

To

THE MINISTRY OF LABOUR AND EMPLOYMENT

COMMENTS AND SUGGESTIONS ON

THE DRAFT RULES ON THE CODE ON WAGES

(CENTRAL) RULES, 2025

FEBRUARY 2026



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To,

13th February 2026

The Ministry of Labour & Employment

Shram Shakti Bhawan,

Rafi Marg,

New Delhi - 110001

Subject: SUBMISSION OF COMMENTS ON THE DRAFT RULES ON CODE ON WAGES (CENTRAL) RULES, 2025

Respected Authorities,

In furtherance of the notification dated 30th December 2025 issued by the Ministry of Labour & Employment inviting comments/suggestions on the Draft Rules on the Code on Wages (Central) Rules, 2025, we, the members of the Kautilya Society, RGNUL hereby submit our comments and suggestions on the Draft Bill. **The Kautilya Society, RGNUL** was established in 2024 as a branch of the Kautilya Society initiative by the **Vidhi Centre for Legal Policy** to promote student-led policy research to promote a culture of policy research among law students to further the Constitutional vision of socio-economic and political justice.

As part of our objectives of being a research-driven Centres, and as law students who understand the importance of policy making, we have conducted in-depth research into the existing framework of labour law in India, and have prepared the following document with our recommendations for the Bill.

We thank the Ministry of Labour & Employment for placing the Code of Wages (Central) Rules, 2025 in the public domain and granting all stakeholders and the general public the opportunity to provide their suggestions and comments.

Regards,

KAUTILYA SOCIETY, RGNUL



**COMMENTS AND SUGGESTIONS ON
THE DRAFT RULES ON THE CODE ON WAGES (CENTRAL) RULES, 2025**

**TABULAR STATEMENT ON THE POSSIBILITY OF A NEGATIVE IMPACT OF CERTAIN
PROVISIONS OF THE CODE ON WAGES (CENTRAL) RULES, 2025**

| Rule/Provision [as per 2025 Draft] | Draft Rules under Code on Wages, 2019 | Draft Code on Wages (Central) Rules, 2025 | Negative Legal Impact |
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| Rule 2(1): “registered trade union” | Not explicitly defined, refers to registered Trade Union registered under the Trade Unions Act, 1926 | “registered trade union” means a trade union registered under The Industrial Relations Code, 2020 (35 of 2020); | Aligns with the enacted Industrial Relations Code rather than draft. Affects interpretation of who can file claims under Rule 49(1) and participate in Advisory Board proceedings. |
| Rule 3(1)(i): Norms for calculating minimum wages | Section 6 The norms of such fixation of minimum rate of wages shall be such as may be prescribed by the appropriate government. | Specifies 3 adult consumption units for a family of 4, not 3.6 as recommended by the Expert Committee. | It retains 3 consumption units despite a 2019 Expert Committee recommendation of 3.6 units based on NSSO 2011-12 data showing average household size of 4.4 persons. It results in systematically lower minimum wages than evidence-based recommendations. There’s a potential violation of Article 21 (right to life with dignity) and Article 43 (living wage directive principle) |
| Rule 4(1): Criteria for fixation of minimum wages | Referred to under Section 6, however not explicitly mentioned | Lays down specific criteria. Includes Proviso: “Provided that the Central Government shall not fix minimum wages and allowances of Central Government employees under this Code.” | Explicitly excludes Central Government employees from Code coverage; Code applies to private sector and possibly state employees, but not Central Government employees Raises equality concerns under Article 14 - Why should similarly situated workers have different wage-fixing mechanisms? Delegation Issue: Excess power to the Central Government. |



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| <p>Rule 7(4) – Proviso (i) and (ii): Wages for rest day when minimum wage calculated by dividing monthly wage by 26</p> | <p>Less explicit, might have used different formula</p> | <p>Specifies: If daily wage = (monthly wage/26) and this wage is higher than the notified daily wage, then no separate wage for rest day. If worked on rest day with substituted rest: only overtime rate payable</p> | <p>Critical Substantive Provision: Establishes when rest day is “already paid” vs. requiring additional payment.</p> <p>Benefit to Employers: If they have structured monthly wage to include rest day (by dividing by 26, not 30), no additional rest day wage required.</p> <p>Risk for Workers: Monthly wage earners may not get extra pay for rest days if their daily equivalent meets minimum wage when divided by 26.</p> <p>Potential for Manipulation: Employers could structure wages to meet minimum only when divided by 26, effectively negating rest day pay, then claim that no additional payment is due.</p> |
| <p>Rule 11: Manner of fixing floor wage.</p> | <p>No clear procedure; only broad reference in Section 9 of the Code that floor wage would be fixed “in such manner as may be prescribed.”</p> | <p>Introduces a structured procedure: (i) Central Government must consult the Central Advisory Board (CAB) taking into account food, clothing, housing and “other appropriate factors”; (ii) CAB’s advice must be circulated to all State Governments for views; (iii) Central Government must consider both CAB advice and State views before final fixation; (iv) floor wage to be ordinarily revised at intervals not exceeding five years, with periodic adjustment for cost-of-living variation.</p> | <p>Partial improvement over 2019 position. The Rules now provide a process, but still do not provide a numeric or formula-based standard for the fixing of the floor wage</p> |
| <p>Rule 39(1)</p> | <p>The term of office of the chairperson or a member, as the case may be, shall be normally two years</p> | <p>The term of office of the Chairperson or a member, as the case may be, shall be normally two years commencing from the</p> | <p>The amended provision alters the commencement date of tenure.</p> <p>Creates ambiguity since the date of appointment and nomination can be different. Moreover, Section 42(1)</p> |



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| | commencing from the date of his nomination under sub-section (1) of section 42. | date of his appointment or nomination, as the case may be, under sub-section (1) of section 42. | of the Code does not refer to appointment, making this change more ambiguous. The change in the proviso affects validity of acts by a Chairperson, or a member during interregnum. |
| Rule 39(3) | The other members of the Board shall hold office during the pleasure of the Central Government. | The official members of the Board shall hold office till they are replaced by respective such other official members. | The change removes at-will tenure for some members and introduces a replacement-based tenure. |
| Rule 39(4) | No counterpart provision. | Notwithstanding anything contained in sub-rules (1), (2), and (3), the members of the Board shall hold office during the pleasure of the Central Government. | Overriding clause; re-introduces pleasure doctrine as Central Government gains absolute discretion. |
| Rule 50 (1) | No counterpart provision. | Provided that no appeal by an employer shall be admitted unless at the time of preferring the appeal, the appellant has deposited the claim amount with the appellate authority. | An entirely new condition introduced; substantially restricts employer's right of appeal and creates a jurisdictional bar. |
| Rule 55 | Timely Payment of Wages.- | 55. Payment of Wages.- Where the employees are employed in an establishment through contractor, then, the company or firm or association or any other person who is the proprietor of the establishment shall pay to the contractor the amount payable to him or it, in respect of the wages of employees in accordance with the provisions of the Code. | Deletion of mandatory pre-payment requirement; the deletion of express linkage to Section 17 Converts a time-bound statutory duty into a general compliance obligation. This materially weakens employee wage protection and reduces employer liability. |



TABULAR STATEMENT ON KEY RECOMMENDATIONS

| Rule | Draft's Proposed Amendments | Our Recommendation |
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| Rule 3 | <p><i>Manner of calculating the minimum rate of wages.—(1) For the purposes of sub-section (5) of section 6, the minimum rate of wages shall be fixed on the day basis keeping in view the following criteria, namely:- (i) the standard working class family which includes a spouse and two children apart from the earning employee; an equivalent of three adult consumption units; (ii) a net intake of 2700 calories per day per consumption unit; (iii) 66 meters cloth per year per standard working class family; (iv) housing rent expenditure to constitute 10 per cent of food and clothing expenditure; (v) fuel, electricity and other miscellaneous items of expenditure to constitute 20 per cent of minimum wage; and (vi) expenditure for children education, medical requirement, recreation and expenditure on contingencies to constitute 25 per cent of minimum wage; (2)When the rate of wages for a day is fixed, then, such amount shall be divided by eight for fixing the rate of wages for an hour and multiplied by twenty six for fixing the rate of wages for a month and in such division and multiplication the factors of one-half and more than one-half shall be rounded as next figure and the factors less than one-half shall be ignored. In case of a five day working week, the hourly rate of minimum wages so calculated shall be used to derive the minimum wages for the day</i></p> | <p>3. (1) For the purposes of sub-section (5) of section 6 of the Code, the minimum rate of wages shall be fixed on a daily basis, having due regard to the following criteria, namely:—</p> <p>(i) a standard working class family, comprising the earning employee, a spouse, and two dependent children, to be reckoned as an equivalent of three point six adult consumption units;</p> <p>(ii) a net intake of two thousand seven hundred calories per day per adult consumption unit;</p> <p>(iii) an annual requirement of sixty-six metres of cloth per standard working class family;</p> <p>(iv) housing rent expenditure, which shall ordinarily constitute ten per cent of the combined expenditure on food and clothing;</p> <p>(v) expenditure on fuel, electricity, and other miscellaneous items, which shall ordinarily constitute twenty per cent of the minimum wage; and</p> <p>(vi) expenditure towards children's education, medical requirements, recreation, and contingencies, which shall ordinarily constitute twenty-five per cent of the minimum wage.</p> <p>(2) The components specified in sub-rule (1) shall be periodically reviewed by the appropriate Government, at intervals not exceeding three years, having regard to changes in household consumption patterns, inflation indices, and such other socio-economic indicators as may be notified.</p> <p>(3) Where the minimum rate of wages for a day is fixed, the rate of wages for—</p> <p>(a) an hour shall be calculated by dividing the daily rate of wages by eight; and</p> <p>(b) a month shall be calculated by multiplying the daily rate of wages by twenty-six;</p> <p>and in such division or multiplication, fractions of one-half or more shall be rounded off to the next higher integer, and fractions of less than one-half shall be ignored.</p> <p>(4) In establishments following a five-day working week, the hourly rate of minimum wages calculated</p> |



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| | | <p>under sub-rule (3) shall be utilised for deriving the applicable daily minimum wage, and no employee shall receive wages lower than the equivalent daily wage so derived.</p> |
| <p><i>Rule 7</i></p> | <p><i>Weekly day of rest.— (1) Subject to the provisions of this rule, an employee shall be allowed rest of one day or more than one day as the case may be, every week (hereinafter referred to as “the rest days”) which in case of six day week shall ordinarily be Sunday and in case less of than six day week shall include Saturday and Sunday, but the employer may fix any other days of the week as the rest days for any employee or class of employees. Provided that in a six-day working week or less than six days working week, as the case may be, the remaining days of the week shall be paid rest days for such employees. Provided that an employee shall be entitled for the rest days under this sub-rule if he has worked under the same employer in case of six-day week for a continuous period of not less than six days and in case of less than six day working week for a continuous period of the stipulated number of working days as the case may be. Provided further that the employee shall be informed of the days fixed as the rest days and of any subsequent change in the rest days before the change is effected, by display of a notice to that effect at a conspicuous place in the place of employment.</i></p> | <p>7. (1) Subject to the provisions of this rule, every employee shall be entitled to not less than one day of rest in each week, and such rest day or days (hereinafter referred to as “rest days”) shall be paid days.</p> <p>(2) In the case of an establishment following a six-day working week, the rest day shall ordinarily be Sunday, and in the case of an establishment following a working week of less than six days, the rest days shall ordinarily include Saturday and Sunday:</p> <p><i>Provided that the employer may, for any employee or class of employees, fix any other day or days of the week as rest days, for reasons to be recorded in writing.</i></p> <p>(3) An employee shall be entitled to wages for rest days at the ordinary rate of wages, and such wages shall not be deemed to be included in the wages payable for the working days of the week.</p> <p>(4) An employee shall be entitled to rest days under this rule if he or she has worked under the same employer—</p> <p>(a) for a continuous period of not less than six days, in the case of a six-day working week; or</p> <p>(b) for a continuous period of not less than the stipulated number of working days, in the case of a working week of less than six days:</p> <p><i>Provided that, for the purposes of this sub-rule, the following days shall be deemed to form part of the continuous period of work, namely:</i></p> <p>(i) any day on which the employee was ready and willing to work but no work was provided by the employer;</p> <p>(ii) any day of authorised leave, with or without wages;</p> <p>(iii) any day of lay-off for which compensation is payable under any law for the time being in force.</p> <p>(5) No employer shall structure or compute wages in a manner that directly or indirectly nullifies the entitlement of an employee to wages for rest days under this rule.</p> |



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| | | <p>(6) The employer shall inform every employee of the days fixed as rest days and of any subsequent change therein, at least seven days in advance, by—</p> <p>(a) displaying a notice to that effect at a conspicuous place in the place of employment; and</p> <p>(b) communicating such information in a manner understandable to the employees concerned.</p> |
| <p><i>Rule 13</i></p> | <p><i>Recovery under sub-section (4) of section 18.- Where the total deductions authorized under sub-section (2) of section 18 exceed fifty per cent. of the wages of an employee, the excess shall be carried forward and recovered from the wages of succeeding wage period or wage periods, as the case may be, in such installments so that the recovery in any month shall not exceed the fifty per cent. of the wages of the employee in that month.</i></p> | <p>(1) Where the total deductions authorised under sub-section (2) of section 18 exceed fifty per cent of the net wages payable to an employee for any wage period, the excess amount shall not be recovered in that wage period.</p> <p>(2) The excess amount referred to in sub-rule (1) shall be carried forward and recovered in subsequent wage period or wage periods, as the case may be, in such reasonable instalments as may be determined by the employer:</p> <p><i>Provided that the total recovery made in any wage period shall not exceed fifty per cent of the net wages payable to the employee for that wage period.</i></p> <p>(3) Notwithstanding anything contained in sub-rules (1) and (2), no recovery shall be made in any wage period if such recovery would reduce the employee's take-home wages below the applicable minimum wage or floor wage, as the case may be.</p> <p>(4) The employer shall, prior to effecting any recovery, furnish the employee with a written statement specifying—</p> <p>(a) the nature and amount of the deduction;</p> <p>(b) the total amount proposed to be recovered;</p> <p>(c) the number and amount of instalments; and</p> <p>(d) the expected duration of the recovery.</p> <p>(5) The recovery of any carried-forward amount shall be completed within a maximum period of twelve months from the date on which the deduction was first made:</p> <p><i>Provided that the competent authority may, for reasons to be recorded in writing, permit recovery beyond such period where exceptional circumstances are shown.</i></p> <p>(6) No employer shall structure deductions in a manner that defeats or circumvents the safeguards contained in this rule.</p> |
| <p><i>Rule 17</i></p> | <p><i>Intimation of deduction.-(1)Where an employer makes any deduction in pursuance of the</i></p> | <p>(1) Where an employer makes any deduction in pursuance of the proviso to sub-section (2) of section 20 of the Code, the employer shall, within seven days from the date of such deduction,</p> |



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| | <p><i>proviso to sub-section (2) of section 20, he shall make intimation electronically or by registered post of such deduction to the Inspector-cum-Facilitator having jurisdiction within Ten days from the date of such deduction explaining therein the reason of such deduction. (2) The Inspector-cum-Facilitator shall, after receiving intimation under sub-rule (1), examine such intimation and if he finds that the explanation given therein is in contravention of any provision of the Code or the rules made there under, he shall initiate appropriate action under the Code against the employer within thirty days from the date of receipt of such intimation.</i></p> | <p>furnish— (a) an electronic or written intimation of such deduction to the Inspector-cum-Facilitator having jurisdiction; and (b) a written intimation to the concerned employee, in a manner understandable to the employee. (2) The intimation under sub-rule (1) shall clearly specify— (a) the statutory provision under which the deduction is made; (b) the nature and quantum of the deduction; (c) the period to which the deduction relates; and (d) the supporting facts or documents, where applicable.</p> <p>(3) The Inspector-cum-Facilitator shall, upon receipt of the intimation, examine the legality and proportionality of the deduction and shall, within thirty days from the date of receipt,— (a) either record satisfaction that the deduction is in conformity with the Code and the rules made thereunder; or (b) initiate appropriate proceedings under the Code against the employer, for reasons to be recorded in writing. (4) Where action is initiated under sub-rule (3), the Inspector-cum-Facilitator shall inform the concerned employee of such action and of the outcome thereof. (5) Failure to furnish intimation in accordance with this rule shall be deemed to be a procedural contravention of the Code and shall be liable for action under the relevant provisions of the Code. (6) Nothing in this rule shall preclude an employee from independently seeking redressal under the Code in respect of any unlawful or excessive deduction.</p> |
| <p><i>Rule 20</i></p> | <p><i>Deduction under section 24.-Deductions for recovery of loans granted for house building or other purposes approved by the Central Government and the interest due in respect thereof shall be as per extant instructions or guidelines of the Central Government regulating the extent to which such loans may be granted and the rate of interest that shall be payable thereon.</i></p> | <p>(1) Deductions for the recovery of loans granted to an employee for house building or for such other purposes as may be approved by the Central Government, and the interest due thereon, shall be made strictly in accordance with the instructions or guidelines issued by the Central Government, as published and in force on the date of grant of such loan.</p> <p>(2) No deduction under this rule shall be made unless the employee has been furnished, at the time of grant of the loan, with a written statement specifying— (a) the total amount of the loan; (b) the rate of interest payable, if any; (c) the total amount recoverable; and (d) the proposed schedule and quantum of deductions.</p> <p>(3) The total deduction made in any wage period towards recovery of principal and interest under this rule shall be subject to the limits prescribed</p> |



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| | | <p>under section 18 of the Code and the rules made thereunder.</p> <p>(4) The rate of interest charged under this rule shall be simple interest only, and no penal or compound interest shall be levied through wage deductions.</p> <p>(5) Any modification to the instructions or guidelines referred to in sub-rule (1) shall not operate retrospectively to the prejudice of the employee.</p> <p>(6) The employer shall, on request, make available to the Inspector-cum-Facilitator or the concerned employee such records as may be necessary to verify compliance with this rule.</p> |
| <p><i>Rule 26</i></p> | <p><i>Where for any accounting year, the allocable surplus exceeds the amount of maximum bonus payable to the employees in the establishment under section 26, then, the excess shall, subject to a limit of twenty per cent. of the total salary or wage of the employees employed in the establishment in that accounting year, be carried forward for being set on in the succeeding accounting year and so on up to and inclusive of the fourth accounting year to be utilised for the purpose of payment of bonus in such manner as illustrated in Schedule A.</i></p> | <p>(1) Where, for any accounting year, the allocable surplus exceeds the amount of maximum bonus payable to the employees in an establishment under section 26 of the Code, the excess amount shall, subject to a ceiling of twenty per cent of the total salary or wage of the employees employed in the establishment for that accounting year, be carried forward for being set on in the succeeding accounting year.</p> <p>(2) The carry-forward and utilisation of such excess allocable surplus shall be establishment-specific and shall be applied uniformly for the purpose of payment of bonus to eligible employees in the succeeding accounting year or years.</p> <p>(3) The amount carried forward under sub-rule (1) may be utilised for payment of bonus in the succeeding accounting year and in each subsequent accounting year, but not beyond the fourth accounting year, and any portion of such amount remaining unutilised after the expiry of the fourth accounting year shall lapse and shall not be carried forward further.</p> <p>(4) The manner of computation, carry forward, set-on, and utilisation of allocable surplus under this rule shall be strictly in accordance with Schedule A, which shall be binding and mandatory for the purposes of this rule.</p> <p>(5) The employer shall maintain year-wise records of—</p> <ul style="list-style-type: none">(a) allocable surplus;(b) maximum bonus payable;(c) amount carried forward as set-on; and(d) amount utilised in each accounting year, |

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| | | <p>and shall make such records available for inspection by the Inspector-cum-Facilitator and for information to employees or their representatives, in such manner as may be prescribed.</p> <p>(6) Failure to compute or utilise the allocable surplus in accordance with this rule shall constitute a contravention of the Code, without prejudice to any other liability under the Code.</p> |
| <p>Rule 29</p> | <p><i>Additional functions of the Board.- In addition to the functions specified in sub-section (3) of section 42, the Board on reference by the Central Government advise that Government on the</i></p> <p><i>issue relating to the fixation of minimum wages in respect of-</i></p> <p><i>(i) working journalists as defined in clause (zzm) of section 2 of the occupational safety, health</i></p> <p><i>and working conditions Code, 2020 (37 of 2020); and</i></p> <p><i>(ii) sales promotion employees as defined in clause (zze) of section 2 of the occupational safety,</i></p> <p><i>health and working conditions Code, 2020 (37 of 2020).</i></p> | <p>(1) In addition to the functions specified in sub-section (3) of section 42 of the Code, the Board shall, either on a reference made by the Central Government or suo motu, advise the Central Government on matters relating to the fixation of minimum wages in respect of—</p> <p>(a) working journalists, as defined in clause (zzm) of section 2 of the Occupational Safety, Health and Working Conditions Code, 2020 (37 of 2020);</p> <p>(b) sales promotion employees, as defined in clause (zze) of section 2 of the Occupational Safety, Health and Working Conditions Code, 2020 (37 of 2020); and</p> <p>(c) such other classes of employees engaged in employments having atypical work arrangements, variable remuneration structures, or sector-specific conditions, as the Central Government may, by notification, specify.</p> <p>(2) While tendering advice under sub-rule (1), the Board shall have due regard to—</p> <p>(a) the nature of employment and working conditions;</p> <p>(b) the pattern of remuneration, including commission-based or performance-linked pay;</p> <p>(c) hours of work, work intensity, and occupational risks; and</p> <p>(d) prevailing industry practices.</p> <p>(3) The Board shall render its advice in the form of a reasoned written recommendation, within such time as may be specified in the reference or, where no such time is specified, within ninety days.</p> <p>(4) The advice tendered by the Board under this rule shall be placed in the public domain, in such manner as may be prescribed, unless the Central Government, for reasons to be recorded in writing, decides otherwise.</p> <p>(5) Nothing in this rule shall be construed as binding the Central Government, which shall retain the final authority in respect of fixation of minimum wages under the Code.</p> |



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| <p>Rule 30</p> | <p><i>The Chairperson may, subject to the provisions of rule 32, call a meeting of the Board at any time he thinks fit:</i></p> <p><i>Provided that on requisition in writing from not less than one half of the members, the Chairperson shall call a meeting within thirty days from the date of the receipt of such requisition.</i></p> | <p>(1) The Board shall meet not less than twice in every calendar year, and an indicative annual schedule of meetings shall be published at the commencement of each financial year.</p> <p>(2) Where a requisition in writing is made by not less than one-half of the members, the Chairperson shall convene the meeting within thirty days and shall include the requisitioned items in the agenda unless reasons for exclusion are recorded in writing.</p> <p>(3) The notice of meeting shall clearly specify the nature of business to be transacted and shall be accompanied by relevant background materials at least seven days in advance.</p> <p>(4) Failure to convene a requisitioned meeting within the stipulated period shall be reported in writing to the Central Government along with reasons.</p> |
| <p>Rule 33</p> | <p><i>No business shall be transacted at any meeting unless at least one-third of the members and at least one representative member each of both the employers and an employee are present:</i></p> <p><i>Provided that, if at any meeting less than one-third of the members are present, the Chairperson may adjourn the meeting to a date not later than seven days from the date of the original meeting and it shall thereupon be lawful to dispose of the business at such adjourned meeting irrespective of the number of members present:</i></p> <p><i>Provided further that the date, time and place of such adjourned meeting shall be intimated to all the members electronically or by a Registered post.</i></p> | <p>(1) In addition to the existing quorum requirement, at least one independent member shall be present for meetings involving wage fixation or advisory recommendations.</p> <p>(2) Participation through authenticated audio-video electronic means shall be deemed valid presence for quorum purposes.</p> <p>(3) The proviso permitting adjourned meetings to transact business without quorum shall not apply to decisions concerning minimum wages or floor wages.</p> <p>(4) Compliance with quorum requirements shall be specifically recorded in the minutes of each meeting.</p> |
| <p>Rule 34</p> | <p><i>All business of the Board shall be considered at a meeting of the Board, and shall be decided by a majority of the votes of members present and voting and in the event of an equality of votes, the Chairperson shall have a casting vote:</i></p> <p><i>Provided that the Chairperson may, if he thinks fit, direct that any matter shall be decided by the circulation of necessary papers and by securing written opinion of the members:</i></p> | <p>1) Decisions relating to fixation or revision of minimum wages or floor wages shall not be taken by circulation and shall require deliberation in a duly convened meeting.</p> <p>(2) Where a matter is decided by circulation, all written opinions, including dissent, shall form part of the official record.</p> |



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| | <p><i>Provided further that no decision on any matter under the preceding proviso shall be taken, unless supported by not less than two-thirds majority of the members.</i></p> | <p>(3) The exercise of casting vote by the Chairperson shall be accompanied by a brief written statement of reasons.</p> <p>(4) Every decision of the Board shall be reduced to writing and communicated to members within fifteen days of its adoption.</p> |
| <p>Rule 39</p> | <p><i>Term of office of members of the Board.- (1)The term of office of the Chairperson or a member, as the case may be, shall be normally two years commencing from the date of his appointment or nomination, as the case may be, under sub-section (1) of section 42:</i></p> <p><i>Provided that such Chairperson or a member shall, notwithstanding the expiry of the said period of two years, continue to hold office until his successor is appointed or nominated, as the case may be.</i></p> <p><i>(2) An independent member of the Board nominated to fill a casual vacancy shall hold office for the remaining period of the term of office of the member in whose place he is nominated.</i></p> <p><i>(3) The official members of the Board shall hold office till they are replaced by respective such other official members.</i></p> <p><i>(4) Notwithstanding anything contained in sub-rules (1), (2), and (3), the members of the Board shall hold office during the pleasure of the Central Government.</i></p> | <p>(1) The normal term of office of the Chairperson and members shall be three years to ensure continuity and institutional stability.</p> <p>(2) Removal prior to expiry of term shall be based on recorded reasons and after affording the concerned member an opportunity of representation.</p> <p>(3) Vacancies arising during tenure shall be filled within sixty days to prevent disruption of functioning.</p> <p>(4) The principle of holding office during the pleasure of the Central Government shall be exercised in a reasoned and non-arbitrary manner.</p> |
| <p>Rule 45</p> | <p><i>Disqualification.- (1) A person shall be disqualified for being nominated as, and for being a member of the Board–</i></p> <p><i>(i) if he is declared to be of unsound mind by a competent court; or</i></p> <p><i>(ii) if he is an un-discharged insolvent; or</i></p> <p><i>(iii) if before or after the commencement of the Code, he has been convicted of an offence involving moral turpitude.</i></p> <p><i>(2) If any question arises whether a disqualification has been incurred under sub-rule (1), the decision of the Central Government thereon shall be final.</i></p> | <p>(1) The expression “offence involving moral turpitude” shall be clarified by reference to specific categories of offences or a notified Schedule.</p> <p>(2) Before declaring disqualification, the concerned member shall be issued a notice and afforded an opportunity of being heard.</p> <p>(3) An order of disqualification shall be reasoned and communicated in writing.</p> <p>(4) Where disqualification is based on circumstances capable of remedy, re-consideration may be permitted upon production of relevant proof.</p> |



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| <p>Rule 46</p> | <p><i>Payment under clause (a) of sub-section (1) of section 44.-(1)(a) Every employee shall make a declaration in Form-VII, nominating a person conferring the right to receive the amount that may stand in his credit at the event of his death before that amount standing to his credit has become payable or where the amount has become payable, before payment has been made.</i></p> <p><i>(b) If the employee has a family at the time of making nomination, the nomination shall be in favour of the spouse or the spouse in preference followed by one or more members of his family;</i></p> <p><i>Provided that nomination made by an employee having a family in favour of a person other than member of his family shall be invalid;</i></p> <p><i>Provided further that a fresh nomination towards his spouse shall be made by the employee on his marriage and any nomination made before such marriage shall be deemed to be invalid.</i></p> <p><i>(c) Where the nomination is wholly or partly in favour of a minor, the employee may appoint a major person of his family, to be the guardian of the minor nominee or where there is no major person in the family, he may at his discretion, appoint any other person to be a guardian of the minor nominee.</i></p> <p><i>(d) If the employee nominates more than one member, he shall specify in the nomination, the amount or share payable to each of his nominees at his own discretion so as to cover the whole of the amount that may stand to his credit.</i></p> <p><i>(2) Where any amount payable to an employee under the Code is due after his death or on account of his whereabouts not being known, and the amount could not be paid to the nominee of the employee until the expiry of three months from the date the amount had become payable, then, such amount shall be deposited by the employer with the Deputy Chief Labour Commissioner (Central) having jurisdiction, who shall disburse the amount to the person nominated by the employee after ascertaining his identity within two months of the date on which the amount was so deposited with him.</i></p> | <p>(1) Employers shall obtain nomination from every employee at the time of appointment and facilitate periodic updating of such nomination.</p> <p>(2) A secure electronic system for filing and maintaining nominations shall be permitted, with appropriate authentication safeguards.</p> <p>(3) Where dues are deposited with the Deputy Chief Labour Commissioner (Central), written acknowledgment of such deposit shall be furnished to the nominee or family, where ascertainable.</p> <p>(4) Interest accrued on invested undisbursed dues shall form part of the amount payable to the nominee or lawful claimant.</p> |
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| <p><i>Rule 50</i></p> | <p><i>Appeal.-(1) Any person aggrieved by an order passed by the authority under sub-section (2) of section 45 may prefer an appeal under sub-section (1) of section 49 in Form-III electronically or by registered post, along with documents mentioned by the appellant in the said Form, to the appellate authority having jurisdiction.</i></p> <p><i>Provided that no appeal by an employer shall be admitted unless at the time of preferring the appeal, the appellant has deposited the claim amount with the appellate authority.</i></p> <p><i>(2) Where an appeal under sub-section (1) of section 49 is entertained, the appellate authority, shall serve upon the respondent electronically or by registered post a notice in Form VIII to appear before him on the date specified in the notice and shall inform the appellant of the date so specified.</i></p> <p><i>(3) The appellate authority shall after hearing the appellant and the respondent shall, by order, decide the appeal.</i></p> | <p>1) Appeals shall ordinarily be disposed of within sixty days from the date of admission, except for reasons recorded in writing.</p> <p>(2) A digital acknowledgment and case-tracking mechanism shall be introduced for appeals filed electronically.</p> <p>(3) No appeal filed by an employer shall operate as an automatic stay unless specifically ordered by the appellate authority for recorded reasons.</p> <p>(4) Orders passed in appeal shall be reasoned and communicated electronically to both parties.</p> |
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CONCLUSION OF RECOMMENDATIONS

The proposed amendments to Rules 3, 7, 13, 17, 20, 26, 29, 30, 33, 34, 39, 45, 46 and 50 reflect a structural shift from minimal procedural regulation toward a more accountable, transparent and rights-oriented wage governance framework under the Code on Wages, 2019. Collectively, the revisions seek to strengthen substantive wage protection, ensure institutional discipline in advisory and decision-making bodies, and prevent circumvention of statutory safeguards through technical or administrative devices. The Draft Rules need periodic review mechanisms, anti-circumvention safeguards, structured oversight, and digital compliance tools to ensure that statutory wage protections are realised in practice. Their success will depend on effective implementation, administrative capacity, transparency in data utilisation, and consistent enforcement across jurisdictions. If operationalised with integrity and institutional commitment, the reforms are likely to strengthen wage security, enhance predictability in employer obligations, and promote fairness within the broader framework of labour governance under the Code.



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