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CODE ON WAGES - UNVEILED

Wages, Remuneration and bonus

With Draft Code on Wages (Central) Rules, 2020



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INTRODUCTION

That in the Republic of India there are over 150 labour law legislations since both Centre and State have the power to create laws regulating labour in the country. However, after conducting detailed scrutiny of these laws, the Second National Commission on Labour, 2002 tabled a report that the existing labour laws are very complex and inconsistent in the present times.

Therefore, the legislature has come up with idea of unified legislation for wages wherein two major points are deliberated as under:

- i. Rationalization, simplification & consolidation of the existing laws relating to labour in the organised sector; and**
- ii. Umbrella legislation for ensuring minimum level of protection to the workers in the unorganised sector.**

The Commission also discussed that the wide set of labour laws should be grouped into four to five categories i.e. wages, industrial relations, social security, safety, welfare and working conditions. Years after such recommendations, the Union Budget 2019 finally announced the decision of the Modi 2.0 Government to make four uniform labour codes in order to streamline the existing labour legislations. One such Code is Code on Wages, 2019.

Assent

The Lok Sabha approved the Bill on 30th July, 2019 followed by the approval in Rajya Sabha on 2nd August, 2019.

The 1st uniform Code out of the targeted four Codes, i.e. the Code on Wages, 2019 ("Code") received the Presidential assent on **8th August, 2019**.



Effect

The Code on Wages seeks to subsume and repeal the following:

- i. **Payment of Wages Act, 1936;**
- ii. **Minimum Wages Act, 1948;**
- iii. **Payment of Bonus Act, 1965;**
- iv. **Equal Remuneration Act, 1976**

Impact

- a. **Minimum & Timely Wages** - By enactment of such Code, the legislature intends to not only fix the minimum wages but also ensure timely payment of wages. Workers in the sectors like agriculture, dhabas, etc. were earlier not covered under the ambit of labour laws; however, by implementation of this Code, such workers will also be now covered under the Code.
- b. **Universal Definition of "Wages"** - Further, the Code on Wages shall stipulate a universal definition of 'Wages' unlike the earlier situation wherein multiple legislations had a different definition of wages under the respective legislation.
- c. **Gender Neutral Wages** - Most importantly, the Code does not discriminate between men, women and transgender in getting wages as under Section 3(1) of the Code.

Therefore, this Code has aimed to bring a revolutionary change in the labour laws of the country. It was claimed to increase the coverage of the previous codes, which seemed to only encompass 30% of the working population.

SCOPE & KEY FEATURES

A. SCOPE

The Code on Wages, 2019 will be applicable on the people working in the organised and unorganised sectors.

It comprises of 9 extensive chapters focussing on wages, bonus, constitution of advisory boards, appointment of an Inspector cum Facilitator, offences and penalties and other miscellaneous provisions.



B. KEY FEATURES

The Code has given a clear meaning to the various terminologies as defined therein and a few important definitions are also discussed as under:

a. Wages

The Code has given a clear meaning to the various terminologies as defined therein and a few important definitions are also discussed as under:

it Includes	it does not Include
<ul style="list-style-type: none"> i. Basic Pay; ii. Dearness allowance; and iii. Retaining allowance; 	<ul style="list-style-type: none"> i. Bonus payable under any law; ii. Cost for House Accommodation; iii. Contribution towards Pension or Provident Fund; iv. House rent allowance; v. Overtime allowance; vi. Commission payable; vii. Gratuity; viii. Retrenchment compensation; ix. Conveyance allowance; x. Sum paid under award of tribunal or order of the Court etc.

Percentile Default Inclusion

If the exclusions exceed one-half percent of total amount of wages, such exceeding amount shall be covered under the term '**wages**'. The Central Government shall set minimum wages for employments like mines, railways, ports and others while the State Government for all other employments.



b. Employee and Worker

The Code has differentiated between the 'Employee' under Section 2(k) and 'Worker' under Section 2(z).

• Establishment

Employee includes any person employed on wages by an establishment for any skilled, semi-skilled, unskilled, manual, operational, supervisory, managerial, administrative, technical or clerical work for hire or reward or anyone expressly declared as an employee by the appropriate Government.

• Industry

Worker includes any person employed in any industry for any manual, skilled, unskilled, technical, operational, clerical or supervisory work for hire or reward and includes working journalists, sale promotion employees. However, it does not include persons governed under the Air Force or Army or Navy Act, Police officers, anyone employed in managerial or administrative capacity or anyone employed in supervisory capacity drawing wages exceeding Rs. 15,000 per month or any amount notified by the Government.

c. Payment and Fixation of Wages

The appropriate Government shall fix a minimum rate of wages;

- For time work; or
- For piece work; and
- can be in accordance with hour, day or month as prescribed

i. Bedrock of Minimum Wages

The appropriate Government shall take into account the following points for fixing the minimum wages as under Section 6(6) of the Code:

- Skill of the workers required as per category of unskilled, skilled and highly skilled or geographical area or both;
- Arduousness of work like temperature or humidity, hazardous occupations or processes or underground work;
- Norms as may be prescribed for such fixation.

ii. Revision

As per Section 8(4) of the Code, the minimum wages shall be revised or reviewed by the Government at an interval not exceeding 5 years.

iii. Floor Wage

The Central Government under Section 9 of the Code is empowered to fix a floor wage taking into account the minimum living standards of such workers.

Therefore, there may be different wages fixed for different geographical areas. Provided, the minimum rate of wages fixed by the appropriate government shall not be less than the Floor Wage fixed earlier.



The concept of floor wage was brought into place *“to ensure equilibrium in the living standard of workers across the country”*.

As a result of this change, the minimum wage is now not decided by the employment but by important factors like geographical location of the employee and skills of the worker.

iv. Situational Wages

The legislature has been considerate of all the situations pertaining to payment of wages like:

- Wages of employee who works for less than a normal working day under Section 10;
- Wages for two or more classes of work under Section 11;
- Wages for overtime work shall not be less than twice the normal rate of wages as under Section 14.

d. Deductions

The Deductions allowed from wages are listed under Section 18 of the Code. The permissible deductions as under sub-clause (2) are:

- a. Fines imposed;
- b. For absence from duty;
- c. For damages or loss directly attributable to the fault or neglect;
- d. For house accommodations supplied by the employer;
- e. For amenities and services supplied by the employer;
- f. For recovery of:
 - advances and the interest due in respect thereof;
 - loans made from any fund constituted for the welfare of labour.

- g. For house-building;
- h. For income-tax or any other statutory levy levied by the Government;
- i. For subscription to, and for repayment of advances from any social security fund or scheme constituted by law;
- j. For payment of co-operative society;
- k. For payment of the fees and contribution payable, with the written authorisation of the employee, for the membership of any Trade Union registered under the Trade Unions Act, 1926;
- l. For recovery of losses sustained by the railway administration on account of acceptance by the employee of counterfeit or base coins or mutilated or forged currency notes;
- m. For recovery of losses sustained by the railway administration on account of the failure of the employee to invoice, to bill, to collect or to account for the appropriate charges due to the railway administration;
- n. For contribution to the Prime Minister's National Relief Fund or to such other fund as the Central Government may, by notification, specify, with the written authorisation of the employee.

As per sub-section (4) of Section 18 where the total deductions authorised under sub-section (2) exceed fifty per cent of the wages, the excess may be recovered in such manner, as may be prescribed.

That further as per sub-section (1) of Section 18, any payment made by an employee to the employer or his agent shall be deemed to be a deduction from his wages.

e. Bonus

Every employee drawing wages not exceeding such amount per mensem, as determined by notification, by the appropriate Government is entitled to annual minimum bonus. Further, employee has to put at least thirty days work in an accounting year to become eligible for bonus.

An annual bonus shall be calculated at the rate of 8.33% of the total wages earned by the employee or Rs. 100, whichever is higher.

Provided, that the wages of the employee does not exceed the amount per month as determined vide Notification by the appropriate Government and the working days of the employee shall not be less than 30 in an accounting year.

f. Compliances Impact

Previously, entire compliances were to be carried out in terms of Minimum Wages Act, 1948, Payment of Wages Act, 1936, The Payment of Bonus Act, The Equal Remuneration Act, 1976. However, the uniformed code has also reduced the compliances as below:

a. Register

Previously, 10 Registers were to be maintained under different enactments. Now, there will be only 2 Registers which is to be maintained.

b. Return

Under the Code of Wages, Only 1 return has to be filed. Whereas, it was previously 1 each under every enactment.



AUTHORITIES UNDER THE CODE

The Ministry of Labour and Employment vide Notification No S.O. 4604(E) dated 18.12.2020 has enforced certain provisions of the Code on Wages, 2019 and therein empowered the Central Government under sub-section (1) of Section (3) of Code of Wages, 2019.

Enforced Provisions

The provisions of Code, which are in effect from **18.12.2020** are as follows:

- Sub-sections (1), (2), (3), (10) and (11) of Section 42 of the Code;
- Clauses (s) and (t) of sub-section (2) of Section 67 of the Code;
- Section 69 of the Code;

A. SECTION 42: ADVISORY BOARD

a. Central Advisory Board

By the Notification dated 18.12.2020, the Central Government shall constitute a Central Advisory Board nominating the following persons:

- i. Representatives of the employers;
- ii. Representatives of the employees which shall be equal in number as that of the representatives of the employers;
- iii. Independent persons, not exceeding one-third of the total members of the Board;
- iv. Five representatives of the State Government as appointed by the Central Government.

One-third of such members shall be women and one independent member shall be appointed by the Central Government as the Chairperson of the Board.

Working of the Board

"This Advisory Board shall advise the Central Government on fixing or revision of minimum wages, or other connected matters or provide increasing employment opportunities for women, etc. The Central Government can direct the State Government issues that they deem fit."

To decide the minimum wage rates in advance, Section 42 of the Code is notified which will help in deciding the minimum wages for different geographical areas which will be a yard stick for the Central Government to decide the wages accordingly and will ensure the smooth functioning of the Code.

b. State Advisory Board

This Board shall be constituted to advise the State Government on same or similar issues as the Central Advisory Board. It has same constitution as that of the Central Board. The State Government shall issue directions after taking into consideration the advice of the State Board. The term of such Boards shall be as prescribed.



B. OTHER PROVISIONS OF THE CODE NOTIFIED VIDE NOTIFICATION DATED 18.12.2020

a. Section 67

Other provisions notified vide Notification dated 18.12.2020 are clauses (s) and (t) of sub-section 2 of Section 67 of the Code which empowers the Central Government to frame Rules in regards to the regulations of the procedures by Central Advisory Board and the term of the office of member of the Central and State Advisory Board.

However, the above-mentioned provisions of Section 67 of the Code shall be effective with effect from 18.12.2020 **only to the extent that they relate to the Central Advisory Board.**

b. Section 69

Section 69 of the Code states that the Payment of Wages Act, 1936; the Minimum Wages Act, 1948; the Payment of Bonus Act, 1965; and the Equal Remuneration Act, 1976 are being repealed.

C. SECTION 51: INSPECTOR-CUM-FACILITATOR

The appropriate Government may appoint Inspector-cum-Facilitator who may exercise powers as conferred on them under sub-clause (4), (5) and (6).

The jurisdiction of such Inspector shall be across State or across a geographical location or even specifically on one or more establishments.

The Inspector is deemed to be a public servant as under the meaning of Section 21 of the Indian Penal Code, 1860.

"The Inspector may:

- i. Advice employer and workers pertaining to compliance of the Code;*
- ii. Inspect establishments."*

The Inspector may further:

- i.** Examine any person, who is reasonably believed to be a worker, found in the premise of the establishment;
- ii.** Obtain information;
- iii.** Search, seize or take copies of register, record of wages or notices or portions;
- iv.** Communicate to the government the defects of law;
- v.** Other powers.

The Inspection shall be done based on an inspection scheme, which will include a web-based inspection schedule as decided by the Central or State Governments.

The said Section 51 is yet not notified however, the same has been discussed as one of the Authorities under the Code.



PUNISHMENT

Section 54 of the Code is applicable where an employer pays to the employee an amount less than the amount due as per the provisions of this Code, then such employer shall be punishable with **fine which may extend to Rs. 50,000.**

If the employer is a **subsequent offender** under the provisions of the Code, then the employer shall be **imprisoned for a term, which may extend to three months or with fine extending to one lakh rupees or both.**

In addition to the above mentioned provisions, if the employer contravenes any other provision of the Code, he shall be punishable with fine, which **may extend up to Rs. 20,000.** If the employer is found subsequently guilty of the similar offence then he shall be punishable with **imprisonment for a term which may extend to one month or fine extending to Rs. 40,000 or both.**

Provided that the employer as per **sub-section (3) of Section 54** of the Code shall be given an opportunity of being heard before any action is taken by the Inspector-cum-facilitator.



ANALYSIS OF THE CODE

The Consolidation of Labour Laws was one of the most awaited reforms in order to develop a better ecosystem for ease of doing business in India, as none of the stake holder can be left unaddressed. The **Code is one such significant move** to simplify and enact a consolidated legislation to address the issues of wages, remuneration and bonus at large.

ADVANTAGES OF CONSOLIDATION

(I) encourage the employers to comply with the labour laws in an efficient manner;

(II) help the employers in avoiding the multiplicity of litigations;

(III) enable the workers and employees in knowing their rights better, thereby promoting a healthy and safe working environment.

However, the anomaly still exists in the present Code as well, for example, bonus is payable to the employees only on the basis of salary and not on the basis of their performance.

Therefore, interpretations like these need more clarity, which shall be awaited. No matter how much this unification helps, a consistent development will be required to make this huge change turn out to be a positive one.

HOW A UNIFORM LABOUR CODE IS HELPFUL?

The Labour & Employment Sector, for a long time has been looking forward to a better distribution and review mechanism for minimum wages. Therefore, the introduction of the **4 uniform Labour Codes** by the government is a step towards addressing labour welfare and their rights, which will in turn improve implementation of Labour Laws at the ground level.

Further, the Uniform Code will help in reducing multiplicity of litigations before different authorities as the Code gives clarity to the concepts that were earlier inconsistent because of varied definitions of a single term. Moreover, the term **'Wages'** that accounts for the maximum number of litigations under the Labour Dispute; has now been defined in the Code.

The Code also enhances the liabilities on the employers by making it graver and more stringent as already discussed above under the head **"Punishment"**. Further, the Code also discusses penalty for a subsequent offender.

Thereafter, unlike the Minimum Wages Act, 1948; the Code does not have a 'Scheduled List' that sets minimum wages for different employments.

Furthermore, the addition of new employment to the scheduled list was a lengthy process because the same was to be issued by a Notification in the Official Gazette after the deliberation of the Central and the State Government.

However, under the Code the State Government has been empowered to fix and revise the minimum wages for any employment after taking into consideration the suggestions of the Advisory Board.

Clause II of the Code of Ethics, appended to Part III of the Rules, lays down the general principles to be followed by OTT platforms, the criteria for classification of content as well as displaying such classification, directions for parental controls, as well as the measures to be taken by OTT platforms to facilitate access to content for persons with disabilities.

Moreover, the term Inspectors has been replaced by the term Inspector-cum-facilitator under the code in order to ensure better compliance, as the role also includes -

1. Carry out examination of the persons found in the establishment;
2. Conduct inspection of the premises;
3. Advise the employers and workers regarding compliance of the Code;
4. Gather information from any person as required provided, it is in the power of such Inspector-cum-facilitator;
5. Search, seize or take copies of such register, record of wages or notices or portions of such records, which is considered relevant to prove such offence provided, the Inspector-cum-facilitator has sufficient reason to believe that an employer has committed such an offence.



DRAFT CODE ON WAGES (CENTRAL) RULES, 2020

The Draft Code on Wages (Central) Rules, 2020 ("**Rules, 2020**") were published on 7th July, 2020 vide Notification No. G.S.R. 432(E). These Rules, 2020 are in consolidation of the following rules:

1. Payment of Wages (Procedure) Rules, 1937;
2. Payment of Wages (Nomination) Rules, 2009;
3. Minimum Wages (Central) Rules, 1950;
4. Minimum Wages (Central Advisory Board) Rules, 2011;
5. Maintenance of Registers under-
 - a. Equal Remuneration Act, 1976;
 - b. Minimum Wages Act, 1948;
 - c. Payment of Wages Act, 1936;
6. Payment of Bonus Rules, 1975;
7. Central Advisory Committee on Equal Remuneration Rules, 1991; and
8. Equal Remuneration Rules, 1976

The Rules, 2020 consist of IX Chapters, 58 Rules, 6 Forms and 5 Schedules and consists of various provisions regarding extra pay for night shifts, regarding cap on working hours etc.

The Rules, 2020 also provide the composition and the regulation of the Central Advisory Board as called for by the Code. Further, it provides a mechanism to keep vigilance on wages through provision of electronic or physical slip provided to the workers, who work for a longer wage period i.e. the workers who obtain monthly payments.

The Rules, 2020 further categorizes employment as under-

Areas	Occupation
1. Metropolitan;	1. Skilled;
2. Non- Metropolitan;	2. Unskilled;
3. Rural	3. Semi-skilled
	4. Highly Skilled



SALIENT PROVISIONS

A. CALCULATION OF MINIMUM WAGES

The following factors shall be considered for calculation of Minimum rate of wages for each day:

1. A standard working-class family, which includes spouse and 2 children except the earning spouse i.e. a total of 3 consumption unit;
2. Net intake of 2700 calories per day for each consumption unit;
3. Usage of 66 meters of cloth per year of a standard working-class family;
4. Housing rent expenditure, which includes 10% of food and clothing expenditure;
5. Fuel, electricity, and other miscellaneous expenditures which shall be 20% of Minimum Wage; and

Expenditure for children education, medical necessities, contingencies and recreation expenses, which shall be 25% of Minimum Wage.

- 6.

FORMULA

(I) For an Hour =

$$\frac{\text{Minimum Wages fixed for a day}}{8 \text{ (eight)}}$$

(II) For a Month =

$$\text{Minimum Wages Fixed for a day} \times 26 \text{ (twenty six)}$$

Note - In the above calculation of such division or multiplication, the factors of one half or more than one half shall be rounded off into next figure and factor of less than one half shall be ignored.

B. DEARNESS ALLOWANCE

Dearness allowance is calculated considering the cost of living allowance of a worker and the cash value of the concession provided to such worker in respect of essential commodities twice a year i.e. **once before 01 April and then before 01 October each year** to revise the dearness allowance payable to the employees on the minimum wage. The Dearness allowance is paid to the worker in addition to its basic wage.

C. TIMELY PAYMENT

In cases, where employees are employed through a contractor, then it is mandatory for such establishment or the company or firm or any other person who may be called the proprietor of the establishment, to make payment to such contractor, who in turn will be paying the employees before the date of the payment of wages, so as to ensure a positive payment of wages.

However, the employers who employ workers or employees directly are not exempted under this Code. Therefore, the timely payment of wages is mandatory for those employers as well who employ their workers or employees directly.

D. DAILY WORKING HOURS

The daily working hours in view of Section 13(1)(a) of the Code shall comprise of **minimum eight hours** and **maximum twelve hours** each day, with one or more intervals in between for the purposes of rest, provided the total of such Intervals shall not exceed one hour.

However, with regard to agricultural employees, the Rules, 2020 are open to modifications from time to time and are not applicable to the employees or workers falling within the ambit of the Factories Act, 1948.

E. WEEKLY REST PERIOD AND ASSOCIATED WAGES

Every employee is entitled to **weekly rest** on Sunday. However, the employer may fix any other day as the rest day, provided every employee working under the same employer for six days a week shall be entitled to a rest day each week.

Further, the employees shall be informed at all times regarding the day fixed as the rest day and any subsequent change in the rest day before such change is effected through a notice displayed at the place of employment specified by Inspector-cum-facilitator.

Further, an employee is not required to work on a rest day, unless he had or will have a subsequent rest day **immediately before or after five days of such entitled rest day**. Moreover, any such rest day on which an employee has worked shall become part of the week in which such substituted rest day occurred; for the purpose of calculating weekly hours of work.

Provided, neither employer nor employee shall be allowed to substitute a rest day in a manner, which will result in employee, working continuously for a period of more than 10 days.

Calculation

The employee shall be paid wages for the rest day as per the wages calculated for the next preceding day. In case the employee has worked on the rest day and has substituted another day as the rest day, then such employee shall be paid wages for the rest day on which the employee has worked as per overtime rate and wages for substituted rest day as per rate applicable at next preceding day.

However, wages for the rest day shall not be paid if:

1. Minimum rate of wages has been calculated by dividing Minimum Monthly rate of Wages by 26 (twenty six) i.e. **Minimum monthly rate of Wages / 26 (twenty six)**;
2. Actual daily rate of wages has been calculated by multiplying Monthly Rate of Wages by 26 (twenty six) i.e. **Monthly rate of Wages x 26 (twenty six)** provided, such actual daily rate of wages shall not be less than the notified Minimum Daily rate of Wages earned by the employee.

If there is any dispute regarding the same then it shall be dealt with by making an application to the Chief Labour Commissioner (Central) or the Deputy Labour Commissioner (Central) who shall adjudicate upon the dispute provided an opportunity of hearing is given to both the parties.

F. NIGHT SHIFT WAGES

In accordance of Rule 8, a night shift is where work extends beyond midnight. Herein, the employee is entitled to 24 hours of rest day beginning from the time when such midnight shift ends. Further, the hours worked after midnight shall be counted as a part of the previous day of work; for the purpose of calculation of 24 hours of rest day to be provided after night shift.

G. FLOOR WAGES

The responsibility of the Central Government to fix a floor wage is already discussed above under the head "Scope and Key Features of Code on Wages, 2019". Provided, in lieu of Rules, 2020 the floor prices shall be revised once within a period not exceeding five years.

H. DEDUCTION

A deduction in wages is **not permissible beyond 50% of the total wages**; in case deduction of more than 50% is due, the same shall be carried forward in the next term.

Provided, before making any deduction, the employer shall provide the reason for such deductions to the employee personally or in writing. Further, the employee shall be given an opportunity to provide explanation against such damages or loss, in lieu of which such deduction is made. The employer shall intimate the employee of such deduction within a period of 15 days from the date when such deduction was made.

Moreover, any such deduction made must also be intimated to the Inspector-cum-facilitator and the Inspector-cum-facilitator may take actions if he has reason to believe that the explanation provided by employer is in contravention of any provision of the Code.

I. RECOVERY OF ADVANCES AND LOANS

The employer in following ways can recover advance:

1. Deductions from the wage of the employee;
2. Payment in form of instalments.

Provided that the instalment should not exceed fifty per cent of the total wage. **The employer must maintain a register regarding the same.**

With respect to loans granted to an employee for building house or for any such purpose as approved by the Central Government; the interest shall accrue subjected to circulars issued by the Central Government.

J. FINES

The Deputy Chief Labour Commissioner of a jurisdiction shall approve or reject the imposition of fine on a written request of the employer specifying the detailed particulars for such imposition on an employee. It is mandated that before approval or rejection of such imposition of fine, an opportunity of hearing is granted to the concerned employer and employee in the interest of justice.

K. BONUS

The procedure on payment of bonuses is already discussed above under the head "**Scope and Key Features of Code on Wages, 2019**". However, the responsibility of payment of minimum bonus has been enshrined herein, where the minimum bonus is to be paid by the contractor under whose employment the employee is working and in case when the contractor fails to pay such bonus, the same shall be paid by the trade unions that employee is a part of.



L. PAYMENT OF DUES, CLAIMS, ETC.

In case of death of an employee or when the whereabouts of such employee are unknown, the amount of dues cannot be paid to the nominee of the employee until three months from expiry of the date from which the amount has become payable. After expiry of the said period, the employer shall deposit such amount with the Deputy Chief Labour Commissioner who will then disburse the amount to the nominee of the employee.

In case when nominee of such employee is not known or for any other reason, the amount cannot be paid to the nominee of such employee until the expiry of 6 months from the date when such amount became payable. Then in such case the amount shall be deposited with the Deputy Chief Labour Commissioner

Notwithstanding, the above provisions, the Deputy Chief Labour Commissioner of the corresponding jurisdiction has the authority to decide to make such payment to the nominee or such person who has claimed such amount provided an opportunity of hearing is given to the concerned parties.

However, if no claim is made within a period of 7 years, then the money shall be dealt with in a manner as decided by the Central Government from time to time.



AMLEGALS REMARKS

The new consolidated Code on Wages will not only reduce the compliance costs for the employer but also ensure betterment of the workers by timely payment of the minimum wages. It shall also reduce the labour disputes and further protect the interest of all the concerned persons at the grass root level.

Impact of such significant changes can only be ascertained upon the implementation of the Code. Effects of such enactment will be noticed on the industrial working, economic growth, efficiency of the workers, etc. and then, it shall prove to be a positive step towards unification.

However, with regard to the draft Rules, as rolled out, it is clear that the particularities associated with female or transgender employees have not been addressed. The definition of labour has been simplified to broaden the view of the beneficiaries of the Code. At the same time, it is unclear whether this would address the previous issue of Indian Legislation addressing only 30% of unorganised workers.

However, with the detailed provisions on floor wage, bonuses, and timely payment of wages; it is clear that even minimum wage workers such as servers at dhabas, agriculture workers, chowkidaars etc. shall fall within and be benefited by the provisions of the Code.

This reform is a much-needed change in the modern economy and with three more Codes in line for industrial relations, social security and occupational safety, health and working conditions, the labour regulations will take a phenomenal turn.

The inclusions and exclusions under wages and permissible deductions have been finally addressed and included in the Code itself in lieu of various precedents of the Constitutional Courts. This also settles the dust finally as to what shall be included and excluded from the components of the wages.



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