

The Punjab Payment of Wages Rules, 1937

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1. Title. - [(1)] - These rules may be called the Punjab Payment of Wages Rules, 1937.

[(2)] They extend to the whole of the State of Punjab as formed by Section 21 of the States Reorganisation Act, 1956.

2. Definitions. - In these rules, unless there is anything repugnant in the subject or context, -

(a) "the Act" means the Payment of Wages Act (IV of 1936);

(b) "authority" means the authority appointed under sub-section (1) of section 15 of the Act;

[(c) "the Labour Commissioner" means the Labour Commissioner, Punjab;]

(d) "the Court" means the court mentioned in sub-section (1) of section 17 of the Act;

(e) "deduction for breach of contract" means a deduction made in accordance with the provisions of the proviso to sub-section (2) of section 9;

(f) "deduction for damage or loss" means deduction made in accordance with the provisions of clause (c) of sub-section (2) of section 7;

(g) "from" means a form appended to these rules;

(h) "Inspector" means the Inspector authorized by or under section 14 of the Act;

(i) "person employed" excludes all persons to the payment of whose wages the Act does not apply;

(j) "section" means a section of the Act;

(k) "Paymaster" means an employer or other person responsible under section 3 of the Act for Payment of Wages;

(l) words and expressions defined in the Act shall be deemed to have the same meaning as in the Act.

[(2-A)] [* * * *]

3. Register of fines. [Section 26(3)(a)] - (1) In any factory in respect of which the employer has obtained approval under sub-section (1) of section 8 to a list of acts and omissions in respect of which fines may be imposed, the paymaster shall maintain a Register of Fines in Form I.

(2) At the beginning of the Register of Fines there shall be entered serially numbered the approved purpose or purposes on which the fines realized are to be expended.

(3) When any disbursements are made from the fines realized a deduct entry of the amount so expended shall be made in the Register of Fines, a voucher or receipt in respect of the amount shall be affixed to the Register. If more than one purpose has been approved the entry of the disbursement shall also indicate the purpose for which it is made.

4. Register of deductions for damage or loss. - In every factory in which deductions for damage or loss are made, the paymaster shall maintain the register required by sub-section (2) of section 10 in Form II.

5. Register of Wages. - A Register of Wages shall be maintained in every factory and may be kept in such form as the paymaster finds convenient but shall include the following particulars :-

(a) the gross wages earned by each person employed for each wage period.

(b) all deductions made from those wages, with an indication in case of the clause of sub-section (2) of section 7 under which the deduction is made;

(c) the wages actually paid to each person employed for each wage period.

6. Maintenance of Registers. - The registers required by rules 3, 4, 5 and 17 shall be preserved for 12 months after the date of the last entry made in them.

7. Weights and measures. [Section 26(3)(c)] - (1) All weights, measures or weighing machines which are used in checking or ascertaining the wages of persons employed in any factory shall be examined at least bi-annually by an Inspector who may prohibit the use of any weight, measure or weighing-machine which he finds to register incorrectly.

(2) If the Inspector considers that any action should be taken under the Indian Weights and Measures of Capacity Act, (XXXI of 1871), or the Indian Penal Code (XLV of 1860) he may seize the article in question and shall record his opinion and send it to the District Magistrate for such action as he may think fit.

8. Notice of dates of payment. [Section 26(3)(d)] - The paymaster shall display, in a conspicuous place at or near the main entrance of the factory a notice, in English and in the language of the majority of the persons

employed therein, giving for not less than two months in advance, the days on which wages are to be paid.

[9. Prescribed authority for the purposes of sub-sections (1) and (8) of section 8. [Section 26(3)(e)(f)] - For each factory and industrial establishment there shall be a committee consisting of -

- (1) the Labour Officer/Labour Inspector of the area concerned;
- (2) two representatives of the employer; and
- (3) two representatives of the workers, which shall be the prescribed authority for the purposes of sub-sections (1) and (8) of section 8.]

10. Applications in respect of fines. - Every employer requiring the power to impose fines in respect of any acts and omissions on the part of employed persons shall send to [the Labour Commissioner]:-

- (a) a list in English, in duplicate, clearly defining such acts and omissions;
- (b) in cases where the employer himself does not intend to be the sole person empowered to impose fines, a list, in duplicate, showing those appointments in his factory of which the incumbents may pass orders imposing fines and the class of establishment on which the incumbent of each such appointment may impose fine.

11. Approval of list of acts and omissions. - The authority appointed under Rule 9 on receipt of the list prescribed in the preceding rule may, after such enquiry as he considers necessary, pass orders either :-

- (a) disapproving the list;
- (b) approving the list either in its original form or as amended by him in which case such list shall be considered to be approved list :

Provided that no order disapproving or amending the list shall be passed unless the employer shall have been given an opportunity of showing cause orally or in writing why the list as submitted by him should be approved.

12. Posting of list. - The employer shall display at or near the main entrance of the factory a copy in English, together with a literal translation thereof, in the language of the majority of the persons employed therein, of the list approved under rule 11.

13. Persons authorised to impose fines. - No fine may be imposed by any person other than an employer, or a person holding an appointment named in a list submitted under rule 10.

[14. Procedure for imposing fines and deductions. - Any employer desiring to impose a fine on an employed person or to make a deduction for damage or loss shall-

- (a) if the amount of fine proposed to be imposed or the deduction proposed to be made exceeds one rupee, serve a show-cause notice in

writing on the said person for the act or omission, or damage or loss, in respect of which the fine or deduction is proposed to be imposed or made, as the case may be, mentioning the amount of fine or deduction which it is proposed to impose or make and shall before imposing the fine or making the deduction take into consideration the explanation, if any, tendered by that person;

(b) if the amount of fine proposed to be imposed or the deduction proposed to be made does not exceed one rupee, explain personally to the said person the act or omission, or damage or loss in respect of which the fine or deduction is proposed to be imposed or made 'as the case may be' mentioning the amount of fine or deduction which it is proposed to impose or make and shall, before imposing the fine or making the deduction, hear the explanation of such person in the presence of at least one other person.]

15. Information to paymaster. - The person imposing a fine or directing the making of deduction for damage or loss shall at once inform the Pay master of all particulars so that the register prescribed in rule 3 or rule 4 may be duly completed.

16. Deduction for breach of contract. [Section 26(3)(g)] - (1) No deduction for breach of contract shall be made from the wages of an employed person who is under the age of fifteen years or is a woman.

(2) No deduction for breach of contract shall be made from the wages of the employed person unless :-

(a) there is provision in writing forming part of the terms of the contract of employment requiring him to give notice of the termination of his employment; and

(i) the period of his notice does not exceed fifteen days or the wage period whichever is less; and

(ii) the period of this notice does not exceed the period of notice which the employer is required to give of the termination of that employment;

(b) this rule has been displayed in English and in the language of the majority of the employed persons at or near the main entrance of the factory and has been so displayed for not less than one month before the commencement of the absence in respect of which the deduction is made;

(c) a notice has been displayed at or near the main entrance of the factory giving the names of the persons from whom the deduction is

proposed to be made, the number of days wages to be deducted and the conditions (if any) on which the deduction will be remitted :

Provided that where deduction is proposed to be made from all the persons employed in any departments or section of the factory, it shall be sufficient, in lieu of giving the names of the persons in such departments or sections to specify the departments or sections affected.

(3) No deduction for breach of contract shall exceed the wages of the persons employed for the period by which the notice of termination of service given falls short of the period of such notice required by the contract of employment.

(4) If any conditions have been specified in the notice displayed under clause (e) of sub-rule (2), no deduction for breach of contract shall be made from any person who has complied with these conditions.

17. Advances. [Section 26(3)(i)] - (1) An advance of wages not already earned shall not, without the previous permission of an Inspector exceed an amount equivalent to the wages earned by the employed person during the preceding two calendar months, or if he has not been employed for that period twice the wages he is likely to earn during the two subsequent calendar months.

(2) The advances may be recovered in instalments by deductions from wages spread over not more than twelve months. No instalment shall exceed one-third or where the wages for any wage period are not more than twenty rupees, one-fourth of the wages for the wage period in respect of which deduction is made.

(3) The amounts of all advances sanctioned and the repayments thereof shall be entered in a register in Form III.

18. [Section 26(3)(a)] - Annual return in respect of every factory in which during the calendar year any fines have been imposed or any deduction for breach of contract or for damage or loss have been made from wages a return shall be sent in form IV so as to reach the [Labour Commissioner] not later than the 15th of February following the end of the calendar year to which it relates.

19. Costs. [Section 26(3)(i)] - (1) Where the Authority or the Court, as the case may be, directs that any cost shall not follow the event, he shall state his reasons for so doing in writing.

(2) The costs which may be awarded shall include -

(a) the charges necessarily incurred on account of court fees;

(b) the charges necessarily incurred on subsistence money to witness;
and

(c) pleader's fees which shall ordinarily be Rs. 10, provided that the authority or the Court, as the case may be, in any proceedings may

reduce the fee to a sum not less than Rs. 5 or increase it to a sum not exceeding Rs. 30.

(3) When a party engages more pleaders than one to defend a case, he shall be allowed one set of costs only.

20. The authority or the Court, as the case may be, may fix fees on the payment of which any person entitled to do so may obtain copies of any documents filed with the Authority or the Court, as the case may be :

Provided that the authority or the Court, as the case may be, may in consideration of the poverty of the applicant, grant copies free of cost.

21. Fees. [Section 26(3)(k)] - The fee payable in respect of proceedings under the Act shall be -

(i) For every application to Four annas in respect of
summon a witness. each witness.

(ii) for every other Eight annas.
application made by or on
behalf of an individual
person before the
authority.

(iii) For every other Four annas for each
application made by or on member of the group
behalf of an unpaid group subject to a maximum of
before the authority. five rupees.

(iv) For every appeal Five rupees :
lodged with Court.

Provided that the authority or the Court may in consideration of the poverty of the applicant, reduce or remit this fee :

Provided further that no fees shall be chargeable in respect of an application presented by an Inspector.

22. Abstracts. [Section 26(3)(1)] - The abstracts of the Act and of the rules made thereunder to be displayed under section 25 shall be in Form V.

23. Penalties. [Section 26(4)] - Any breach of rules [-] 3, 4, 5, 6, 8, 12, 15 and 18 of these rules shall be punishable with the fine which may extend to 200 rupees.

Form I

Register of Fines

Factory

Serial No.	Name	Father's Name	Department	Act or omission for which fine imposed
1	2	3	4	5

Whether workmen showed cause against fine or not, if so, enter date	Rate of wages	Date and amount of fine imposed	Date on which fine realised	Remarks
6	7	8	9	10

Form II

Register of deductions for damage or loss caused to the employer by the neglect or default of the employed persons

Factory

Serial No.	Name	Father's Name	Department	Damage or loss caused
1	2	3	4	5

Whether workmen showed cause against deduction or not; if so, enter date	Date and amount of deduction imposed	Number of instalments, if any	Date on which total amount realised	Remarks
6	7	8	9	10

Form III

Register of Advances made to employed persons

Factory

Serial No.	Name	Father's Name	Department	Date and amount of advance made
1	2	3	4	5

Purpose(s) for which advance made	Number of instalments by which advance to be repaid	Postponements granted	Date on which total amount repaid	Remarks
6	7	8	9	10

[Form IV]

Annual Returns

Wages and deductions from wages, Return for the year ending 31st December, 19.

1. (a) Name of the factory or establishment and postal address.

(b) Industry.

2. Number of man days worked during the year.

3. [Number of man days worked during the year.]

Persons earning less than Rs. 400 per month.

Adults

Children

(b) [Average daily number of persons employed during the year :]

Adults

Children

Total

4. Gross amount paid as remuneration to persons getting less than Rs. 400 including deductions under section 7(2) _____ of which the amount due to profit sharing bonus is _____ and that due to [money value of concessions is _____]

5. Total wages paid including deductions under section 7(2) on the following accounts:-

Persons receiving less than Rs. 400 per month :

(a) Basic wages including overtime wages and non-profit sharing bonus.

(b) Dearness and other allowances in cash.

(c) Arrears of pay in respect of previous year paid during the year

Total

6. Deductions

Persons receiving less than Rs. 400

	No. of cases	Amount

(a) Fines.		
(b) Deductions for damage or loss.		
(c) Deductions for breach of contract.		

7. Disbursement from the fines fund.

Purpose Amount

(a) _____

(b) _____

(c) _____

(d) _____

8. Balance of fines fund in hand at the end of year.

Signature _____

Designation _____

[Form V]

Abstract of the Payment of Wages Act, 1936, and the Rules made thereunder

Whom The Act Affects

1. The Act applies to the payment of wages to persons in a factory receiving less than four hundred rupees a month.
2. No employed person can give up by contract or agreement, his rights under the Act.

Definition of Wages

3. "Wages" means all remuneration whether salary, allowances or otherwise payable to a person employed in respect of his employment or of work done in such employment.

It includes -

(a) any remuneration payable under any award or settlement between the parties or order of the court;

(b) any remuneration to which the person employed is entitled in respect of overtime work or holidays or any leave period;

(c) any additional remuneration payable under the terms of employment;

(d) any sum which by reason of the termination of employment of the person employed is payable under any law, contract or instrument which provides for the payment of such sum, whether with or without deductions, but does not provide for the time within which the payment is to be made; and

(e) any sum to which the person employed is entitled under any scheme framed under any law for the time being in force.

It excludes -

- (1) any bonus which does not form part of the remuneration payable under the terms of employment or which is not payable under any award or settlement between the parties or order of a Court;
- (2) the value of any house accommodation, or of the supply of light, water, medical attendance or other amenity or of any service excluded from the computation of wages by an order of the State Government;
- (3) any contribution paid by the employer to any pension or provident fund, and the interest which may have accrued thereon;
- (4) any travelling allowance or the value of any travelling concessions;
- (5) any sum paid to the employed persons to defray special expenses entailed on him by the nature of his employment; or
- (6) any gratuity payable on the termination of employment in cases other than those specified in sub-clause (d).

Responsibility for, and method of, payment

4. The manager of the factory is responsible for the payment under the Act, of wages to persons employed under him, and any contractor employing persons is responsible for payment to the persons he employs.

5. Wage period shall be fixed for the payment of wages at intervals not exceeding one month.

6. Wages shall be paid on a working day within seven days of the end of the wage-period (or within ten days if one thousand or more persons are employed).

The wages of the persons discharged shall be paid not later than the second working day after their discharge.

7. Payments in kind are prohibited.

Fines and Deductions

8. No deductions shall be made from wages except those authorised under the Act (see paragraphs 9-16 below)

[9. (1) Fines may be imposed only for such acts and omissions as the employer may, with the previous approval of the committee constituted under rules, specify by a notice displayed at or near the main entrance of the factory and after giving the employed persons an opportunity for explanation.

(2) Fines -

- (a) shall not exceed three naye paise in the rupee;

(b) shall not be recovered by instalments, or later than sixty days of the date of imposition;

(c) shall be recorded in a register and applied to such purposes beneficial to the employed persons as approved by the said committee; and

(d) shall not be imposed on any employed person who is under the age of 15 years].

10. (a) Deductions for absence from duty can be made only on account of the absence of the employed person at time when he should be working, and such deductions must not exceed an amount which is in the same proportion to his wages for the wages-period, at the time he was absent in that period to the total time he should have been at work.

(b) If ten or more employed persons acting in concert, absent themselves without reasonable cause and without due notice, the deductions for absence can include wages for eight days in lieu of notice, but -

(i) no deduction for breaking a contract can be made from a person under 15 years of age or a woman;

(ii) there must be provision in writing which forms a part of the contract of employment, requiring that a specific period of notice of intention to cease work not exceeding 15 days or the period of notice which the employer has to give to discharge a worker, must be given to the employer and that wages may be deducted in lieu of such notice;

(iii) the above provision must be displayed at or near the main entrance of the factory;

(iv) no deduction of this nature can be made until a notice that this deduction is to be made, has been pasted at or near the main entrance of the factory;

(v) no deduction must exceed the wages of the employed person for the period by which the notice he gives of leaving employment, is less than the notice he should give under this contract.

11. Deductions can be made for damage or loss of goods expressly entrusted to an employed person or for loss of money for which he is required to account, where such damage or loss is due to his neglect or default.

Such deduction cannot exceed the amount of the damage or loss caused and can be made only after giving the employed persons an opportunity for explanation.

12. Deductions can be made, equivalent to the value thereof, for house accommodation supplied by the employer or by Government or any housing board set up under any law for the time being in force (whether the

Government or the board is the employer or not) or any other authority engaged in the business of subsidising house-accommodation which may be specified in this behalf by the State Government; amenities and services (other than tools and raw material supplied by the employer; provided those are accepted by the employed person as a part of the terms of his employment and have, in the case of amenities and services, been authorised by order of the State Government.

13. (a) Deductions can be made for the recovery of advances, or for adjustment of over payment of wages.

(b) Advances made before the employment began can only be recovered from the first payment of wages for a complete wage-period but no recovery can be made of advances given for travelling expenses before employment began.

(c) Advances of unearned wages can be made at the paymaster's discretion during employment but must not exceed the amount of two months' wages without the permission of an Inspector.

These advances can be recovered by instalments, spread over not more than twelve months, and the instalments must not exceed one-third or if the wages are not more than twenty rupees, one-fourth of the wages for any wage period.

14. Deductions can be made for subscription to and for repayment of advances from any recognised provident fund.

15. Deductions can be made for payments to co-operative societies approved by the State Government or to the postal insurance, subject to any conditions imposed by the State Government.

Deductions can also be made with the written authorisation of the persons employed for payment of any premium of his life insurance policy to the Life Insurance Corporation of India or for the purchase of securities of the Government of India or of any State Government or for being deposited in any post office savings Bank in furtherance of any Savings Scheme of any such Government.

16. Deductions from the wages of an employed person shall be made -

(a) on account of deduction of the income-tax payable by the employed persons;

(b) on account of deductions required to be made by order of a Court or other authority competent to make such order.

Inspection

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

Complaints of deductions or delays

18. (1) Where irregular deductions are made from wages, or delays in payment take place, an employed person can make an application in the prescribed form within six months to the authority appointed by the State Government for the purpose. An application delayed beyond this period may be rejected unless sufficient cause for the delay is shown.

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

(3) A single application may be presented by, or on behalf of any number of persons belonging to the same factory the payment or whose wages has been delayed.

Action by the authority

19. The authority may award compensation to the employed person in addition to ordering the payment of delayed wages or the refund of illegal deductions.

If a malicious or vexatious complaint is made, the authority may impose a penalty not exceeding fifty rupees on the applicant and order that it be paid to the employer.

Appeal against the authority

20. An appeal in the prescribed Form against an order or a direction made by the authority may be preferred, within thirty days to the District Court -

(a) by the paymaster, if the total amount directed to be paid exceeds three hundred rupees;

(b) by an employed person or any official of a registered trade union, authorised in writing to act on his behalf if the total amount of wages withheld from him or his co-workers, exceeds fifty rupees;

(c) by a person directed to pay a penalty for malicious or vexatious application.

Punishment for breaches of the Act

21. Any one delaying the payment of wages beyond the due date, or making any unauthorised deductions from wages, is liable to a fine up to five hundred rupees, but only if prosecuted with the sanction of the authority or the appellate court.

22. The paymaster who -

(1) does not fix a wage-period; or

(2) makes payment in kind; or

(3) fails to display at or near the main entrance of the factory this abstract in English and in the language of the majority of the employed persons; or

(4) break certain rules made under the Act, is liable to fine not exceeding two hundred rupees.

A complaint to this effect can be made only by the Inspector or with his sanction.

Conditional attachment of property of employer or other persons responsible for payment of wages

23. (1) Where at any time after an application has been made under sub-section (2) of section 15, the authority, or where at any time after an appeal has been filed under section 17 by an employed person or any official of a registered trade union authorised in writing to act on his behalf, the court referred to in that section, is satisfied that the employer or other person responsible for the payment of wages under section 3 is likely to evade payment of any amount that may be directed to be paid under section 15 or section 17, the authority or the court, as the case may be, except on cases where the authority or court is of opinion that the ends of justice would be defeated by the delay, after giving the employer or other persons an opportunity of being heard, may direct the attachment of so much of the property of the employer or other persons responsible for the payment of wages as is, in the opinion of the authority or court, sufficient to satisfy the amount which may be payable under the direction.

(2) The provisions of the Code of Civil Procedure, 1908, relating to attachment before judgment under that Code shall, so far as may be, apply to any order for attachment under sub-paragraph (1).