

# Minimum Wages (Central) Rules

## FORM IX-A

(Rule 22)

### Notice

Abstracts of the Minimum Wages Act, 1948 and the  
rules made thereunder

#### I. Whom the Act affects

1. (a) The Act applies to persons engaged in scheduled employments or in specified class of work in respect of which minimum wages have been fixed.
- (b) No employee can give up by contract or agreement his rights in so far as it purports so reduce the minimum rates of wages fixed under the Act.

#### II. Definition of wages

- (1) 'Wages' means all remuneration payable to an employed person on the fulfilment of his contract of employment and includes house rent allowance. It excludes—
  - (i) the value of any house-accommodation, supply of light, water, medical attendance or any other amenity or any service extended by general or special order of the appropriate Govt.;
  - (ii) contribution paid by the employer to any Pension Fund or Provident Fund or under any scheme of Social Insurance;
  - (iii) the travelling allowance or the value of any travelling concession;
  - (iv) the sum paid to the person employed to defray special expenses entailed by him by nature of his employment;
  - (v) gratuity payable on discharge.
- (2) The minimum rate of wages may consist of—
  - (i) a basic rate of wages and special allowance called the cost of living allowance;
  - (ii) a basic rate of wages with or without a cost of living allowance and the cash value of any concessions, like supplies of essential commodities at concession rates; and
  - (iii) an all-inclusive rate comprising basic rate, cost of living allowance and cash value of concession, if any.
- (3) The minimum wages payable to employees of scheduled employments notified under Section 5, read with Section 3 or as revised from time to time under Section 10, read with Section 3, may be—
  - (a) a minimum time rate,
  - (b) a minimum piece rate,
  - (c) a guaranteed time rate,
  - (d) an overtime rate,

differing with (1) different scheduled employments, (2) different classes or work, (3) different localities, (4) different wage-periods, and (5) different age groups.

#### III. Computation and conditions of payment

The employer shall pay to every employee engaged in scheduled employment under him wages at a rate not less than the minimum rate of wages fixed for that class of employee.

The minimum wages payable under this Act shall be paid in cash unless the Government authorises payment thereof either wholly or partly in kind.

Wage-period shall be fixed for the payment of wages at intervals not exceeding one month or such other larger period as may be prescribed.

Wage shall be paid on a working day within seven days of the end of the wage-period or within ten days if 1000 or more persons are employed.

The wages of a person discharged shall be paid not later than the second working day after his discharge.

If an employee is employed on any day for a period less than the normal working day, he shall be entitled to receive wages for a full normal working day provided his failure to work is not caused by his unwillingness to work but by the omission of the employer to provide him with work for that period.

Where an employee does two or more classes of work to each of which a different minimum rate of wages is applicable, the employer shall pay to such employee in respect of the time respectively occupied in each such class of work, wages at not less than the minimum rate in force in respect of each such class.

Where an employee is employed on piece work for which minimum time rate and not a minimum piece-rate has been fixed, the employer shall pay to such employee wages at not less than the minimum time rate.

#### **IV. Hours of work and holidays**

The number of hours which shall constitute a normal working day shall be –

- (a) in the case of an adult, 9 hours,
- (b) in the case of a child, 4 ½ hours.

The working day of an adult worker inclusive of the intervals of rest shall not exceed twelve hours on any day.

The employer shall allow a day of rest with wages to the employees every week. Ordinarily, Sunday will be the weekly day of rest, but any other day of the week may be fixed as such rest day. No employee shall be required to work on a day fixed as rest day, unless he is paid wages for that day at the overtime rate and is also allowed a substituted rest day with wages. (See Rules 23).

When a worker works in an employment for more than nine hours on any day or for more than forty-eight hours in any week, he shall in respect of overtime worked be entitled to wages in scheduled employment other than agriculture, at double the ordinary rate of wages.

#### **V. Fines and deductions**

No deduction shall be made from wages except those authorised by or under the rules.

Deductions from the wages shall be one or more of the following kinds, namely:

- (i) Fines: An employed person shall be explained personally and also in writing the act or omission in respect of which the fine is proposed to be imposed and given an opportunity to offer any explanation in the presence of another person. The amount of the said fine shall also be intimated to him. It shall be subject to such limits as may be specified in this behalf by the Central Government. It shall be utilised in accordance with the directions of the Central Government;
- (ii) deductions for absence from duty;
- (iii) deductions for damage to or loss of goods entrusted to the employee for custody, or for loss of money for which he is required to account, where such damage or loss is directly attributable to his neglect or default. The employed person shall be explained personally and also in writing the damage or loss, in respect of which the deduction is proposed to be made and given an opportunity to offer any explanation in the presence of another person. The amount of the said deduction shall also be intimated to him. It shall be subject to such limits as may be specified in this behalf by the Central Government.;
- (iv) deductions for house-accommodations supplied by the employer or by the State Government or any authority constituted by a State Government for providing housing accommodation.

- (v) deductions for such amenities and services supplied by the employer as the Central Government may by general or special order authorise. These will not include the supply of tools and protectives required for the purposes of employment;
- (vi) deductions for recovery of advances or for adjustment of overpayment of wages. Such advances shall not exceed an amount equal to wages for two calendar months of the employed person and the monthly instalment of deduction shall not exceed one-fourth of the wages earned in that month;
- (vii) deductions of income-tax payable by the employed person;
- (viii) deductions required to be made by order of court or other competent authority;
- (ix) deductions for subscription to and for repayment of advances from any provident fund;
- (x) deductions for payment to co-operative societies or deductions for recovery of loans advanced by an employer from out of a fund maintained for the purpose by the employer and approved in this behalf by the Central Government or deductions made with the written authorisation of the person employed, for payment of any premium on his like insurance policy to the Life Insurance Corporation of India established under the Life Insurance Act, 1956 (31 of 1956);
- (xi) deductions for recovery or adjustment of amount other than wages, paid to the employed person in error or in excess of what is due to him;

Provided that prior approval of the Inspector or any other officer authorised by the Central Government in this behalf is obtained in writing before making the deductions, unless the employee gives his consent in writing to such deduction;

- (xii) deductions made with the written authorisation of the employed person (which may be given once generally and not necessarily every time a deduction is made) for the purchase of securities of the Government of India or of any State Government or for being deposited in any Post Officer Savings Bank in furtherance of any Savings Scheme of any such Government.

Every employer shall send annually a return in Form III showing the deduction from wages so as to reach the Inspector not later than the 1<sup>st</sup> February following the end of the year to which it relates.

## **VI. Maintenance of registers and records**

Every employer shall maintain at the workspot a register or wages in the form prescribed specifying the following particulars for each period in respect of each employed person:

- (a) the minimum rates of wages payable,
- (b) the number of days in which overtime was worked,
- (c) the gross wages,
- (d) all deductions made from wages,
- (e) the wages actually paid and the date of payment.

Every employer shall issue wage-slips in the form prescribed containing prescribed particulars to every person employed.

Every employer shall get the signature or the thumb-impression of every person employed on the wage-book and wage-slips.

Entries in the wage-book and wage-slips shall be properly authenticated by the employer or his agent.

A muster-roll, register of fines, register of deductions for damage or loss and register or overtime shall be maintained by every employer at the workspot in the form prescribed.

Every employer shall keep exhibited at main entrance to the establishment and its office, notice in English and in a language understood by a majority of the workers of the following particulars in a clean and legible form:

- (a) minimum rate of wages,
- (b) abstracts of the Acts and the rules made thereunder,

(c) name and address of the Inspector.

Register of wages, muster-roll, register of fines, register of deductions for damage or loss and register of overtime shall be preserved for a period of three years after the date of last entry made therein.

All registers and records required to be maintained by an employer under the rules shall be produced on demand before the Inspector provided that where an establishment has been closed, the Inspector may demand the production of the registers and records in his office or such other place as may be nearer to the employers.

## **VII. Inspectors**

An Inspector can enter in any premises and can exercise powers of Inspector (including examination of document and taking of evidence) as he may deem necessary for carrying out the purposes of the Act.

## **VIII. Claims and complaints**

Where an employee is paid less than the minimum rates of wages fixed for his class of work, or less than the amount due to him under the provisions of this Act, he can make an application in the prescribed form within six months to the Authority appointed for the purpose. An application delayed beyond this period may be admitted if the authority is satisfied that the applicant had sufficient cause for not making the application within such period.

Any legal practitioner, official of a registered trade union, Inspector under the Act or other person acting with the permission of the authority can make the complaint on behalf of an employed person.

(A single application may be presented on behalf of or in respect of a group of employed persons whose wages have been delayed, if they are borne on the same establishment and their claim relates to the same wage-period or periods.)

(A complaint under Section 22(a) relating to payment of less than the minimum rates of wages or less than the amount due to an employee under the provisions of the Act can be made to the court only after an application in respect of the facts constituting the offence has been presented under Section 20 and has been granted wholly or in part, and the appropriate Government or an officer authorised by it in this behalf has sanctioned the making of the complaint:

A complaint under Section 22(b) or 22(a) regarding contravention of the provisions relating to hours of work and weekly day of rest or other miscellaneous offences relating to maintenance of registers, submission of returns etc., can be made to the court by or with the sanction of an Inspector. The time-limits for making such complaints is one month from the date of grant of sanction by the Inspector, in the case of offence falling under Section 22(b) and six months from the date on which the offence is alleged to have been committed, in the case of offences falling under Section 22(a).)

## **IX. Action by the Authority**

The Authority may direct the payment of the amount by which the minimum wages payable exceed the amount actually paid together with the payment of compensation not exceeding ten times the amount of such excess. The Authority may direct payment of compensation in cases where the excess is paid before the disposal of the application.

If a malicious or vexatious complaint is made, the Authority may impose a penalty not exceeding Rs. 50 on the application and order that it be paid to the employer.

Every direction of the authority shall be final.

## **X. Penalties for offence under the Act**

Any employer who pays to any employee less than the amount due to him under the provisions of this Act or infringes any order or rules in respect of normal working day, weekly holiday, shall be punishable with imprisonment of either description for a term which may extend to six months or with fine which may extend to five hundred rupees or with both.

Any employer who contravenes any provision of the Act or of any rule or order made thereunder shall, if no other penalty is provided for such contravention by the Act, be punishable with fine which may extend

to five hundred rupees. If the person committing any offence under the Act is a company, every person who at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly. No such person will be liable to punishment, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

Any director, manager, secretary or other officer of the company with whose consent or connivance an offence has been committed is liable to be proceeded against and punished under the Act.

**Note.**—(a) “company” means any body corporate and includes a firm or other association of individuals,  
(b) “director” in relation to a firm means a partner in the firm.

#### **XI. Minimum rates of wages fixed**

Name of Undertaking\_\_\_\_\_

<b>Sl. No.</b>	<b>Category of employee</b>	<b>Minimum Wages</b>

#### **XII. Name and addresses of Inspector(s)**

<b>Name</b>	<b>Address</b>