

Finin2min

[Labour Publication Series](#)

Labour & Manpower Law Publication Series

Chapter VIII - Offences and penalties

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

Review date: 2026-07-18 Authors: CA Nikhil Gupta & Kajri Singh Sections: 52-56 Central Rules mapped: 2 Local source-hashed Act text + linked Rules and implementation analysis

[Download chapter PDF](#) [Download 1-page summary](#)

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.

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Code on Wages, 2019 Offences and penalties 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

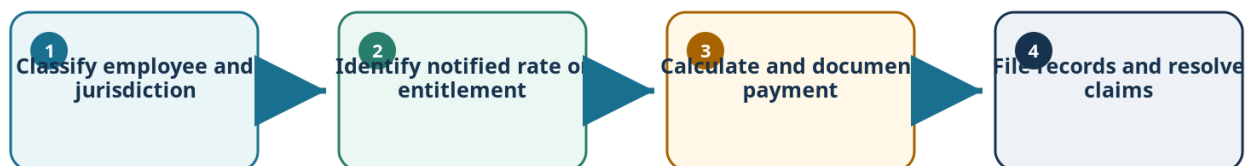
Finin2min Summary - Chapter in 2 Minutes

This chapter turns offences and penalties into an operational control file. It covers Cognizance of offences, Power of officers of appropriate Government to impose penalty in certain cases, Penalties for offences, Offences by companies; the practical sequence is to classify coverage and event date, apply the provision and

Chapter VIII - Offences and penalties

FININ2MIN LEGAL FLOW

Code on Wages, 2019 — Offences and penalties



Law → trigger → procedure → evidence. Confirm the operative Central/State instrument on the event date.

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 VIII - Offences and penalties

Finin2min implementation explanation

Maintain a controlled implementation file for Chapter VIII - Offences and penalties: 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 $\times$ applicable notified rate/amount $\times$ 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.

mapped 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 52: Cognizance of offences
- Section 53: Power of officers of appropriate Government to impose penalty in certain cases
- Section 54: Penalties for offences
- Section 55: Offences by companies
- Section 56: Composition of offences

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 offences and penalties, 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

Section 52 Cognizance of offences

Power of officers of appropriate
Section 53 Government to impose penalty in
certain cases

Section 54 Penalties for offences

Section 55 Offences by companies

Section 56 Composition of offences

Implementation focus

Trigger, linked Rule/form,
evidence, consequence and
remedy

Trigger, linked Rule/form,
evidence, consequence and
remedy

Trigger, linked Rule/form,
evidence, consequence and
remedy

Trigger, linked Rule/form,
evidence, consequence and
remedy

Trigger, linked Rule/form,
evidence, consequence and
remedy

Section 52: Cognizance of offences

Current statutory text

52. Cognizance of offences.—(1) No court shall take cognizance of any offence under this Code, save on a complaint made by or under the authority of the approver, an officer authorised in this behalf, or by an employee or a registered Trade Union under the Trade Unions Act, 1926 (16 of 1926) or an Inspector-cum-Facilitator.

(2) Notwithstanding anything contained in the Code of Criminal Procedure, no court inferior to that of a Metropolitan Magistrate or Judicial Magistrate shall take cognizance of any offence under this Code.

Finin2min clause-by-clause decode

1. Identify the person or establishment to whom section 52 applies.
2. Convert every condition in “Cognizance of offences” 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

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

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: No direct Central Rule mapped in the repository concordance | Official source: [section 52](#).

Section 53: Power of officers of appropriate Government to impose penalty in certain cases

Current statutory text

53. Power of officers of appropriate Government to impose penalty in certain cases.—Notwithstanding anything contained in section 52, for the purpose of imposing any penalty under sub-section (1) and sub-section (2) of section 54 and sub-section (1) of section 55, the appropriate Government may appoint any officer not below the rank of Under Secretary to Government of India or an officer of equivalent rank in the State Government to hold an enquiry in such manner, as may be prescribed by the Central Government.

(2) While holding the enquiry, the officer referred to in sub-section (1) may summon and enforce attendance of any person acquainted with the facts and circumstances of the case and may examine him on oath and may require him to give evidence or to produce any document, which in the opinion of such officer is relevant to the subject matter of the enquiry and if, on such enquiry, he is satisfied that the person has committed any offence under the provisions referred to in sub-section (1), he may impose any penalty in accordance with such provisions.

Finin2min clause-by-clause decode

1. Identify the person or establishment to whom section 53 applies.
2. Convert every condition in “Power of officers of appropriate Government to impose penalty in certain cases” 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 53: Rule 53: Manner of holding enquiry

Extracted from the English part of the Gazette PDF bundled with the production repository. Formatting is normalised; the signed Gazette PDF prevails. 53. Manner of holding enquiry:— (1) Where a complaint is filed before the officer appointed under sub-section (1) of section 53 (hereinafter in this rule referred to as “the

officer”) in respect of the offences referred to in said sub-section, either by an officer authorised for such purpose by the Central Government or by an employee aggrieved or a registered trade union registered under the Industrial Relations Code, 2020 (35 of 2020) or an Inspector-cum-Facilitator, the officer after considering such evidence as produced by the complainant, is of the opinion that an offence has been committed, shall issue summons to the offender on the address specified in the complaint fixing a date for his appearance. (2) If the offender to whom the summons has been issued under sub-rule (1) appears or is produced before the officer, the officer shall explain the offence complained against and if the offender pleads guilty, the officer shall impose penalty in accordance with the provisions of the Code and if the offender does not plead guilty, the officer shall take evidence of the witnesses produced by the complainant on oath and provide opportunity of cross examination of the witnesses so produced. (3) The officer shall record in writing the statement of the witnesses on oath and in cross examination and take the documentary evidence on record. (4) The officer shall, after the complainant’s evidence is complete, provide an opportunity of defence to the accused person and the witnesses produced by the accused shall be cross examined after their statements on oath by the complainant and documentary evidence in defence shall be taken on record by the officer. (5) The officer shall after hearing the parties and considering the evidence both oral and documentary, decide the complaint in accordance with the provisions of the Code. Open official Gazette PDF ↗ Paragraph map (2) (3) (4) (5) Implementation control Translate Rule 53 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.

Central Rule 54: Rule 54: Manner of composition of offences

Extracted from the English part of the Gazette PDF bundled with the production repository. Formatting is normalised; the signed Gazette PDF prevails. 54. Manner of composition of offences:—(1) An accused person desirous of composition of offence under sub-section (1) of section 56 may make an application in Form VI

electronically or manually to the Gazetted Officer notified under said sub-section. (2) The Gazetted Officer referred to in sub-rule (1) shall on receipt of such application, satisfy as to whether the offence is compoundable or not under the Code and, if the offence is compoundable and the accused person agrees for the composition, compound the offence for a sum of fifty per cent of the maximum fine provided for such offence under the Code, to be paid by the accused within thirty days of the order of composition issued by such officer. (3) The compounding officer shall issue a composition certificate in Part-B of Form-VI within ten days of receipt of the composition amount, to such person from whom such amount has been received in compliance of the composition notice. (4) In case where a person so noticed fails to deposit the composition amount within the time specified by the compounding officer, prosecution shall be instituted before the competent court against such person for such offence in respect of which the compounding notice was issued. (5) Where the offence has been compounded under sub-rule (2) after the institution of the prosecution, the officer shall send a copy of such order for intimation to the officer referred to in sub-section (1) of section 53 for action under sub-section (6) of section 56. Open official Gazette PDF ↗ Paragraph map (2) (3) (4) (5) Implementation control Translate Rule 54 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 53, Rule 54 | Official source: [section 53](#).

Section 54: Penalties for offences

Current statutory text

54. Penalties for offences.—(1) Any employer who—

(a) pays to any employee less than the amount due to such employee Code shall be punishable with fine which may extend to fifty thousand r

(b) having been convicted of an offence under clause (a) is again under this clause, within five years from the date of the commission o he shall, on the second and the subsequent commission of the offence imprisonment for a term which may extend to three months or with fine lakh rupees, or with both;

(c) contravenes any other provision of this Code or any rule made under shall be punishable with fine which may extend to twenty thousand

(d) having been convicted of an offence under clause (c) is again under this clause, within five years from the date of the commission o he shall, on the second and the subsequent commission of the offence un with imprisonment for a term which may extend to one month or with fin thousand rupees, or with both.

(2) Notwithstanding anything contained in sub-section (1), for the off improper maintenance of records in the establishment, the employer shall b may extend to ten thousand rupees.

(3) Notwithstanding anything contained in clause (c) of sub-section (1) Inspector-cum-Facilitator shall, before initiation of prosecution proceedi clause or sub-section, give an opportunity to the employer to comply with

way of a written direction, which shall lay down a time period for such co complies with the direction within such period, the Inspector-cum-Facilita

prosecution proceeding and, no such opportunity shall be accorded to an em
same nature of the provisions under this Code is repeated within a period
which such first violation was committed and in such case the prosecution
with the provisions of this Code.

Finin2min clause-by-clause decode

1. Identify the person or establishment to whom section 54 applies.
2. Convert every condition in “Penalties for offences” 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

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

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: No direct Central Rule mapped in the repository concordance |
Official source: [section 54](#).

Section 55: Offences by companies

Current statutory text

55. Offences by companies.—(1) If the person committing an offence under t every person who, at the time the offence was committed was in charge of, company for the conduct of business of the company, as well as the company guilty of the offence and shall be liable to be proceeded against and puni

Provided that nothing contained in this sub-section shall render any s punishment if he proves that the offence was committed without his knowled due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where an of committed by a company and it is proved that the offence has been committ connivance of, or is attributable to any neglect on the part of, any direc officer of the company, such director, manager, secretary or other officer of that offence and shall be liable to be proceeded against and punished a

Explanation.—For the purposes of this section,—

(a) “company” means anybody corporate and includes—

(i) a firm; or

(ii) a limited liability partnership registered under the (6 of 2009); or

(iii) other association of individuals; and

(b) “director” in relation to a firm means a partner in the firm.

Finin2min clause-by-clause decode

1. Identify the person or establishment to whom section 55 applies.
2. Convert every condition in “Offences by companies” 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

No direct Central Rule is mapped. Check general procedural Rules, State Rules and later notifications.

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: No direct Central Rule mapped in the repository concordance | Official source: [section 55](#).

Section 56: Composition of offences

Current statutory text

56. Composition of offences.—(1) Notwithstanding anything contained in the Procedure, 1973 (2 of 1974), any offence punishable under this Code, not b with imprisonment only, or with imprisonment and also with fine, may, on a person, either before or after the institution of any prosecution, be comp the appropriate Government may, by notification, specify, for a sum of fif fine provided for such offence, in the manner as may be prescribed.

(2) Nothing contained in sub-section (1) shall apply to an offence com second time or thereafter within a period of five years from the date—

(i) of commission of a similar offence which was earlier compoun

(ii) of commission of similar offence for which such person was

(3) Every officer referred to in sub-section (1) shall exercise the po subject to the direction, control and supervision of the appropriate Gover

(4) Every application for the compounding of an offence shall be made prescribed.

(5) Where any offence is compounded before the institution of any prosecution, no prosecution shall be instituted in relation to such offence, against the offender in relation to which the offence is compounded.

(6) Where the composition of any offence is made after the institution of a prosecution, the composition shall be brought by the officer referred to in sub-section (1) before the court in which the prosecution is pending and on such notice of the composition as may be given, the person against whom the offence is so compounded shall be discharged.

(7) Any person who fails to comply with an order made by the officer referred to in sub-section (1) shall be punishable with a sum equivalent to twenty per cent. of the maximum fine for the offence, in addition to such fine.

(8) No offence punishable under the provisions of this Code shall be compounded except in accordance with the provisions of this section.

CHAPTER IX

MISCELLANEOUS

Finin2min clause-by-clause decode

1. Identify the person or establishment to whom section 56 applies.
2. Convert every condition in “Composition of offences” 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 54: Rule 54: Manner of composition of offences

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thirty days of the order of composition issued by such officer. (3) The compounding officer shall issue a composition certificate in Part-B of Form-VI within ten days of receipt of the composition amount, to such person from whom such amount has been received in compliance of the composition notice. (4) In case where a person so noticed fails to deposit the composition amount within the time specified by the compounding officer, prosecution shall be instituted before the competent court against such person for such offence in respect of which the compounding notice was issued. (5) Where the offence has been compounded under sub-rule (2) after the institution of the prosecution, the officer shall send a copy of such order for intimation to the officer referred to in sub-section (1) of section 53 for action under sub-section (6) of section 56. Open official Gazette PDF ↗ Paragraph map (2) (3) (4) (5) Implementation control Translate Rule 54 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 54 | Official source: [section 56](#).

Rules, forms, registers, portals and due dates

Rule Subject	Text/control status
53 Rule 53: Manner of holding enquiry	Exact Gazette extract embedded
54 Rule 54: Manner of composition of offences	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.

Predecessor law

Payment of Bonus Act, 1965

Equal Remuneration Act, 1976

Transition control

Classify the event date, accrued right, saved Rule/ notification and pending proceeding before moving to the Code.

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

People's Union for Democratic Rights v. Union of India

Airfreight Ltd. v. State of Karnataka

Principle and present-use caution

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.

Minimum-wage components and neutralisation must be read from the governing notification and statutory scheme, not from payroll labels alone.

Decision	Principle and present-use caution
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 52 - Cognizance of offences?

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 the operational focus of section 53 - Power of officers of appropriate Government to impose penalty in certain cases?

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 the operational focus of section 54 - Penalties for offences?

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 the operational focus of section 55 - Offences by companies?

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 the operational focus of section 56 - Composition of offences?

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 16 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 17 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 18 for this chapter?

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

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