back to the knitting floor to mend the clothes that had defects, for 2 hours on an average and for 2-3 times in a week and used to happen from time to time. **This used to happen till September 2019** when there were three shifts and the mending was also a part of operator's job. The additional hours worked were neither recorded and no overtime payment was paid for these mending and correction jobs, citing the reasons that the faults were due to the workers negligence and thus they were responsible for rectifying / correcting the same during the extra hours without any extra payment. This was a new allegation reported to the investigation team by a large number of workers, which was not there in the list of allegations, though "unpaid overtime" was included in the letter of the Union submitted to the labour department. **However, as mentioned above, this practice used to happen, according to the workers, till September 2019.**

This practice was both against the law (Factories Act, Karnataka State Factories Rules and the Payment of Wages Act) and also against the company's own working hour and remuneration policies that say: "workers shall be compensated for overtime according to law: any overtime work shall be authorized by the concerned manager and will be paid double wages. Whenever overtime has to be carried out, it will be with the consent of the employees only and will not be forced to do overtime. Employees have got the right to refuse overtime which is totally up to his discretion".

Apart from denial of the legal overtime wages, such unrecorded and unaccounted overtime had also a risk for the health and safety of the workers, the concern which was shared by the workers also. If any accident would happen during this period with the workers, there were no records to show that the same happened at their workplace as they were officially punched out and they could not avail ESI or any other government / factory medical benefits or compensation because of the same.

The above allegation was shared only by the offsite workers and not by any of the onsite workers.

▶ **Legal References:**

1. The Factories Act 1948: Section 51 and 59: [Factories Act 1948.pdf \(labour.gov.in\)](#)
2. Karnataka Factory Rules 1969: Chapter 6, Section 109: [Karnataka Factories Rules, 1969.pdf \(complianceuncovered.com\)](#)
3. Minimum Wages Act 1948: Section 14: [Minimum Wages Act, 1948 \(clc.gov.in\)](#)

- ▶ **Conclusion:** The allegation of monthly overtime reaching 150-200 hours was found not true: the same is confirmed from all sources of information. Thus this was never practiced in the factory. However, from the uniform versions of large number of workers (more than 30) during offsite discussions, the occasional practice of unrecorded/unaccounted and unpaid overtime for a few hours for mending the defects is concluded as true by the investigation team.

Recommendations:

All overtime work must be recorded and paid as per the legal provisions.

4.5. GRIEVANCE REDRESSAL

Allegation: There is no grievance redressal committee

- ▶ **Findings from the Management Discussions:** The factory has 4 committees: Internal Complaints Committee (ICC), Health and Safety Committee, Works Committee and Canteen Committee⁷: these are in place to work on different types of grievances related to each of these 4 broad issues: ICC is responsible for workplace sexual harassment related grievances, and the Health and Safety Committee and the Canteen Committees are responsible for the grievances related to their respective areas, whereas the Works Committee is supposed to deal with all other types of grievances which are not covered by the other three committees. The Factory till 2018 called the works committee as “work/grievance committee” (which was not legally correct, as the Industrial Dispute Act 1947 prescribes separate committees), and their grievance redressal policy also uses the same words (Works / Grievance Committee), post 2018 as per their lawyer’s suggestion the name changed back to “works committee” (though it has not yet been changed in the policy document). The management denied of receiving any complaint from the workers in last 2 years.
- ▶ **Findings from the Record Review:** The policy document number 13A in the policy book of the factory states that the factory shall have a Grievance committee as per The Industrial Disputes Act, 1947 but in actual they never had a “Grievance Committee”.

While the factory maintains a “complaints register”, there were no registered Grievances in the complaints register related to the factory working conditions, facilities, increments, behavioral aspects etc. The Grievances that were entered were around registering Aadhar card in the bank, ESI documentation, registering for PF, and informing the bank of their employment. It does not include any complaint related to the seven allegations for which this investigation was conducted.

All the complaints registered in the Grievance register are entered by the HR and solution is also entered by the HR along with the signature of closing the complaint by the HR. Signature of the respective workers registering the complaint is not taken at the time of the closure.

- ▶ **Findings from the discussion with the works committee members:** The members of the works committee during 2018 and 2019 were from only one department: linking and no one was from the knitting department⁸. These workers admitted to the investigation team that they do not interact with the knitting department or any other department as they are not allowed on other floors. They

⁷ All of these 4 committees are legal requirements for any industrial establishment. While ICC is mandatory as per the “Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013” (known as the POSH act), Works Committee is a requirement under the “Industrial Dispute Act, 1947” and the “Health and Safety Committee” and the “Canteen Committee” are the requirements under the “Karnataka Factories Rules 1969”

⁸ As per the Industrial Dispute Central Rules 1957, Part VII, “the number of members constituting the Committee shall be fixed so as to afford representation to the various categories, groups and classes of workmen engaged in, and to the sections, shops or departments of the establishment”: thus electing all members from a single section is against this provision.

admitted that while they heard about the 2019 incidences, they are not much aware about the specific allegations which were all related to the “knitting department”, with which they do not have any direct contacts / relationship. The committee is not functional as per their expected roles and responsibilities and there is no worker interaction or engagement by the committee members. The committee met every 3 months along with other committee members. The factory has 1 common meeting in every three months for all committees together. The works committee denied of receiving any complaint related to the seven allegations under investigation in last 2 years.

- ▶ **Findings from the Workers Discussions:** Both onsite and offsite workers were found aware of the existence of the committees from the posters placed in the canteen. But the functions, mechanisms, procedures of the works committee are not known to the workers. Onsite workers shared that they shared the issues related to basic facilities and health and safety related matters either with their supervisors / floor managers or directly with the HR (if not addressed at the floor level) but never raised the issues of wages or benefits related matters. They were of the opinion that majority of the facility / health & safety related issues were solved at the floor level itself and by their supervisors or floor managers but for other issues, workers used to approach the HR. Overall, the use of the committees by the workers remains limited, as per the onsite workers.
- ▶ The offsite workers uniformly shared that they did not find these committees helpful or useful and the committees are for “formalities” only, members are chosen by the management, and have no power or rights and thus the general workforce do not feel that going to them for any grievance redressal would be of any use.

While the workers had serious and repeated or continuous grievances such as stoppage of annual increment without any clear communication, non-recording and non-payment of extra overtime hours for mending works till September 2019, and rampant and regular verbal abuse and harassment on the floor, and workers verbally shared / raised these complaints / issues with the Managers, HR and others in the Management, these were neither entered in the Grievance Register / Committee Meeting Agenda/Minutes, nor were addressed. Overall, there is a common feedback from the workers that there is no “operational or effective” Grievance Redressal Mechanism within the factory.

This practice was / is against the factory’s own Grievance Redressal Procedure that says “Company will accept and thoroughly investigate all grievance complaints: ensure that the grievances are resolved within 7 days depending on the severity of each case”.

- ▶ **Legal Reference:** The Industrial Dispute Act 1947 (Section 9C) and the Industrial Dispute Amendment Act 2010 (notified on 15th September 2010) prescribe that “Every industrial establishment employing twenty or more workmen shall have one or more Grievance Redressal Committee for the resolution of disputes arising out of individual grievances”. This is in addition to the provisions of the ‘Works Committee’ as mandated in the Section 3 of the act. However, in the amendment act, there is also an exception that says: “Nothing contained in this section shall apply to the workmen for whom there is an established Grievance Redressal Mechanism in the establishment concerned”. However, this exception is currently not applicable for the factory as they do not have a “functional and effective” alternative Grievance Redressal Mechanism in place, as described in the sections above. For further details of these legal provisions please refer to the annexure.
- ▶ **Conclusion:** The factory does not have any “Grievance Redressal Committee” and thus the allegation made was found true. Overall, an effective and functional Grievance Redressal Mechanism is missing in the factory. All of the worker representatives in the works committee are from only one department and thus do not represent other departments, including Knitting that has a large number of workers and the worker members do not have the capacity or have not been given the authority to

effectively perform their expected roles and responsibilities. They do not have any communication or engagement with the general workforce and the General workers also do not have faith / confidence on the works committee members.

Recommendations:

Strengthening overall Grievance Redressal Mechanism: Having a strong, effective and operational “Grievance Redressal Mechanism” in place is recommended, which remained missing within the factory for years. All complaints and grievances raised by the workers, including issues related to harassment, abuse and other behavioural matters must be entered in the Grievance / Complaint register and must be solved / redressed in a time bound and effective manner. While the Grievance Redressal Policy is available, proper implementation of the same and monitoring of the level of implementation is required. A clear procedure, describing the channels, process and turnaround time, for systematic and time bound redressal of the worker grievances is, therefore, suggested. All workers need to be thoroughly oriented on the same and the policies and procedures need to be made accessible and available for the workers.

Strengthening Works Committee and formation of a separate Grievance Redressal Committee:

To further strengthen the worker-management communication/engagement and the grievance redressal mechanism, the capacity of the works committee need to be enhanced. Members of the Works Committee must be “elected” through a democratic election process in each section / floor/department and representation of workers from all sections / departments of the factory in the committee need to be ensured. It shall be the duty of the Works Committee “to promote measures for securing and preserving amity and good relations between the employer and workmen and, to that end, to comment upon matters of their common interest or concern and endeavour to compose any material difference of opinion in respect of such matters”, as laid down in the Section 3 of the Industrial Dispute Act 1947. Focused Capacity Building inputs to the members of the works committee would be required for the same.

For more effective grievance redressal, it is strongly recommended to have a separate “Grievance Committee” also in place as per the legal provisions of Section 9C of the Industrial Dispute Act 1947. While the Works Committee will remain responsible for playing the overall, broader role as mentioned above and as defined in the law, the Grievance Committee will particularly and specifically look into the Grievances of the workers and resolution of disputes arising out of individual grievances.

For effective operation of the “Grievance Committee”, and improved worker awareness on the same following are recommended:

- Formation of the Committee through selection / election of the worker representatives involving larger workforce in the respective floors / departments / sections
- Thorough orientation / induction of the committee members on their roles and responsibilities and the Grievance Redressal Mechanism Policies and Procedures of the factory
- Positioning / display of the Grievance Redressal policy and the channels / mechanisms on each floor for worker awareness
- Organize ongoing training and awareness within workers on Grievance Redressal Policy, Procedure, Channels, Mechanisms and the role of the committee
- Posting the names and photos of the committee members on each floor for worker awareness
- Include all types of grievances, including related to behavioural issues, harassment and abuse in the Grievance Register
- Organizing regular meetings (as prescribed in the law) of the committee, discussing all the

grievances received from the workers and registered in the Grievance Register in such meetings and find out solutions of the same and display the copies of the meeting minutes in the floors for worker awareness in languages that the workers understand

- Meetings for each committee need to be organized separately and not together (as is the current practice) as each committee has separately objectives, roles, agenda and mandates. The practice of conducting the meetings of all committees together at a time is neither effective nor recommended to continue in future.

Complaints / Grievances related to Harassment / Abuse need to be effectively and seriously dealt with: Any type of harassment, including that of verbal and mental, is not acceptable as per international fair labour standards and buyer code of conducts and also as per the factory's own policy. Thus verbal or mental harassment cannot be ignored and allowed to be continued on floors. Any type of Harassment, Abuse and Intimidation either at the workplace and or at worker's residences should be dealt with promptly and effectively and the supportive system for the same needs to be developed within the factory.

4.6. FREEDOM OF ASSOCIATION

Allegation: Issues related to Freedom of Associations (FoA) – (issues were not specifically mentioned in the allegation)

- ▶ **Findings from the Management Discussions:** During the interactions with the Management, they initially denied of receiving any letter from the Union (CITU) regarding formation of a branch of the Union within the factory but later agreed that they received the letter but did not respond to the same as they felt that there was no need to open the branch of any union within their factory as they were already providing all legally mandated benefits (or more than that) to the workers and adhering to all legal provisions. Thus in a way they did not formally accept or approve workers joining the union and opening a branch within the factory.
- ▶ **Findings from the Record Review:** The “Freedom of Association” Policy of the Company says, “The Company shall respect the right of all personnel to form and join trade unions of their choice and to bargain collectively. The Company shall ensure that the representations of such personnel are not the subject of discrimination”. There was no documentary evidence of retaliation with the workers joining the union or intending to open branch of the union within the factory.
- ▶ **Findings from the Worker Discussions:** While the onsite workers shared that they were aware of the strike and refusal to work by some workers in the factory during October 2019, they were not aware about anything else or anything related to the union. It needs to be mentioned here that after the 2019 incidences, factory organized cross-trainings within different departments and shifted the workers from other departments to the knitting department. Thus majority of the currently working knitting operators were new in the knitting department and thus shared that they were not much aware about the exact incidences happened in the department one year back. As the knitting department was housed in a completely different building, they were working in different buildings and thus they don't have much information on these issues.

Offsite workers and the Union representatives reported that the operators of the Knitting department joined the Union (Bangalore North Industrial Workers Union: under CITU) as members on 15th October 2019⁹, when they were asked to work on 10 machines without any

⁹ As per the events timeline shared by VFC plus discussions with the Union Leader

extra wages/incentive, staggered weekly offs, and factory did not respond to their long pending issue of no increment in the wages for 3 years. On 19.10.2019, the Union Leadership informed the Management about formation of a Unit Branch of the Union within the factory and the list of the workers who became members of the Union.

► **Legal References:**

1. The Trade Union Act 1926: [India. Trade Unions Act, 1926 \(ilo.org\)](http://ilo.org)
2. The Industrial Dispute Act 1947: [THE INDUSTRIAL DISPUTES ACT 1947 0.pdf \(labour.gov.in\)](http://labour.gov.in)

► **Conclusion:** While there was no direct documentary evidence of any “retaliation” with workers joining the union or intending to open branch within the factory, sudden and abrupt termination of a whole lot of 100 workers under probation, who also became members in the Union, on 22nd October 2019, only a few days after they joined the union and refused to work on 10 machines, raises question. While the Standing Order of the Factory (10 B: Termination of Employment) says “The Service of Probationary, Temporary, Casual Workman / Employee may be terminated at any time during or on the expiry of such probationary or temporary period without assigning any reason”, sudden termination of 100 probationary workers without any prior communication / information, and within 7 days of their refusal of working on 10 machines & joining union is something that is not understood and the factory management was also not able to explain the reason of such mass termination on a single day.

The above actions point out towards “possible” retaliation on behalf of the management but cannot be confirmed. 2 workers who joined the union were suspended on the basis of a complaint from workers in the factory that they were threatened by these workers to not to go to work. It was also observed during the discussion with 3 workers working in the factory that they were made to sign on a white/blank paper giving reasons of “clerical need”. The chronology of formation of union branch on October 18, 2019 and termination of 100 workers on ground of probation on October 22, 2019 and then continuous termination/resignation in the factory and the management’s own statements to the investigation team indicate that management was not in favor of formation of Union. Even though factory was aware of the Union (branch) formation within the factory neither they responded to the letter of Union nor made an effort to engage in any discussion or any collective bargaining process.

4.7. INTIMIDATION AND HARASSMENT (WITH MIGRANT WORKERS)

Allegation: In early December 2019, factory management entered some of the migrant workers' homes and removed some of the belongings (including laptops). It is not entirely clear what happened in that regard and which workers were targeted.

- **Findings from the Management Discussions:** Management flatly denied of any such harassment or intimidation. The factory also denied of providing any rented accommodation to any worker or paying rent for the same. They said that while they may help the migrant workers in finding rented rooms in local areas, do not directly pay the rent for any worker or make any rent agreement with any owner.
- **Findings from the Document Review:** No records / documents were available at the factory level related to the above said allegation. However, as per the video evidence provided by the Union, HR officer with another person related to the factory visited the rented houses of migrant workers during night time and told them to vacate the houses next day citing the reason that the “agreement” for the rented accommodation with the owner for their stay there was over. The video clearly shows

the presence of the factory management staff and asking the workers to vacate rooms. The photos shared by VFC with the investigation team also have a photo of the vandalization.

*In a letter written by the factory in relation to the incidences post workers strike in October 2019, which was shared by VFC with the investigation team, it has been clearly mentioned that “**We also have an incentive scheme which takes care of accommodation for migrant workers**”: however, it is not clear to whom this letter was written as only the last page of the letter was shared.*

The factory has a policy on Anti-Harassment that says “Commitment to maintain a workplace that’s free of harassment so that its employees can feel safe and happy”. In the Works Committee meeting minutes, no issues were reported or registered in this regard.

- **Findings from the Workers Discussion:** Onsite workers denied having any knowledge on this matter. As stated before, to the investigation team, their responses seemed influenced by the Management.

Offsite workers shared that after the above incident (2 factory representatives asking them to vacate the rented accommodation), the migrant workers along with others went to the department of Labour for a protest before the Deputy Labour Commissioner and their houses were locked. The workers, when returned home, found their rooms were empty and their belongings were kept outside and most of the belongings were missing¹⁰. The workers then reported the incident in the nearest police station saying that these rooms were given by the factory and they might have taken their belongings. However, no FIR was registered by the police based on workers complaints at that time. On the very next day police called them and returned their belongings saying that “those were returned back by the factory”. However, some of their items were missing / stolen and no compensation was given to the workers for the items missing or stolen. Another video clip shows that the workers were describing the “items” that were missing from their belongings. The owner of the rented building also informed the investigation team over phone that he had an “agreement” with the factory and the rent for the migrant workers accommodation was actually being paid by the factory through bank transfer and not by the migrant workers themselves.

- **Legal References:** Not Applicable.
- **Conclusion:** The video where HR person and another staff asking to vacate rented rooms and confirmation by the landlord of the building that he had an agreement with the factory representatives for rooms for migrant workers and the rent was paid directly by the factory through bank transfer, and the letter written by the factory that they have incentive schemes to take care of accommodation of migrant workers prove that the statement made by the management to the investigators was not true. Also, the video and audio evidences as mentioned above and the police statements to the workers while returning back the missing belongings of the workers (that “the factory has returned back”) indicate that the allegation of the harassment and intimidation of the migrant workers, who were part of the refusal of work in 10 machines & part of the Union as members, was true.

Recommendations:

Harassment and Abuse of workers, in any form, is not acceptable as per the international standards / code of conducts. Factory should not repeat such retaliatory steps in future with any worker and this is also against their own anti-harassment policy.

¹⁰ The vandalization photos shared by VFC shows this happened on 25th December 2019

ANNEXURE: Legal References related to Works Committee and Grievance Redressal Committee

Formation of Works and Grievance Redressal Committees

1. Works Committee

Section 3 of the Industrial Disputes Act, 1947

- In the case of any industrial establishment in which one hundred or more workmen are employed or have been employed on any day in the preceding twelve months, the employer may be required to constitute, in the prescribed manner, a Works Committee.
- Works Committee consists of representatives of employers and workmen engaged in the establishment, but the number of representatives of workmen in the Committee shall not be less than the number of representatives of the employer.
- It shall be the duty of the Works Committee to promote measures for securing and preserving amity and good relations between the employer and workmen and, to that end, to comment upon matters of their common interest or concern and endeavour to compose any material difference of opinion in respect of such matters.

Industrial Dispute Central Rules 1957: Part VII

39. Number of members. - The number of members constituting the Committee shall be fixed so as to afford representation to the various categories, groups and classes of workmen engaged in, and to the sections, shops or departments of the establishment: Provided that the total number of members shall not exceed twenty: Provided further that the number of representatives of the workmen shall not be less than the number of representatives of the employer.

40. Representatives of employer. - Subject to the provisions of these rules, the representatives of the employer shall be nominated by the employer and shall, as far as possible be officials in direct touch with or associated with the working of the establishment or departments.

44. Qualifications of candidates for election. - Any workman of not less than 19 years of age and with a service of not less than one year in the establishment may, if nominated as provided in these rules, be a candidate for election as a representative of the workmen on the Committee:

45. Qualifications for voters. - All workmen who are not less than 18 years of age and who have put in not less than six months

46. Procedure for election. - (1) The employer shall fix a date as the closing date for receiving nominations from candidates for election as workmen's representatives on the committee.

(2) For holding the election, the employer shall also fix a date which shall not be earlier than three days and later than fifteen days after the closing date for receiving nominations.

(3) The dates so fixed shall be notified at least seven days in advance to the workmen and the registered trade union or unions concerned. Such notice shall be affixed on the notice board or given adequate publicity amongst the workmen. The notice shall specify the number of seats to be elected by the groups, sections, shops or departments and the number to be elected by the members of the registered trade union or unions and by the non-members.

(4) A copy of such notice shall be sent to the registered trade union or unions concerned.

47. Nomination of candidates for election. - (1) Every nomination shall be made on a nomination paper in Form "G" copies of which shall be supplied by the employer to the workmen requiring them.

(2) Each nomination paper shall be signed by the candidate to whom it relates and attested by at least two other voters belonging to the group, section, shop or department the candidate seeking election will represent, and shall be delivered to the employer.

48. Scrutiny of nomination papers. - (1) On the day following the last day fixed for filing nomination papers, the nomination papers shall be scrutinised by the employer in the presence of the candidates and the attesting persons and those which are not valid shall be rejected.

(2) For the purpose of sub-rule (1), a nomination paper shall be held to be not valid if (a) the candidate nominated is ineligible for membership under rule 44, or (b) the requirements of rule 47 have not been complied with:

Provided that where a candidate or an attesting person is unable to be present at the time of scrutiny, he may send a duly authorised nominee for the purpose.

[48A. Withdrawal of candidates validly nominated. - Any candidate whose nomination for election has been accepted may withdraw his candidature within 48 hours of the completion of scrutiny of nomination papers.]

49. Voting in election. - (1) If the number of candidates who have been validly nominated is equal to the number of seats, the candidates shall be forthwith declared duly elected.

(2) If in any constituency the number of candidates is more than the number of seats allotted to it, voting shall take place on the day fixed for election.

(3) The election shall be held in such manner as may be convenient for each electoral constituency.

(4) The voting shall be conducted by the employer, and if any of the candidates belong to a union such of them as the union may nominate shall be associated with the election.

(5) Every workman entitled to vote at an electoral constituency shall have as many votes as there are seats to be filled in the constituency:

Provided that each voter shall be entitled to cast only one vote in favour of any one candidate.

50. Arrangements for election. - The employer shall be responsible for all arrangements in connection with the election.

51. Officers of the Committee. - (1) The Committee shall have among its office-bearers a Chairman, a Vice-Chairman, a Secretary and a Joint-Secretary. The Secretary and the Joint-Secretary shall be elected every year.

[(2) The Chairman shall be nominated by the employer from amongst the employer's representatives on the Committee and he shall, as far as possible, be the head of establishment.

(2-A) The Vice-Chairman shall be elected by the members on the Committee representation the workers, from amongst themselves:

Provided that in the event of equality of votes in the election of the Vice-Chairman, the matter shall be decided by draw of a lot.]

(3) The Committee shall elect the Secretary and the Joint Secretary provided that where the Secretary is elected from amongst the representatives of the employers, the Joint Secretary shall be elected from amongst the representatives of the workmen and *vice vers* :

Provided that the post of the Secretary or the Joint Secretary, as the case may be, shall not be held by a representative of the employer or the workmen for two consecutive years:

[Provided that the representatives of the employer shall not take part in the election of the Secretary or Joint Secretary, as the case may be, from amongst the representatives of the workmen and only the representatives of the workmen shall be entitled to vote in such elections.]

[(4) In any election under sub-rule (3), in the event of equality of votes, the matter shall be decided by a draw of lot.]

52. Term of office. - [(1) The term of office of the representatives on the Committee other than a member chosen to fill a casual vacancy shall be two years.]

(2) A member chosen to fill a casual vacancy shall hold office for the unexpired term of his predecessor.

(3) A member who without obtaining leave from the Committee, fails to attend three consecutive meetings of the Committee shall forfeit his membership.

[53. Vacancies. - In the event of workmen's representative ceasing to be a member under sub-rule (3) of rule 52 or ceasing to be employed in the establishment or in the event of his ceasing to represent the trade or vocation he was representing, or resignation or death, his successor shall be elected in

accordance with the provisions of this Part from the same category, group, section, shop or department to which the member vacating the seat belonged.]

54. Power to co-opt. - The Committee shall have the right to co-opt in a consultative capacity persons employed in the establishment having particular or special knowledge of a matter under discussion. Such co-opted member shall not be entitled to vote and shall be present at meetings only for the period during which the particular question is before the Committee.

55. Meetings. - (1) The Committee may meet as often as necessary but not less often than once in three months (a quarter).

(2) The Committee shall at its first meeting regulate its own procedure.

56. Facilities for meeting, etc. - [(1)]The employer shall provide accommodation for holding meetings of the Committee. He shall also provide all necessary facilities to the Committee and to the members thereof for carrying out the work of the Committee. The Committee shall ordinarily meet during working hours of the establishment concerned on any working day and the representative of the workmen shall be deemed to be on duty while attending the meeting.

[(2) The Secretary of the Committee may, with the prior concurrence of the Chairman, put up notice regarding the work of the Committee on the notice board of the establishment.]

[56A. Annual return. - Every employer shall, on or before the 1st day of February in each year, upload unified annual return in Form G1 on the web portal of the Central Government in the Ministry of Labour and Employment giving information as to the particulars specified in respect of the preceding year: Provided that during inspection, the inspector may require the production of accounts, books, registers and other documents maintained in electronic form or otherwise.

Explanation. - For the purposes of this rule, the expression "*electronic form*" shall have the same meaning as assigned to it in clause (r) of section 2 of the Information Technology Act, 2000 (21 of 2000).]

57. Dissolution of Works Committee. - The Central Government, or where the power under section 3 has been delegated to any officer or authority under section 39, such officer or authority may, after making such inquiry as it or he may deem fit, dissolve any Works Committee at any time, by an order in writing, if he or it is satisfied that the Committee has not been constituted in accordance with these rules or that not less than two-thirds of the number of representatives of the workmen have, without any reasonable justification, failed to attend three consecutive meetings of the Committee or that the Committee has, for any other reason, ceased to function:

Provided that where a Works Committee is dissolved under this rule the employer may, and if so required by the Central Government or, as the case may be, by such officer or authority, shall take steps to re-constitute the Committee in accordance with these rules.

2. Grievance Redressal Mechanism

Section 9C of the Industrial Disputes Act, 1947 and the Amendment Act 2010:

9C. (1) Every industrial establishment employing twenty or more workmen shall have one or more Grievance Redressal Committee for the resolution of disputes arising out of individual grievances.

(2) The Grievance Redressal Committee shall consist of equal number of members from the employer and the workmen.

(3) The chairperson of the Grievance Redressal Committee shall be selected from the employer and from among the workmen alternatively on rotation basis every year.

(4) The total number of members of the Grievance Redressal Committee shall not exceed more than six: Provided that there shall be, as far as practicable, one woman member if the Grievance Redressal Committee has two members and in case the number of members are more than two, the number of women members may be increased proportionately.

(5) Notwithstanding anything contained in this section, the setting up of Grievance Redressal Committee shall not affect the right of the workman to raise industrial dispute on the same matter under the provisions of this Act.

- (6) The Grievance Redressal Committee may complete its proceedings within forty-five days on receipt of a written application by or on behalf of the aggrieved party.
- (7) The workman who is aggrieved of the decision of the Grievance Redressal Committee may prefer an appeal to the employer against the decision of Grievance Redressal Committee and the employer shall, within one month from the date of receipt of such appeal, dispose off the same and send a copy of his decision to the workman concerned.
- (8) Nothing contained in this section shall apply to the workmen for whom there is an established Grievance Redressal Mechanism in the establishment concerned.”