



Worker Education Series

# Minimum Wages Act, 1948

Cividep India  
September 2015



## What is the Minimum Wages Act?

The Minimum Wages Act has been enacted by the Parliament of India to ensure that workers are assured of a minimum wage for their work in certain employments, be it skilled or unskilled. The State has come out with this Act taking into consideration that it may not be fair to leave the determination of wages entirely to market forces, as the bargaining power of different sections of labour may not be the same.

## Is the Minimum Wage Rate fixed under the Act considered the ideal amount of wages to be paid for a particular kind of work?

No, minimum wage is the lowest amount that can be paid to a worker: if the worker is paid even less than minimum wage it can be considered forced labour. Minimum wage is the wage that will ensure that the worker has basic sustenance and is sufficient to maintain the efficiency of the worker.

A living wage is a level of wage that should enable the worker to provide for himself and his family not merely the basic essentials of food, clothing and shelter but also education for children, protection against ill health, requirements of essential social needs and a measure of insurance against more important misfortunes and old age. This is the ideal that should be targeted by employers.

## Is the minimum wage calculated monthly?

The minimum wage may be calculated on an hourly, daily, or monthly basis.

## Who fixes the minimum wage?

According to the Act, the 'appropriate government' is responsible for fixing the minimum wage. As such, both the Central and the State Government has the power to fix the minimum wage.

## Can the employer fulfil the requirement of paying the minimum wage in any other method other than a cash payment?

No, the minimum wages have to be paid in cash payment to the worker. Any other amenities provided by the employer shall not be taken into account in considering whether the statutory wage has been paid. In other words, no payment in kind is to be considered as part of the wages while calculating, whether minimum wage has been paid to the worker.

## Is there a uniform minimum wage that is set across India?

There is no single uniform minimum wage across the country. Since there are differences in

different states and industries both in costs of living and the capacity of the industries to pay, the Act declares the minimum wages at national, regional, sectoral and skill level.

However, there is a National Floor Level Minimum Wage which is fixed by the Central Government to reduce disparities in the minimum wage across regions and sectors. The Central Government has increased the National Floor Level Minimum Wage from Rs. 80/- to Rs. 100/- per day with effect from 1.11.2009. However, it should be kept in mind that the Floor Level Minimum Wage is not backed by legislation like the Minimum Wage. It is merely persuasive, fixed by the Central Government so that States are encouraged not to let their minimum wage below the National Floor Level.

## **What are the different components of minimum wage? Are they revised regularly?**

The minimum wage has a fixed component and a variable component. The fixed component is the basic rate of wages and the variable rate is a special allowance that is adjusted at irregular intervals. The fixed component of minimum wages shall be revised within five years from the date when it was fixed.

## **What if the employer is not paying the minimum wages? Are there any penalties under this Act of non-compliance?**

Under Section 22 of the Minimum Wages Act, the penalty for not paying minimum wages to a worker is: imprisonment for a term which may extend to six months, or with fine which may extend to five hundred rupees, or with both.

## **What is the procedure to be followed if the employer is not complying with the Minimum Wages Act?**

If a worker is being paid less than minimum wages, he or she can, under Section 20 (2) of the Act, make a complaint to the Labour Commissioner/the appointed authority.

This complaint can also be made through a trade union or a legal practitioner on the worker's behalf. The section empowers any legal practitioner or any official of a registered trade union authorised in writing to act on the worker's behalf, or any Inspector, or any person acting with the permission of the appointed authority under the act may make such a complaint.

You can find the rates of minimum wages for different types of work in Tamil Nadu in the Table below:

Sr. No.	Scheduled Employment	Basic Minimum Wages	V.D.A.	Total Minimum Wages
		In Rupees Per Day		
1	Agarbathi Industry	69.73	101.23	170.96
2	Agriculture and works ancillary to Agriculture			
	a) Men Workers for 6 hr	100.00	0.00	100.00
	b) Women Workers for 5 hr	85.00	0.00	85.00
3	Aerated Water Manufactory	70.00	117.50	187.50
4	Appalam Manufactory	93.42	136.12	229.54
5	Automobile Workshop	109.15	138.46	247.61
6	Auto Rickshaw and Taxi	138.50	101.84	240.34
7	Bakeries and Biscuits Manufactory	78.00	108.90	186.90
8	Bricks and Tiles Manufactory	74.00	102.85	176.85
9	Carpentry and Black Smith	127.00	179.19	306.19
10	Cashew Industry	132.50	15.20	147.70
11	Chemical and Fertilizers Industry	87.42	139.61	227.03
12	Cinema Industry	128.73	188.50	317.23
13	Coaching Academies (tutorial colleges, Technical Institudes, Primary Schools)run on commercial lines without Govt. grant other than those run by Govt. and local bodies as the case may be.	51.92	67.65	119.57
14	Coconut Peeling Industry	79.00	114.95	193.95
15	Coir Manufactory	90.00	121.46	211.46
16	Coffee Curing Works	73.00	102.85	175.85
17	Construction or Maintenance of Road and in Building Operations	117.00	145.20	262.20
18	Cotton Ginning , Pressing and Cotton Waste Industry	91.00	136.11	227.11
19	Distribution of Liquid Petroleum Gas Cylinders	82.69	121.00	203.69
20	Electronics Industry	91.00	132.65	223.65
21	Fire Works Manufactory	31.50	72.35	103.85

22	Food Processing Industry	86.50	110.07	196.57
23	Footwear Making Industries	72.23	49.68	121.91
24	Employment in Forestry	39.00	151.25	190.25
25	General Engineering & Fabrication Industry	104.00	160.57	264.57
26	Gold and Silver Articles Manufactory	131.00	187.55	318.55
27	Granite Industry	130.26	190.80	321.06
28	Handloom Silk Weaving Industry		108.90	
29	Gunny Industry		163.35	
30	Hotel and Restaurants	98.85	166.38	265.23
31	Hospitals and Nursing Homes	107.19	136.11	243.30
32	Laundries and Washing Cloths (including Wollen)	140.50	205.70	346.20
33	Leather Goods Manufactory	72.23	49.68	121.91
34	Loading and Unloading Operations in markets, shandies (fairs and market place) and other like places.	85.00	102.85	187.85
35	Match Manufacturing	68.50	96.80	165.30
36	Mat Weaving and Basket Making	75.00	90.75	165.75
37	Medical & Sales representative	129.73	165.23	294.96
38	Motion Picture Industry	103.07	150.07	253.14
39	Neera Tapping	154.00	193.60	347.60
40	Any oil Mill	83.00	109.38	192.38
41	(a) Paper and other incidental processes connected with machine made paper Industry	87.27	110.53	197.80
	(b) Paper and other incidental Processes connected with Hand Made Paper	83.42	105.88	189.30
42	Plantation			
	a) Tea	78.00	50.25	128.25
	b) Coffee	77.00	50.25	127.25
	c) Rubber	81.50	50.25	131.75
43	Power Loom Industry	29.00	124.50	153.50
44	Polythene Processing Foam Item and Plastic Manufactory	47.12	137.30	184.42
45	Printing Presses	72.81	105.88	178.69
46	Public Motor Transport	137.30	200.11	337.41

47	Rice Mill, Flour Mills and Dhall mills	88.50	127.05	215.55
48	Sago Industry	94.50	100.54	195.04
49	Salt Pans	89.00	89.10	178.10
50	Sea Food processing Industry	79.92	83.19	163.11
51	Security Guards	90.35	93.31	183.66
52	Sericulture Industry	95.00	99.00	194.00
53	Shops and Commercial Establishments	78.88	81.88	160.76
54	Silk Twisting Industry	97.00	99.00	196.00
55	Soap Manufactory	122.00	133.27	255.27
56	Synthetic Gem Cutting Industry	Piece Rate		
57	Tailoring Industry	70.19	72.35	142.54
58	Textile mills (Apprentice)	110.00	113.85	223.85
59	Timber Industry	132.50	133.65	266.15
60	Tin Container Manufactory	91.00	133.11	224.11
	Tobacco Manufactory			
61	(a) Beedi making (other than beedi rolling)	96.15	116.34	212.49
	(b) Beedi Rolling (per 1000 bidies)	37.20	62.10	99.30
	(c) Scented and chewing Tobacco	67.50	96.80	164.30
	(d) Snuff Industry	78.00	108.90	186.90
62	Guaranteed Time Rates of Wages Tobacco (including Beedi making) Manufactory	(Guaranteed Time Rates)		
63	Vessels Utensils Manufactory	72.00	102.85	174.85
64	Tanneries and Leather Goods Manufactory	57.00	69.48	126.48

# Colophon

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## Cividep India

Cividep India is an NGO based in Bangalore, which works to empower workers and communities and to ensure that businesses comply with human rights, labour rights, and environmental standards. With this objective Cividep educates workers, studies effects of corporate conduct, dialogues with various stakeholders, and advocates for policy change. Cividep's workers' rights initiatives have been in the garment manufacturing and electronics manufacturing as well as plantation and leather sectors.



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**GoodElectronics**  
Sarphatistraat 30  
1018 GL Amsterdam  
The Netherlands

+31 (0)20 639 12 91  
[info@godelectronics.org](mailto:info@godelectronics.org)  
[www.godelectronics.org](http://www.godelectronics.org)

