Finin2min
Labour Publication Series
Labour & Manpower Law Publication Series

Chapter VII - Inspector-cum-Facilitator

Code on Wages, 2019 | Detailed statutory, Rule, compliance, remedy and evidence guide.

Review date: 2026-07-18Authors: CA Nikhil Gupta & Kajri SinghSections: 51-51Central Rules mapped: 1Local source-hashed Act text + linked Rules and implementation analysis
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Current-law alert — 16 July 2026: A Gazette corrigendum to the Code on Wages (Central) Rules, 2026 has been identified. The corrigendum must be read with the 29 May 2026 Rules before deployment or advisory use.
On this page

> Code on Wages, 2019 Inspector-cum-Facilitator four-step compliance flowchart
> Finin2min decision flow — identify the law, complete the statutory process and preserve evidence.

Publication-source status: Every mapped section of the parent Code is embedded locally from the retained official India Code PDF and carries the source SHA-256. Linked 2026 Central Rules, forms, notifications and operational analysis remain subject to the official Gazette and subsequent amendments.

Chapter decision flow

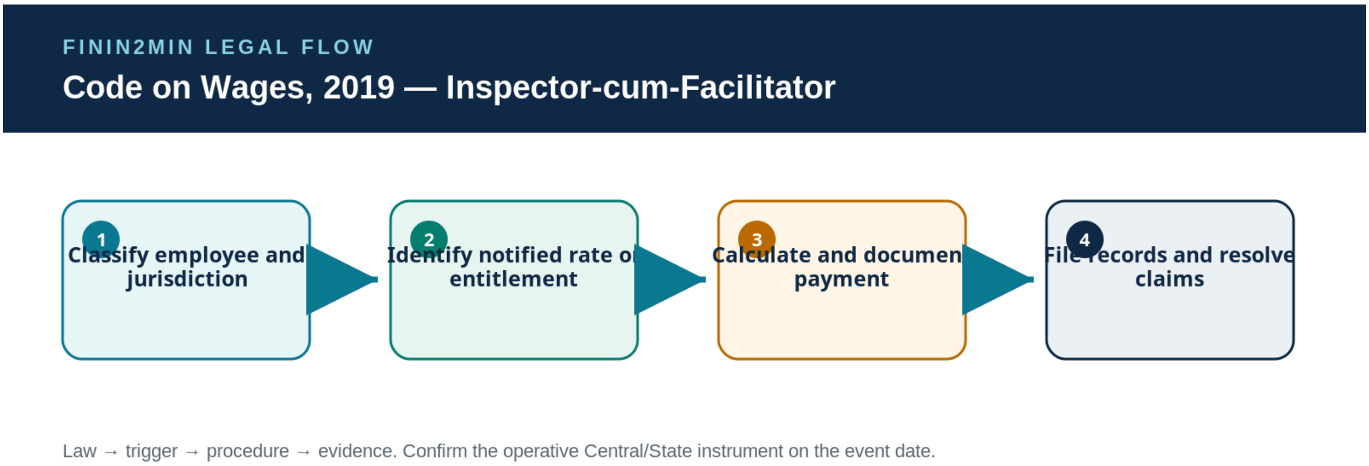
Classify establishment & person→Fix event date→Apply section and Rule→Complete form/record→Retain evidence & remedy file

Finin2min Summary - Chapter in 2 Minutes

This chapter turns inspector-cum-facilitator into an operational control file. It covers Appointment of Inspector-cum-Facilitators and their powers; the practical sequence is to classify coverage and event date, apply the provision and mapped

FININ2MIN CHAPTER DECISION FLOWCHART

Chapter VII - Inspector-cum-Facilitator



Use this flow with the chapter provision map, implementation controls, evidence checklist, limitation/forum review and remedy framework. Confirm the operative Central and State instruments on the event date.

Chapter VII - Inspector-cum-Facilitator

Finin2min implementation explanation

Maintain a controlled implementation file for Chapter VII - Inspector-cum-Facilitator: coverage and event date, operative Central/State instrument, responsible owner, approval and authority, form/portal step, due date, calculation basis, supporting evidence, exception, escalation and closure proof. Reconcile payroll, HR, finance, contractor and legal records before sign-off.

Practical example

Classify the worker and establishment, identify the operative provision and notified instrument on the event date, compute the entitlement or exposure from source records, obtain approval, complete the filing/payment/action, and retain evidence. Do not use a portal value or payroll label as a substitute for the statutory test.

Calculation / control template

Control calculation: verified population or transaction base × applicable notified rate/amount × eligible period, adjusted for statutory inclusions, exclusions, ceilings, interest, compensation and prior payments. Reperform the calculation from retained source data.

Current-law control: verify the operative Central/State instrument, notification, form, portal and binding judgment on the event date. Numerical amounts in examples are illustrative unless expressly sourced.

Rule, complete the form/register, calculate the entitlement or exposure, and retain evidence for inspection, claim or appeal.

Who is covered

Employers, employees, workers, contractors and payroll teams must first identify the appropriate Government, employment category and event date.

Main obligations and rights

- Section 51: Appointment of Inspector-cum-Facilitators and their powers

Key thresholds and timelines

- Use only the threshold, rate and limitation period effective on the event date; verify the Central/State instrument before acting.

Forms, registers and evidence

- Applicable form/register, calculation file, approval and acknowledgement evidence
- Retain classification, calculation, approval, communication, acknowledgement and payment/filing proof.

Employer risk snapshot

Highest practical risks: wrong wage base, late payment, unauthorised deduction or incomplete payroll evidence.

Employee/worker remedy snapshot

Core protection: timely and lawful wage payment, a transparent wage slip and a claims route for short-payment or unlawful deduction. Confirm the authority, limitation and appeal route stated in this chapter.

Old law / transition

Map the event date and savings position against: Payment of Wages Act, 1936; Minimum Wages Act, 1948; Payment of Bonus Act, 1965; Equal Remuneration Act, 1976.

Five-point professional checklist

1. Freeze the event date, establishment, location and person/worker classification.

2. Identify the controlling section/paragraph, mapped Rule, notification and appropriate Government.
3. Reperform the calculation or decision test and document every exception or approval.
4. Complete the prescribed form/register/portal step and retain acknowledgement, payment and communication evidence.
5. Record the remedy, forum, limitation, appeal path and State variation before sign-off.

Finin2min takeaway: for inspector-cum-facilitator, the defensible answer is not a policy label - it is the event-date law, the mapped procedure, the calculation and a complete evidence trail.

Download one-page Finin2min cheat sheet

Section-by-section provision map

Provision	Subject	Implementation focus
Section 51	Appointment of Inspector-cum-Facilitators and their powers	Trigger, linked Rule/form, evidence, consequence and remedy

Section 51: Appointment of Inspector-cum-Facilitators and their powers

Current statutory text

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51.  Appointment  of  Inspector-cum-Facilitators and  their  powers.—(1) 
Government may, by notification, appoint Inspector-cum-Facilitators for th
shall exercise the powers conferred on them under sub-section (4) througho
geographical  limits assigned  in  relation to one or more establishments 
geographical limits or in one or more establishments, irrespective of geog
by the appropriate Government, as the case may be.

    (2) The appropriate Government may, by notification, lay down an inspe
provide for generation of a web-based inspection and calling of informatio
under this Code electronically.

    (3) Without prejudice to the provisions of sub-section (2), the approp
notification, confer such jurisdiction of randomised selection of inspecti
to the Inspector-cum-Facilitator as may be specified in such notification.

    (4) Every Inspector-cum-Facilitator appointed under sub-section (1) sh
servant within the meaning of section 21 of the Indian Penal Code (45 of 1

    (5) The Inspector-cum-Facilitator may—
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(a) advice to employers and workers relating to compliance with th
of 1860);

(b) inspect the establishments as assigned to him by the appropria

subject to the instructions or guidelines issued by the appropriate Govern

(6) Subject to the provisions of sub-section (4), the Inspector-cum-Fa

(a) examine any person who is found in any premises of the establi
cum-Facilitator has reasonable cause to believe, is a worker of the es

(b) require any person to give any information, which is in his po
names and addresses of the persons;

(c) search, seize or take copies of such register, record of wage
the Inspector-cum-Facilitator may consider relevant in respect of an o
which the Inspector-cum-Facilitator has reason to believe has been comm

(d) bring to the notice of the appropriate Government defects or a
for the time being in force; and

(e) exercise such other powers as may be prescribed.

(7) Any person required to produce any document or to give any informa
cum-Facilitator under sub-section (5) shall be deemed to be legally bound
section 175 and section 176 of the Indian Penal Code.

(8) The provisions of the Code of Criminal Procedure, 1973 (2 of 1974)
to the search or seizure under sub-section (5) as they apply to the search
authority of a warrant issued under section 94 of the said Code.

CHAPTER VIII

OFFENCES AND PENALTIES

Finin2min clause-by-clause decode

1. Identify the person or establishment to whom section 51 applies.
2. Convert every condition in “Appointment of Inspector-cum-Facilitators and their powers” into a dated checklist.
3. Map the applicable authority, State/Central jurisdiction and documentary evidence.
4. Test exceptions, provisos, deeming language and consequences separately.

Applicable Central Rules immediately below the provision

Central Rule 2: Rule 2: Definitions

Extracted from the English part of the Gazette PDF bundled with the production repository. Formatting is normalised; the signed Gazette PDF prevails. 2. Definitions.- (1) In these rules, unless the context otherwise requires. — (a) “appeal” means an appeal under sub-section (1) of section 49; (b) “appellate authority” means the appellate authority appointed by the Central Government under sub-section (1) of section 49; (c) “appendix” means Appendix annexed to these rules; (d) “authority” means the authority appointed by the Central Government under sub-section (1) of section 45; (e) “Board” means the Central Advisory Board constituted by the Central Government under sub- section (1) of section 42; (f) “Chairperson” means the Chairperson of the Board; (g) “Code” means the Code on Wages, 2019 (29 of 2019); (h) “Committee” means a committee appointed by the Central Government under clause (a) of sub- section (1) of section 8; (i) “day” means a period of twenty-four hours beginning at mid-night; (j) “electronically” means any information submitted by email or maintained or displayed on the designated portal or mobile application or website or digital payment in any mode for the purposes of the Code; (k) “form” means the forms appended to these rules; (l) “geographical area” means the areas notified by the Central Government from time to time. (m) “highly skilled occupation” means an occupation which calls in its performance a specific level of perfection and required competence acquired through intensive technical or professional training or practical occupational experience for a considerable period and also requires of an employee to assume full responsibility for judgment or decision involved in the execution of such occupation; (n) “Inspector-cum-Facilitator” means a person appointed by the Central Government, under sub- section (1) of section 51; (o) “member” means a member of the Board; (p) “normal rate of wage” means wage as defined under clause (y) of section 2; (q) “registered trade union” means a trade union registered under the Industrial Relations Code, 2020 (35 of 2020); (r) “section” means a section of the Code; (s) “semi-skilled occupation” means an occupation which in its performance requires the application of skill gained by the experience on job which is capable of being applied under the supervision or guidance of a skilled employee and includes supervision over the unskilled occupation; (t) “skilled occupation” means an occupation which involves skill and competence in its performance through experience on the job or through training as an apprentice in a technical or vocational institute and the performance of which calls for initiating and judgment; (u) “unskilled occupation” means an occupation which in its performance requires the application of simply the operating experience and involves no further skills. (2) Words and expressions used in these rules but not defined herein, shall have the meanings respectively assigned to them under the Code. CHAPTER II M INIMUM WAGES Open official Gazette PDF ↗ Paragraph map (a) (b) (c) (d) (e) (f) (g) (h) (i) (j) (k) (l) (m) (n) (o) (p)

(q) (r) (s) (t) (u) (2) Implementation control Translate Rule 2 into a named owner, payroll/HR system control, prescribed form or register, due date, reviewer and retained evidence. Where the rule delegates criteria to a special or general order, verify that order rather than inventing a threshold. Evidence checklist current Gazette and later amendment check applicable employee/establishment classification calculation, register, form or notice required by the rule approval and submission/payment evidence exception and remediation log Failure consequence Failure can support a wage/bonus claim, an inspection observation, adjudication or prosecution depending on the linked Code provision. Apply sections 45, 49 and 51–56 as relevant. Primary sources Ministry of Labour — Code on Wages (Central) Rules, 2026 ↗ India Code — Code on Wages, 2019 ↗ Ministry Labour Codes library ↗ Last official-source review: 16 July 2026. ← Previous Next → Reliance note: Read the current Gazette/India Code text, the applicable Central or State rules and later notifications before acting. This repository is educational and does not replace matter-specific legal advice.

Practical example

A multi-location employer prepares a legal classification memo, identifies the appropriate Government, maps the operative provision and Rule, records the decision owner and retains the documents needed to prove compliance during inspection or litigation.

Controls and evidence

- Employer: assign owner, configure system and retain approval/payment proof.
- Employee/worker: retain contract, attendance, wage/benefit proof and communication.
- Professional: reconcile the Act, Rule, notification, form, limitation and State overlay.

Consequence, remedy and limitation

Identify the substantive default first, then separately map arrears or benefit, interest/damages, administrative penalty, prosecution, compounding, company/officer liability, forum, appeal and limitation. Do not infer a remedy from the heading alone.

Mapped Rules: Rule 2 | Official source: section 51.

Rules, forms, registers, portals and due dates

Rule	Subject	Text/control status
2	Rule 2: Definitions	Exact Gazette extract embedded

Forms and registers must be confirmed from the appended 2026 Central Rules and the live portal applicable to the appropriate Government. A form is not treated as current merely because an earlier law used the same number.

Notifications and effective-date history

Control	Required action
Enactment	Record Act number, assent and Gazette publication.
Commencement	Use the provision-specific commencement notification; the four Codes became broadly operative from 21 November 2025 subject to earlier partial commencement and corrigenda.
Central Rules	Read the applicable 2026 Central Rules from their Gazette date and verify subsequent amendments.
State instrument	Check final State Rules, authority notifications, forms and rates where the State is appropriate Government.

Old-law/new-Code concordance

Predecessor law	Transition control
Payment of Wages Act, 1936	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.
Minimum Wages Act, 1948	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.
Payment of Bonus Act, 1965	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.
Equal Remuneration Act, 1976	Classify the event date, accrued right, saved Rule/notification and pending proceeding before moving to the Code.

Practical calculations and control file

Calculation sequence

1. Freeze the employee/worker population and event date.
2. Apply the statutory wage/benefit base and notified threshold.
3. Reconcile attendance, service, payroll and contractor records.
4. Calculate principal amount, interest/damages and any statutory compensation separately.
5. Obtain legal/payroll approval and retain the versioned worksheet.

Three-owner sign-off

- **Employer/HR:** facts, classification, communication and workflow.
- **Employee/worker:** notice, records, nomination/claim and acknowledgement.
- **Professional:** source, formula, forum, limitation and evidence reconciliation.

Binding and highly relevant case-law principles

Older cases are included for principles only. Their continued application must be tested against the current Code wording, repeal-and-savings clause and later judgments.

Decision	Principle and present-use caution
People's Union for Democratic Rights v. Union of India	Non-payment of the applicable minimum wage may engage constitutional and statutory consequences; use the principle only after aligning it with the universal Code coverage and current notification.
Airfreight Ltd. v. State of Karnataka	Minimum-wage components and neutralisation must be read from the governing notification and statutory scheme, not from payroll labels alone.
Manganese Ore (India) Ltd. v. Chandi Lal Saha	The legal character of an allowance or benefit depends on the governing provision and facts; nomenclature is not decisive.
Workmen v. Reptakos Brett & Co.	Needs-based wage principles remain relevant to wage fixation, but the current statutory floor and notified rates control compliance.

State-law variation alerts

- Confirm whether the Central or State Government is the appropriate Government.
- Central Rules do not automatically displace valid State Rules, rates, registers, authorities or portal procedures.
- Minimum-wage rates, holidays, working-hours permissions, licences and local welfare obligations require State-specific verification.
- Record Gazette number, effective date and supersession status in the location compliance register.

Practical transaction application

Use the chapter when drafting offer letters, wage structures, contractor work orders, payroll calendars, bonus workings, separation settlements and due-diligence requests. Classify the establishment, employee, wage components and relevant event date before applying the provision and linked Rule.

Authority, consent and execution controls

HR may prepare the computation, but the employer or duly authorised signatory should approve wage-period, deduction, bonus and claim responses. Contractor clauses must identify the principal employer, payment evidence owner and escalation authority; consent cannot validate a deduction prohibited by law.

Stamp duty and registration alerts

Ordinary payroll records do not attract registration. Employment, settlement, indemnity or service instruments should nevertheless be checked under the applicable State stamp law; an unstamped or insufficiently stamped instrument may face evidentiary or enforcement objections. Portal filing or statutory notice is not a substitute for stamping where independently applicable.

Evidence and document-retention checklist

Retain the operative law/rule version, classification note, approvals, signed instruments, statutory forms, portal acknowledgements, registers, calculations, bank proof, correspondence, inspection records, service proof, decision and appeal file. Apply the longer of the statutory retention rule, litigation hold, tax/audit need and contractual requirement; restrict access to personal and sensitive data.

Performance, delivery and payment controls

Link attendance, output and variable-pay conditions to objective records. Pay wages, overtime, bonus and final dues through traceable banking channels within the applicable statutory window; reconcile payroll, bank advice, ledger, return and employee acknowledgement.

Breach, loss, mitigation and remedy framework

On detecting a breach, stop continuing exposure, preserve evidence, quantify employee and government dues, identify affected persons, make lawful corrective payment/filing, notify the authorised decision-maker, assess self-disclosure or compounding where available, and reserve contractual recovery against responsible vendors without delaying statutory remediation.

Limitation and forum controls

Route statutory wage claims and appeals to the authority/appellate authority under the Code and Rules. Preserve the event date, service date and proof of payment because limitation and condonation are fact-sensitive. Contractual forum clauses cannot oust a mandatory statutory forum.

Arbitration and mediation interface

Mediation can resolve computation or factual disputes where lawful, but cannot contract out of minimum wages, prohibited deductions, statutory bonus or penal consequences. Record any settlement precisely and complete mandatory filing/approval steps.

Company, partnership, GST and tax overlays

For a company, align board/delegation and officer-in-default controls; for an LLP or partnership, identify the designated partner/partner and authorised employer representative. Labour dues can affect transaction price, indemnities, director/partner exposure and insolvency claims. Salary/TDS, perquisite, contractor TDS, GST on outsourced services and accounting provisions must be reconciled without treating tax treatment as proof of labour-law classification.

Finin2min Q&A

Which law and version should be applied?

Use the current text of Code on Wages, 2019, the commencement notification, the applicable Central or State Rules and any later instrument effective on the event date.

How is the appropriate Government identified?

Classify ownership/control, sector, establishment and contractor relationship before selecting the Central or State authority.

Can a company policy override the statutory protection?

No. A policy may improve a benefit or control, but it cannot contract out of a mandatory statutory floor.

What evidence should be retained?

Retain the classification memo, source instrument, form/portal record, calculation, approval, employee communication, acknowledgement and payment or authority proof.

Do the Central Rules apply to every establishment?

No. They govern the Central sphere. State Rules and State notifications must be checked where the State is the appropriate Government.

How should a historical event be tested?

Apply the law and subordinate instrument effective on the event date, then use the repeal-and-savings provision for pending rights and proceedings.

What happens when portal practice conflicts with the statute?

Record the conflict, follow the higher legal instrument, seek authority clarification where necessary and preserve screenshots and correspondence.

Can criminal and monetary consequences arise together?

They may. Separate wages/benefits, interest, damages, civil penalty, prosecution, compounding and director/officer liability.

Is a contractor arrangement enough to shift liability?

No. Principal-employer and contractor liabilities depend on the specific provision and facts; the contract should allocate evidence and recovery without diluting worker rights.

What is the first professional review step?

Freeze the event date and facts, identify the applicable provision, then map Rules, forms, notification status, authority, limitation and evidence.

What is the operational focus of section 51 - Appointment of Inspector-cum-Facilitators and their powers?

The section must be decomposed into actor, trigger, threshold, procedure, exception, consequence and evidence. Read the full official text and the mapped Rules before applying the Finin2min control summary.

What is review control 12 for this chapter?

Confirm source currency, State variation, internal ownership, documentary proof and the next statutory deadline before closing the compliance ticket.

What is review control 13 for this chapter?

Confirm source currency, State variation, internal ownership, documentary proof and the next statutory deadline before closing the compliance ticket.

What is review control 14 for this chapter?

Confirm source currency, State variation, internal ownership, documentary proof and the next statutory deadline before closing the compliance ticket.

What is review control 15 for this chapter?

Confirm source currency, State variation, internal ownership, documentary proof and the next statutory deadline before closing the compliance ticket.

← Previous: Claims, audit, records and appealsNext: Offences and penalties →