

MBA –CSMM  
FOURTH SEM

SUB-BUSINESS LAW (401)

THE MINIMUM WAGES ACT 1948

## History of Minimum Wages Act,1948

- The initiative shri K.G.R Choudhary in 1920 set up a board for determination.
- In 1930 a payment of wages bill was came in force but it not clearly defined.
- A minimum wages bill was introduced in the Central Legislative assembly on 11/4/1946 and came into force with effect from 15/03/1948.

# THE MINIMUM WAGES

The Minimum Wages act 1948 was to secure the welfare of unorganised workers in certain industries by fixing the minimum wages rates. So they can maintain their lively hood and family.

The act empowers the Appropriate govt. for fixation minimum wages in employment enumerated in the schedule to the act. The fixation of minimum wages related to the industries where sweated labour is most prevalent or there is chance of exploitation.

# **Objectives of the Act**

to provide minimum wages to the worker working in organized sector.

To stop exploitation of the workers.

To empower the govt. to take steps for fixing minimum wages and to revising it in a timely manner.

To apply this law on most of the sections in organised sector.  
(scheduled employment)

## **Section-1 short title and extant**

This act the minimum wages act 1948 extends to the whole of India

This act may be called the minimum wages act 1948.

## **Section-2 Interpretation/defininations**

a-adult/adolescent and child

b- appropriate govt.

e- employer

h-wages

i-employee

## **section-3 Fixing of minimum wages rates**

The minimum rates of wages will be reviewed/ revised for every 5 years by the appropriate govt. different minimum wages rates may be fixed for different classes of workers/different employment.

## **Section-4 Minimum rates of wages**

1-basic +special allowance (which varies with the cost of living index)

- **Section-5 Procedure for fixation and revision of minimum wages rates.**
- Publish its proposals in the official gazette asking comments from the affected parties.
- Constitute committees /sub committees for the purpose.
- The committees /sub committees and advisory board constituted by the govt. consist of equal number of members of-
- employer, employee and in depend persons.
- **Section-6** Excluded by amendment.

- **Section -7 Advisory board**

Appointed by app. Govt.

To co-ordinate the work of committees and sub committees appointed under sec-5.

**Section-8 Central Advisory board**

To advice the central and state govt. in fixation and revision of minimum wages rates.

To co-orrinate the work of advisory committee.

- **Section-9 Composition of committees,etc.**
- Each of the committee, sub-committee and the advisory board shall consist of-
- Person to be nominated by App. govt.
- Representing the employers and employees in the scheduled employments who shall be equal in number.
- Independent persons not exceeding  $\frac{1}{3}$  of the its total numbers, one of the independent persons shall be appointed the chairman by the App.govt.



- **Section-10 Correction of errors ( by App.govt by notification in official gazette)**
- **Section 11 Payment of minimum wages**
- Minimum wages shall be paid in cash.
- The app. Govt. may authorized, where there has been a custom of payment in this manner, payment of minimum wages either wholly or partly in kind.
- The App.govt. may authorize supply of essential commodities at concessional rates.

## **Section -12 Payment of minimum rates of wages**

The minimum wages has to be paid without any deductions other than statutory deductions.

Payment of wages less than minimum wages on the ground of less performance or output is illegal.

## **Section-13 Fixing hours of works**

Numbers of working hours s/d not exceed 48 hrs in a week with a weekly holiday

The daily hrs s/d not exceed more than 9hrs with 1 hrs rest interval.

Provision for compensatory holiday/overtime wages if working on holiday.

- **Section-14 Overtime wages**
- If the person has worked from more than 48hrs in a week than, the excess hrs worked will be treated as overtime.
- Overtime wages rates will be twice of the normal wages rates.
  
- **Section-15 Wages for a person who has worked less than normal working hrs.**
- Employer could not provide the activities of the job then, the employee is entitled to receive full salary.
- Employee has not worked due to his unwillingness than, the employee is not entitled to receive full salary.

- **Section-16 Wages for two or more classes of work.**
- **Section-17 Maintenance of registers and records.**
- **Section-18 Records to be maintained**
- The registers s/d contain following
- particulars of employed persons.
- The work performed by them,
- The wages paid to them, the receipts given by them.
- **Section-19 Inspectors**

- **Section -20 Claims**
- A labour commissioner or any other appointed authority is authorised to hear claims regarding non payment of minimum wages.
- A aggrieved person may apply to the authority for setting his claims with in 6 months.
- **Section -21 Single application in respect of a umber of employees.**

- **Section-22 Penalties**
- Payment of less than minimum wages to employee, then
- Imprisonment upto 6 months or fine upto 500-/ or both.
  
- **Section-23 Exemption of employer from liability in certain cases.**
  
- **Section-24 Bar of suits.**

- **Section-25 Contracting out**

- Any contract or agreement, whether made before or after the commencement of this act, where by an employee either relinquishes or reduces his right to a minimum rate of wages or any privilege or concession accruing to him under this act shall be null and void so far as it reduce the minimum wages rates fixed under this act.

- **Section -26 Exemption in certain conditions.**
- **Section-27 Power of state govt. to add schedule.**
- **Section-28 Power of central govt. to give directions.**
- **Section-29 Power to central govt. to make rules.**
- **Section-30 Power to App. govt to make rules.**