

		(ii) 5 लाख रुपये की, उक्त दोनों में से जो भी कम हो, कटौती ऐसे नियोजक के पारिश्रमिक के रूप में की जाएगी।
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स्पष्टीकरण: स्तंभ 3 की मद संख्या 1(iii), 2(iii) और 3(ii) में दी गई 'आरक्षितियों' अभिव्यक्ति के अधीन कोई ऐसी रकम निम्न प्रयोजनों के लिए सम्मिलित नहीं हैं जो-

- (i) किसी ऐसे प्रत्यक्ष कर के संदाय के, जो तुलन पत्र के अनुसार संदेय होगा;
- (ii) धारा 34 के खण्ड (क) के उपबंधों के अनुसार अनुज्ञेय किसी अवमूल्यन की पूर्ति के लिए;
- (iii) ऐसे लाभांशों के संदाय, जो घोषित किए गए हैं, लेकिन जिनमें निम्नलिखित सम्मिलित हैं-

(क) इस स्पष्टीकरण के खण्ड (i) में निर्दिष्ट रूपसे से अतिरिक्त ऐसी रकम जो किसी प्रत्यक्ष-कर के संदाय के प्रयोजन के लिए पृथक रखी गई हैं, और

(ख) कोई ऐसी रकम, जो धारा 34 के खण्ड (क) के उपबंधों के अनुसार इस रकम से अधिक रकम, जो किसी अवमूल्यन को पूरा करने के लिए पृथक रखी गई है।

[फा. सं. पी-11023/03/2025-डब्ल्यूसी]

तेजस्वी एस. नायक, संयुक्त सचिव

MINISTRY OF LABOUR AND EMPLOYMENT

NOTIFICATION

New Delhi, the 8th May, 2026

G.S.R. 343(E).—Whereas the draft of the Code on Wages (Central) Rules, 2025 were published as required under sub-section (1) of section 67 of the Code on Wages, 2019 (29 of 2019) in the Gazette of India, Extraordinary, Part II, section 3, Sub-section (i), *vide* number G.S.R. 936 (E), dated the 30th December, 2025, inviting objections and suggestions from all persons likely to be affected thereby within a period of forty-five days from the date on which the Gazette containing the said notification were made available to the public;

And whereas, the notification was made available to the public on the 30th December, 2025;

And whereas, suggestions and objections received from persons and stakeholders have been duly considered by the Central Government;

Now, therefore, in exercise of the powers conferred by section 67 of the Code on Wages, 2019 (29 of 2019) and in supersession of—

- (i) the Payment of Wages (Procedure) Rules, 1937;
- (ii) the Payment of Wages (Railways) Rules, 1938;
- (iii) the Minimum Wages (Central) Rules, 1950;
- (iv) the Payment of Wages (Mines) Rules, 1956;

- (v) the Payment of Wages (Procedure) Application to Scheduled employments Rules, 1962;
- (vi) the Payment of Wages (Manner of Recovery of excess Deductions) Rules, 1966;
- (vii) the Payment of Wages (Air Transport Services) Rules, 1968;
- (viii) the Payment of Wages (Deductions for National Defence Fund and Defence Savings Scheme) Rules, 1972;
- (ix) the Payment of Bonus Rules, 1975;
- (x) the Equal Remuneration Rules, 1976; and
- (xi) the Payment of Undisbursed Wages (Air Transport Services) Rules, 1988;
- (xii) the Payment of Undisbursed Wages (Mines) Rules, 1989;
- (xiii) the Central Advisory Committee on Equal Remuneration Rules, 1991;
- (xiv) the Payment of Wages (Nomination) Rules, 2009;
- (xv) the Minimum Wages (Central Advisory Board) Rules, 2011;
- (xvi) the Code on Wages (Central Advisory Board) Rules, 2021;
- (xvii) the Ease of Compliance to Maintain Register under Equal Remuneration Act, 1976 (25 of 1976), Minimum Wages Act, 1948 (11 of 1948) and the Payment of Wages Act, 1936 (4 of 1936),

except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely:-

CHAPTER I

PRELIMINARY

1. Short title and commencement.- (1) These rules may be called the Code on Wages (Central) Rules, 2026.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions.- (1) In these rules, unless the context otherwise requires. —

- (a) “appeal” means an appeal under sub-section (1) of section 49;
- (b) “appellate authority” means the appellate authority appointed by the Central Government under sub-section (1) of section 49;
- (c) “appendix” means Appendix annexed to these rules;
- (d) “authority” means the authority appointed by the Central Government under sub-section (1) of section 45;
- (e) “Board” means the Central Advisory Board constituted by the Central Government under sub-

- section (1) of section 42;
- (f) “Chairperson” means the Chairperson of the Board;
- (g) “Code” means the Code on Wages, 2019 (29 of 2019);
- (h) “Committee” means a committee appointed by the Central Government under clause (a) of sub-section (1) of section 8;
- (i) “day” means a period of twenty-four hours beginning at mid-night;
- (j) “electronically” means any information submitted by email or maintained or displayed on the designated portal or mobile application or website or digital payment in any mode for the purposes of the Code;
- (k) “form” means the forms appended to these rules;
- (l) “geographical area” means the areas notified by the Central Government from time to time.
- (m) “highly skilled occupation” means an occupation which calls in its performance a specific level of perfection and required competence acquired through intensive technical or professional training or practical occupational experience for a considerable period and also requires of an employee to assume full responsibility for judgment or decision involved in the execution of such occupation;
- (n) “Inspector-cum-Facilitator” means a person appointed by the Central Government, under sub-section (1) of section 51;
- (o) “member” means a member of the Board;
- (p) “normal rate of wage” means wage as defined under clause (y) of section 2;
- (q) “registered trade union” means a trade union registered under the Industrial Relations Code, 2020 (35 of 2020);
- (r) “section” means a section of the Code;
- (s) “semi-skilled occupation” means an occupation which in its performance requires the application of skill gained by the experience on job which is capable of being applied under the supervision or guidance of a skilled employee and includes supervision over the unskilled occupation;
- (t) “skilled occupation” means an occupation which involves skill and competence in its performance through experience on the job or through training as an apprentice in a technical or vocational institute and the performance of which calls for initiating and judgment;
- (u) “unskilled occupation” means an occupation which in its performance requires the application of simply the operating experience and involves no further skills.

(2) Words and expressions used in these rules but not defined herein, shall have the meanings respectively assigned to them under the Code.

CHAPTER II

MINIMUM WAGES

3. Manner of calculating minimum rate of wages.—(1) For the purposes of sub-section (5) of section 6, the minimum rate of wages shall be fixed by the day basis keeping in view the criteria which shall be separately specified by the Central Government by special or general order:

Provided that the Central Government shall not fix the minimum wages of the Central Government employees under this Code.

(2) Where the rate of wages for a day is fixed, 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.

(3) In case there is less than six days working week, the hourly rate of minimum wages so calculated shall be used to derive the minimum wages for the day.

4. Interval for revision of variable dearness allowance.- The cost of living allowance and the cash value of the concession in respect of essential commodities at concession rate shall be computed once before 1st April and then before 1st October in every year to revise the variable dearness allowance payable to the employees on the minimum wages considering the Average Consumer Price Index Number for Industrial Workers published by the Labour Bureau, Ministry of Labour and Employment, Government of India.

5. Hours of work for normal working day. - (1) The number of hours of work which shall constitute normal working day for an employee whose wage period is on a daily basis shall be eight hours and interval for rest shall be in accordance with notification issued in this regard under Occupational Safety, Health and Working Conditions Code, 2020 (37 of 2020).

(2) The number of hours of work which shall constitute a normal working day for an employee whose wage period is other than on a daily basis shall be so fixed that the total number of weekly working hours shall not exceed forty-eight hours.

6. Weekly day of rest.— (1) Subject to the provisions of this rule, an employee shall be allowed rest for one day in every week (hereinafter referred to as “the rest day”), in case of six-day working week which shall ordinarily be a Sunday and in case of less than six-days working week, the rest day shall include Saturday and Sunday, however, the employer may fix any other day of the week as the rest day for any employee or class of employees:

Provided that in a six-days 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 further that an employee shall be entitled for the rest day under this sub-rule, if he has worked under the same employer in case of six-days working week for a continuous period of not less than six days and in case of less than six-days working week for a continuous period of the stipulated number of working days, as the case may be:

Provided also that the employee shall be informed of the day fixed as the rest day and of any subsequent change in the rest day before the change is effected, by display of a notice to that effect at a conspicuous place in the place of employment or electronically.

Explanation.- For the purpose of computation of the continuous period of not less than six days or the stipulated number of days worked in a week specified in the second proviso to this sub-rule,

- (a) any day on which an employee is required to attend for work but is given only an allowance for attendance and is not provided with work;
- (b) any day on which an employee is laid off on payment of compensation under the Industrial Relations Code, 2020 (35 of 2020), and;
- (c) any leave or holiday, with or without pay, granted by the employer to an employee in the period of six days or during the stipulated number of working days of a week, as the case may

be, immediately preceding the rest days.

(2) An employee shall not be required or allowed to work on the rest day unless he is allowed a substituted rest day on one of the working days in a week immediately before or after the rest day:

Provided that no substitution shall be made, which shall result in the employee working for more than ten days consecutively without a rest day.

(3) Where any employee works on a rest day and has been given a substituted rest day on any working days before or after the rest day, the rest day shall, for the purposes of calculating the weekly hours of work, be included in the week in which the substituted rest day occurs.

(4) An employee shall be granted for rest day, wages calculated at the rate applicable to the previous working day; where he works on the rest day and has been given a substituted rest day, then, he shall be paid wages for the rest day on which he worked, at the overtime rate and wages for the substituted rest day at the rate applicable to the previous working day:

Provided that in case of six-days working week where—

(i) the minimum rate of wages of the employee as notified under the Code has been worked out by dividing the minimum monthly rate of wages by twenty- six; or

(ii) the actual daily rate of wages of the employee has been worked out by dividing the monthly rate of wages by twenty-six and such actual daily rate of wages is not less than the notified minimum daily rate of wages of the employee, then, no wages for the rest day shall be payable; and

(iii) the employee works on the rest day and has been given a substituted rest day, then, the employee shall be paid, only for the rest day on which he worked, an amount equal to the wages payable at the overtime rate, which shall not be less than twice the normal rate of wages,

and, in case any dispute arises whether the daily rate of wages has been worked out in accordance with the provisions of this proviso, the Chief Labour Commissioner (Central) or the Deputy Chief Labour Commissioner (Central) having jurisdiction may, on application made in this behalf, decide the same, after giving an opportunity to the parties concerned to make written representations:

Provided further that in case of an employee governed by a piece-rate system, the employee shall be paid wages for the rest day on which he works, at the overtime rate and wages for the substituted rest day at the rate applicable to the previous working day.

Explanation.- For the purpose of this sub-rule, the words 'previous working day' means the last day on which the employee has worked, which precedes the rest day or the substituted rest day, as the case may be; and where the substituted rest day falls on a day immediately after the rest day, the previous working day means the last day on which the employee has worked, which precedes the rest day.

(5) The provisions of this rule shall not operate to the prejudice of more favourable terms, if any, to which an employee may be, entitled under any other law or under the terms of any award, agreement or contract of service, and in such a case, the employee shall be entitled only to more favorable terms.

Explanation.- For the purposes of this rule, the expression 'week' shall mean a period of seven days beginning at midnight on Saturday night.

7. Night shifts. —Where an employee works on a shift which extends beyond midnight, then, —

- (i) a rest day for the whole day for the purposes of rule 6 shall, in this case means a period of twenty-four consecutive hours beginning from the time when his shift ends; and
- (ii) the following day in such a case shall be deemed to be the period of twenty-four hours beginning from the time when such shift ends and the hours after midnight during which such employee was engaged in work shall be counted towards the previous day.

8. Extent and conditions of working hours for certain categories of employees.- The number of working hours for certain categories of employees under sub-section (2) of section 13 may exceed the normal working hours, specified in rule 5:

Provided that the overtime of these categories of employees shall be as per section 14.

9. Longer wage period. - The longer wage period for the purposes of minimum rate of wages under section 14 shall be by the month.

CHAPTER III

FLOOR WAGES

10. Manner of fixing floor wage.- (1) For fixing the floor wage, the Central Government may consult the Board, taking into account the minimum living standard including the food, clothing, housing and any other factors considered appropriate by the Central Government from time to time.

(2) The consultation under sub-rule (1) may be circulated to all the State Governments for further consultation and their comments.

(3) The consultation of the Board and the views of the State Governments received may be considered before fixing the floor wage under sub-rule (1).

(4) The Central Government may revise the floor wage fixed under sub-rule (1) ordinarily at an interval not exceeding five years and undertake adjustment for variations in the cost of living periodically in consultation with the Board and the State Governments.

CHAPTER IV

PAYMENT OF WAGES

11. Payment of wages to contractual employee.- Where the employees are employed in an establishment through a contractor, 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 in respect of the wages of employees in accordance with the provisions of the Code.

Explanation: -For the purpose of this rule, the expression “firm” shall have the meaning as assigned to it in the Indian Partnership Act, 1932 (9 of 1932).

12. Payment of wages for less than normal working day.— An employee shall not be entitled to receive wages for a full normal working day under section 10, in case the employee had agreed to work on part time basis, as per the terms of the employment or not entitled to receive such wage under any other labour law for the time being in force.

13. Recovery of deductions.— As per sub-section (4) of section 18, where the total deductions authorised 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, in instalments so that the recovery in any month shall not exceed the fifty per cent. of the wages of the employee in that month.

14. Authority for approving acts and omissions.— The Deputy Chief Labour Commissioner (Central) having jurisdiction over the place of work of the employee concerned shall be the authority for approving acts and omissions for the purposes of sub-section (1) of section 19.

15. Manner of exhibiting notice specifying acts and omissions.— A notice referred to in sub-section (2) of section 19 shall be displayed in physical form or electronically in Hindi, English and local language at the conspicuous place in the premises of the work place in which the employment is carried on and a copy of the notice shall be sent electronically or by speed post to the Inspector-cum-Facilitator having jurisdiction.

16. Procedure for imposing fines.— (1) As per sub-section (3) of section 19, the employer shall give intimation electronically or in writing to the employee concerned specifying therein the particulars of acts and omissions done by the employee, warranting the imposition of fine, for showing cause within seven days.

(2) On establishment of charges, fine shall be imposed on the delinquent employee.

(3) Wherein no reply is received from the employee within the scheduled period, fine shall be imposed and the same shall be intimated to the employee within fifteen days of the imposition of such fine.

17. Intimation of deduction for absence from duty.—(1) When an employer intends to make any deduction in pursuance of the proviso to sub-section (2) of section 20, the employer shall intimate electronically or in writing to the employee concerned regarding their intention of making such deduction seeking their reply within a period of seven days and on establishment of charges, deduction shall be made from the wages of the employee in accordance with sub-section (3) of section 18.

(2) If no reply is received from the employee concerned within seven days, the employer shall make such deduction from the wages and the same shall be intimated to the employee within fifteen days of the date of such deduction.

18. Procedure for deduction for damage or loss.—(1) Any employer intending to make deduction for damages or loss under sub-section (1) of section 21 from the wages of an employee, shall give the employee an opportunity to submit explanation within a period of seven days, showing cause, the value of the damage caused or loss of goods expressly entrusted to the employee.

(2) On establishment of the charges, deductions shall be made from the wages of the employee in accordance with sub-section (3) of section 18.

(3) In case no reply is received from the employee concerned within seven days, the employer shall make such deduction from the wage of the employee concerned and the same shall be intimated to the employee within fifteen days of the date of such deduction.

19. Conditions regarding recovery of advance:—The recovery of,—

- (i) advances of money given to an employee after the employment begins under clause (b) of section 23; or
- (ii) advances of wages to an employee not already earned under clause (c) of section 23,

as the case may be, shall be made by the employer from the wages of the concerned employee in instalments determined by the employer, so as any or all instalments in a wage period, shall not exceed fifty per cent of the wages of the employee subject to the ceiling specified in rule 13 in that wage period and the particulars of such recovery shall be recorded in the register maintained in Form-IV.

20. Deduction for recovery of loans:— As per section 24, deductions for recovery of loans granted 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.

CHAPTER V

PAYMENT OF BONUS

21. Payment of bonus to contractual employee.- Where in an establishment, the employees are employed through a contractor and the contractor fails to pay the bonus under section 26, the company or firm or association or other person as referred to in the proviso to section 43 shall, on the written information of such failure given by the employees or any registered trade union or unions of which the employees are members and on confirming such failure, pay minimum bonus to the employees.

22. Calculation for sixth accounting year:— For the sixth accounting year, set on or set off, as the case may be, shall be made under clause (i) of sub-section (7) of section 26, in the manner illustrated in Appendix A, taking into account the excess or deficiency, if any, as the case may be, of the allocable surplus set on or set off, in respect of the fifth and sixth accounting years.

23. Calculation for seventh accounting year:— For the seventh accounting year, set on or set off, as the case may be, shall be made under clause (ii) of sub-section (7) of section 26, in the manner illustrated in Appendix A, taking into account the excess or deficiency, if any, as the case may be, of the allocable surplus set on or set off in respect of the fifth, sixth and seventh accounting years.

24. Computation of gross profits for banking company:— The gross profits derived by an employer from an establishment in respect of the accounting year shall in the case of banking company under clause (a) of section 32, be calculated in the manner specified in Appendix B.

25. Computation of gross profits for other than banking company:— The gross profits derived

by an employer from an establishment in respect of the accounting year shall, in a case other than banking company under clause (b) of section 32, be calculated in the manner specified in Appendix C.

26. Deduction of further sums from gross profit:—The further sums specified in respect of the employer in Appendix D shall be deducted from the gross profit as prior charges under clause (c) of section 34.

27. Manner of carrying forward when allocable surplus exceeds maximum bonus payable:—Under sub-section (1) of section 36, 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 upto and inclusive of the fourth accounting year to be utilised for the purpose of payment of bonus in the manner as illustrated in Appendix A.

28. Manner of carrying forward when there is no allocable surplus for payment of minimum bonus:—Under sub-section (2) of section 36, where for any accounting year, there is no available surplus or the allocable surplus in respect of that year falls short of the amount of minimum bonus payable to the employees in the establishment under section 26 and there is no amount or sufficient amount carried forward and set on under rule 27 which shall be utilised for the purpose of payment of the minimum bonus, then, such minimum amount or the deficiency, as the case may be, shall be carried forward for being set off in the succeeding accounting year and so on upto and inclusive of the fourth accounting year in the manner as illustrated in Appendix A.

CHAPTER VI

CENTRAL ADVISORY BOARD

A. Procedure of Central Advisory Board

29. Constitution of the Board.- The Board shall be constituted under sub-section (1) of section 42 by the Central Government consisting of persons to be nominated by the Central Government.

30. Meeting of the Board. - The Chairperson of the Board may, subject to the provisions of rule 32, call a meeting of the Board at any time as deemed fit:

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.

31. Notice of meetings. - The Chairperson shall fix the date, time and place of every meeting and a notice in writing containing the aforesaid particulars along with a list of business to be conducted at the meeting shall be sent to each member by speed post or electronically at least fifteen days before the date fixed for such meeting:

Provided that in the case of an emergent meeting, notice of seven days may be given to every member.

32. Functions of Chairperson. – The Chairperson shall-

(i) preside at the meetings of the Board:

Provided that in the absence of the Chairperson, the members shall elect from amongst themselves by a majority of votes, a member who shall preside at such meeting;

(ii) decide agenda of each meeting of the Board;

(iii) where in the meeting of the Board, if any issue has to be decided by voting, conduct the voting and count or cause to be counted the secret voting in the meeting; and

(iv) such other functions that the Central Government may assign from time to time.

33. Quorum:—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 the employee are present:

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:

Provided further that the date, time and place of such adjourned meeting shall be intimated to the members.

34. Disposal of business of Board.- All business of the Board shall be considered at the 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:

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:

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.

35. Method of voting.- Voting in the Board shall ordinarily be by show of hands, but if any member asks for voting by ballot or if the Chairperson so decides, the voting shall be by secret ballot and held in the manner as the Chairperson may decide.

36. Proceedings of meetings.- (1) The proceedings of each meeting of the Board showing inter alia the names of the members present thereat shall be forwarded to each member and to the Central Government as soon after the meeting *as possible* and in any case, not less than seven days before the next meeting.

(2) The proceedings of each meeting of the Board shall be confirmed with such modification, if any, as may be considered necessary at the next meeting.

37. Summoning of witnesses and production of documents:— (1) The Chairperson may summon any person to appear as a witness if required in the course of the discharge of his duty and require any person to produce any document.

(2) Every person who is summoned and appears as a witness before the Board shall be entitled to an allowance for expenses incurred in accordance with the scale for the time being in force for payment of such allowance to witnesses appearing before a civil court.

B. TERMS OF OFFICE OF MEMBERS OF BOARD

38. Term of office of members of Board.- (1) The term of office of the Chairperson and members, shall be three years commencing from the date of appointment or nomination, as the case may be:

Provided that the Chairperson or a member shall after the expiry of the said period of three years, continue to hold office until their successor is appointed or nominated.

(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 that independent member is nominated or till the time a regular incumbent joins.

(3) The official members of the Board shall hold office till they are replaced by respective such other official members.

(4) Notwithstanding anything contained in this rule, the members of the Board shall hold office during the pleasure of the Central Government.

39. Travelling allowance. - (1) The travelling allowance of an official member of the Board shall be governed by the rules applicable to them for the journey performed on official duties and shall be paid by the authority paying the salary.

(2) The non-official members of the Board shall be paid travelling allowance for attending the meeting of the Board as per the instructions issued by the Department of Expenditure, Ministry of Finance, Government of India from time to time.

Explanation.- For the purposes of this rule, the expression “official member” shall mean regular government officers, officiating as members of the Board in that capacity and “non-official member” shall be who are not “official members”.

40. Officers and staff of Board. - The Central Government may provide the necessary infrastructure, as it may think necessary for the proper functioning of the Board.

41. Eligibility for re-nomination of members of Board. - An outgoing member shall be eligible for re-nomination for the membership of the Board for not more than total two terms.

42. Resignation of Chairperson and members of Board. - (1) A member of the Board, other than the Chairperson, may, by giving notice in writing to the Chairperson, resign from the membership and the Chairperson may resign by a letter addressed to the Central Government.

(2) The resignation shall take effect from the date of communication of its acceptance or on the expiry of thirty days from the date of resignation, whichever is earlier.

(3) When a vacancy occurs or is likely to occur in the Board, the Chairperson shall submit a report to the Central Government immediately and the Central Government shall, take steps to fill the vacancy in accordance with the provisions of the Code.

43. Cessation of membership. - If a member of the Board fails to attend three consecutive meetings without prior intimation to the Chairperson, he shall cease to be a member thereof.

44. Disqualification. - (1) A person shall be disqualified for being nominated as and for being a member of the Board—

(i) if he is declared to be of unsound mind by a competent court; or

- (ii) if he is an un-discharged insolvent; or
- (iii) if before or after the commencement of the Code, he has been convicted of an offence involving moral turpitude.

(2) If any question arises whether a person has been subject to disqualification under sub-rule (1), the decision of the Central Government thereon shall be final.

CHAPTER VII

PAYMENT OF DUES, CLAIMS, ETC.

45. Payment of undisbursed dues to nominees in case of death of employee :— (1) (a) In pursuance of clause (a) of sub-section (1) of section 44, every employee shall make a declaration in Form-VII in physical form or electronically, nominating a person conferring the right to receive the amount that may stand in the credit of the employee on the event of death, before that amount standing to the credit of such employee has become payable or where the amount has become payable, before payment has been made.

(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 the family:

Provided that nomination made by an employee having a family in favour of a person other than member of the family shall be invalid:

Provided further that a fresh nomination towards the spouse of the employee shall be made by the employee on marriage and any nomination made before such marriage shall be deemed to be invalid.

(c) Where the nomination is wholly or partly in favour of a minor, the employee may appoint a major person of the family, to be the guardian of the minor nominee or where there is no major person in the family, the employee may by discretion, appoint any other person to be the guardian of the minor nominee.

(d) If the employee nominates more than one member, the nomination shall specify the amount or share payable to each of the nominees at employee's own discretion so as to cover the whole of the amount that may stand to the credit of the employee.

(2) Where any amount payable to an employee under the Code is due after the death or on account of whereabouts not being known of the employee 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 the identity of the employee within two months of the date on which the amount was so deposited.

46. Deposit of undisbursed dues in case of death of employee:— (1) Where any amount payable to an employee under clause (b) of sub-section (1) of section 44 remains undisbursed since no nomination has been made by such employee or for any other reason, such amounts could not be paid to the nominee of employee, all such amounts shall be deposited by the employer after the expiry of six-months from the date the amount become payable, with the Deputy Chief Labour Commissioner (Central) having jurisdiction before the expiry of the fifteenth day after the last day of the said period of six months.

(2) The amount to be deposited under sub-clause (1) shall be through bank transfer or through a crossed demand draft obtained from any scheduled bank in India drawn in favour of such Deputy Chief Labour Commissioner (Central).

47. Manner of dealing with deposit of undisbursed dues:— The undisbursed amount in sub rule (1) of rule 46 (hereinafter in this rule referred to as “the amount”) shall remain with the concerned Deputy Chief Labour Commissioner (Central) and be invested in the Central or State Government Securities or deposited as a fixed deposit in a scheduled bank.

(2) The concerned Deputy Chief Labour Commissioner (Central) shall exhibit, as soon as may be possible, a notice containing such particulars as the Deputy Chief Labour Commissioner (Central) considers sufficient for information at least for fifteen days on the notice board and also publish such notice in any two local newspapers of vernacular language commonly understood in the area in which undisbursed wages were earned and also in two local newspapers in vernacular language in the area of permanent residence of the employee.

(3) Subject to the provisions of sub-rule (4), the concerned Deputy Chief Labour Commissioner (Central) shall release the amount to the nominee or to that person who has claimed such amount, as the case may be, in whose favour such Deputy Chief Labour Commissioner (Central) has decided, after giving the opportunity of being heard.

(4) In case the undisbursed amount remains unclaimed for a period of seven years, the same shall be dealt as directed by the Central Government from time to time in this behalf.

CHAPTER VIII

FORMS, REGISTERS AND WAGE SLIP

48. Returns. - The returns shall be filed electronically by every employer of an establishment to which the Code applies in the Forms under the Occupational, Safety Health and Working Conditions Code, 2020 (37 of 2020).

49. Form and procedure for filing claims:— (1) A single application on behalf of or in respect of any number of or group of employees employed in the same establishment wherein their claims relate to the same wage period or any incident of discrimination, may be filed under sub-section (5) of section 45 in Form-II, manually or electronically along with documents specified in the said Form, before the authority notified by Central Government under sub-section (1) of section 45 to hear and determine claims which arise under the provisions of the Code.

(2) Where an application under sub-rule (1) is filed, the authority shall serve upon the employer electronically or by speed post, a notice in Form VIII to appear before them on the date specified in the notice with all relevant documents and witnesses, if any, and shall inform the applicant of the date so specified.

(3) In case where the employer or their representative fails to appear on the specified date, the authority may hear and determine the application *ex-parte*.

(4) In case where the applicant or their representative fails to appear on the specified date without any reasonable cause shown in advance, the authority may dismiss the application.

50. Procedure for filing 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 speed post, along with documents mentioned by the appellant in the said Form, to the appellate authority having jurisdiction:

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.

(2) Where an appeal under sub-section (1) of section 49 is entertained, the appellate Authority shall serve upon the respondent electronically or by speed post, a notice in Form VIII to appear before them on the date specified in the notice and shall inform the appellant of the date so specified.

(3) In case where the employer or their representative fails to appear on the specified date, the authority may hear and determine the application ex-parte.

(4) In case where the applicant or their representative fails to appear on the specified date, the authority may dismiss the appeal.

51. Form of register, etc.- (1) The employer of all establishments to which the Code applies shall maintain under sub-section (1) of section 50, electronically or in physical form in the formats appended to these rules, the following registers:—

- (i) Employee Register in Form I;
- (ii) Register of Wages, Overtime, Advances, Fines and Deductions for Damage and Loss in Form IV; and
- (iii) Attendance Register-cum-Muster Roll in Form IX.

(2) All fines and all realisations referred to in sub-section (8) of section 19 shall be recorded in a register to be kept by the employer electronically or in physical form in Form - IV and the authority referred to in sub-section (8) shall be the Deputy Chief Labour Commissioner (Central) having jurisdiction.

(3) All deductions and realisations referred to in sub section (3) of section 21 shall be recorded in a register to be kept by the employer electronically or in physical form in Form IV.

(4) The registers maintained under these rules shall be preserved for a period of five years after the date of last entry made therein.

52. Wage slip. -Every employer shall issue wage slips, electronically or in physical form to the employees in Form V under sub-section (3) of section 50 on or before payment of wages.

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.

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.

FORM I (See clause (i) of sub-rule (1) of rule 51)	
EMPLOYEE REGISTER	
Name of the Establishment	
Name of the Employer	
Name of the Owner	
PAN/TAN of the Employer	
Registration Number of the establishment (Labour Identification Number (LIN) shall be the Registration Number of the Establishment)	
1. Employee Code	
2. Name	
3. Surname	
4. Gender	
5. Father's/Mother's/Spouse Name	
6. Date of Birth	
7. Place of Birth	
8. Nationality	
9. Education Level	
10. Date of Joining	
11. Designation	
12. Category (HS/S/SS/US)*	
13. Type of Employment (P/T/FT/T/B)**	
14. Details of Posting	
15. Pay	
16. Promotion	
17. Mobile Number	
18. Universal Account Number (UAN)	
19. PAN	
20. Nominee (To be filled on the basis of Nomination form)	
21. Details of Family	
22. EPS/NPS	
23. ESIC IP No.	
24. AADHAAR NO.	
25. Bank A/c Number	
26. Bank	
27. Branch (IFSC)	
28. Present Address	
29. Permanent Address	
30. Service Book No.	
31. Date of Exit	
32. Reason for Exit	
33. Mark of Identification	
34. Photo	
35. Specimen Signature/Thumb Impression	
36. Remarks	

* (Highly Skilled/Skilled/Semi skilled/Unskilled)

** (Permanent/Temporary/Fixed Term/Trainee/Badli)

FORM-II

[See sub rule (1) of rule 49]

[SINGLE APPLICATION UNDER SUB-SECTION (5) OF SECTION 45]
BEFORE THE AUTHORITY APPOINTED UNDER SUB SECTION (1) OF SECTION 45 OF THE CODE ON
WAGES, 2019 (29 OF 2019)

FOR..... AREA..... Application No
..... of 20.....

Between ABC and (State the number).....other..... Applicant

(Through employees concerned or registered trade union or Inspector- cum- Facilitator

Address.....

And XYZ.....

Address..... The

application states as follows:

(1) The applicant(s) whose name(s) appear in the attached schedule was/were/has/have been employed fromto..... as.....(category) in..... (establishment) Shri/M/s.....engaged in(nature of work) which is/are covered by the Code on Wages, 2019.

(2) The opponent(s) is/are the employer(s) within the meaning of section 2(l) of the Code on Wages, 2019.

(3) (a)The applicant(s) has/ have been paid wages at less than the minimum rates of wages fixed for their category (categories) of employment(s) under the Code by Rs.... Per day for the period(s) from.....to.....

(b) The applicant(s) has/ have not been paid wages at Rs Per day for the weekly days of rest from.....to...

(c) The applicant(s) has/ have not been paid wages at overtime rate(s) for the period from.....to....

(d) The applicant(s) has/have not been paid wages for period fromto..... (e)Deductions have been made which are in contravention of the Code, from the wage(s) of the applicant(s) as per details specified in the annexure appended with this application.

(f) The applicant(s) has/have not been paid minimum bonus for the accounting year

(4) The applicant(s) estimate(s) the value of relief sought by him/ them on each amount as under:

(a) Rs.....

(b) Rs.....

(c) Rs..... Total

Rs.....

(5) The applicant(s), therefore, pray(s) that a direction may be issued under section 45(2) of the Code on Wages, 2019 for;

(a) payment of the difference between the wages payable under the Code and the wages actually paid,

(b) payment of remuneration for the days of rest

(c) payment of wages at the overtime rates,

(d) compensation amounting to Rs.....

(6) The applicant(s) do hereby solemnly declare(s) that the facts stated in this application are true to the best of his/their knowledge, belief and information.

Dated

Signature of thumb-impression of the
Emplied person(s) of official of a
registered trade union duly authorized or
inspector-cum-Faciliator

Note:The applicant(s), if required, may append annexures containing details, with this application.

FORM III

(See sub rule (1) of rule 50)

APPEAL UNDER SECTION 49(1) OF THE CODE ON WAGES, 2019 BEFORE THE
APPELLATE AUTHORITY UNDER THE CODE ON WAGES, 2019

A.B.C

Address.....
.....APPELLANT

Vs.

C.D.E.

Address.....
RESPONDENT

DETAILS OF APPEAL:

1. Particulars of the order against which the appeal is made : Number
and date :

The authority who has passed the impugned order:

Amount awarded:

Compensation awarded , if any :

2. Facts of the case :

(Give here a concise statement of facts in a chronological order, each paragraph containing as nearly as possible a separate issue or fact).

3. Grounds for appeal :

4. Matters not previously filed or pending with any other Court or any Appellate Authority:

The appellant further declares that he had not previously filed any appeal, writ petition or suit regarding the matter in respect of which this appeal has been made, before any Court or any other Authority or Appellate Authority nor any such appeal, writ petition or suit is pending before any of them.

5. Reliefs sought :

In view of the facts mentioned above the appellant prays for the following relief(s) :—[Specify below

the relief(s) sought]

6. List of enclosures:

- 1.
- 2.
- 3.
- 4.

..... Date :

Place :

Signature of the appellant.

For office use

Date of filing or
Date of receipt by post
Registration No.

Authorized Signatory

Date of Payment	Receipt by employee/Bank transaction ID	Nature of acts and omissions for which fine imposed with date	Amount of fine imposed	Damage or loss caused to the employer by neglect or default of the employee	Signature of Employer/Employer Representative*
(28)	(29)	(30)	(31)	(32)	(33)

*Note: Required in case register is maintained physically.

FORM V (See rule 52)	
WAGE SLIP	
Date of issue	
Name of the Establishment	
Address	
Period	
1. Name of employee	
2. Father's/Mother's/Spouse Name	
3. Designation	
4. UAN	
5. Bank Account Number	
6. Wage period	
7. Rate of wages payable	
a. Basic	
b. DA	
c. Allowances	
8. Total attendance/unit of work done	
9. Overtime wages	
10. Gross wages payable	
11. Total deductions	
a. PF	
b. ESI	
c. Others	
12. Net wages paid	
*Employer / Pay-in-charge signature	

Note: Required in case register is maintained physically

FORM VI
Part - A

[See sub rule (1) of rule 54]

APPLICATION UNDER SUB-SECTION (4) OF SECTION 56 FOR COMPOSITION OF OFFENCE

1. Name of applicant :

2. Father's / Spouse name :
3. Address of the applicant :
4. Particulars of the offence:.....
.....
5. Section of the Code under which the offence is committed :
.....
6. Maximum fine provided for the offence under the Code :
.....
7. Whether prosecution against the applicant is pending or not
.....
8. Whether the offence is first offence or the applicant had committed any other offence prior to the offence. If yes, then, full details of the prior offence.
.....
9. Any other information which the applicant desires to provide
.....

Dated:

Applicant (Name and signature)

PART – B
[See rule 54 (3)]

Composition Certificate

Ref: Notice No.....

Date:

This is to certify that the offence under sub-section of section 54 in respect of which Notice No. Dated: _____ was issued to Sh..... (Applicant), the employer of (name and registration number of establishment) has been compounded on account of remission of full amount of Rs (Rupees _____) towards the composition of offences to the satisfaction of the said notice.

(Signature)
Name and Designation of the Officer

Date:

Place:

To:

.....(Employer/Establishment)

.....(Name and registration number)

.....(Address)

FORM-VII

(See clause (a) of sub rule (1) of rule 45) NOMINATION

FORM

1. Name of person making nomination:
(In block letters):
2. Father's/Spouse's Name:
3. Date of Birth:
4. Sex:

5. Marital Status:
6. Address:
Permanent:
Temporary:

I hereby nominate the person(s)/cancel the nomination made by me previously and nominate the person(s) mentioned below to receive any amount due to me from the employer in the event of my death:-

Name of nominee/nominees	Address	Nominee's relationship with the employee	Date of Birth	Total amount of share of accumulations in credit to be paid to each nominee	If the nominee is minor, name, relationship, and address of the guardian who may receive the amount during the minority of nominee
(1)	(2)	(3)	(4)	(5)	(6)

1. Certified that I have no family and if I acquire a family hereafter, the above nomination shall be deemed as cancelled.
2. Certified that my father/mother is/are dependent upon me.
3. Strike out whichever is not applicable.

Signature or the thumb impression of the employee

CERTIFICATE BY EMPLOYER

Certified that the above declaration and nomination has been signed/thumb impressed before me by Shri/Smt/Kuemployed in my establishment after he/she has read the entry/entries or have been read over to him/her by me and got confirmed by him/her in either of the cases. Signature of the employer or other authorised officer of the establishment and Designation Place:

Date:

Name and Address of the Factory/Establishment and rubber stamp thereof

ACKNOWLEDGEMENT BY THE EMPLOYEE

Received the duplicate copy of nomination in Form-VIII filed by me and duly certified by the employer. Date: _

Signature of the Employee

FORM VIII

(See sub rule (2) of Rule 49)

(A). FORM OF NOTICE TO THE RESPONDENT TO BE ISSUED BY THE AUTHORITY UNDER SUB-SECTION (5) OF SECTION 45

(Title of the application)

To

Name Address

Whereas (name of the applicant) has made the above said application to me under the Code on Wages, 2019, you are hereby summoned to appear before me in person or by a duly authorized representative, and required to answer all material questions relating to the application, or shall be, accompanied by some person duly authorized by you and able to answer such question on the.....Day of.....20.....at.....AM/PM, to answer the claim in application and as the day fixed for the appearance is appointed for the final disposal of the application, you must be prepared to produce on that day all the witnesses upon whose evidence and the documents upon which you intend to rely in support of your defense.

Take notice that in default of your appearance on the day mentioned here above, the application will be heard and disposed of in your absence.

Date.....

Signature of the authority with seal

(B). FORM OF NOTICE TO THE RESPONDENT TO BE ISSUED BY THE APPELLATE AUTHORITY UNDER SUB-SECTION (1) OF SECTION 49

(Title of the appeal)

To

Name Address

Take notice that an appeal (copy of which is enclosed) under section 49 of the Code on Wages, 2019 has been presented by _____ (name of appellant) before this appellate authority, and that the _____ day of _____ 20_ has been fixed by this appellate authority for the hearing of the appeal.

If no appearance is made by you in person or by a duly authorized representative to act for you in this appeal, it will be heard and decided in your absence.

Date.....

Signature of the Appellate authority with seal

Form IX					
(See clause (iii) of sub rule (1) of Rule 51)					
ATTENDANCE REGISTER CUM MUSTER ROLL					
Name of the Establishment					
Name of the Employer					
Name of the Owner					
Registration Number of the establishment (Labour Identification Number (LIN) shall be the Registration Number of the Establishment)					
For the Month of					
Sl. No.	Employee Code	Name	Designation	Shift	Place of work/Section/Department
(1)	(2)	(3)	(4)	(5)	(6)

Date and Time of attendance (7)																						
Date	1		2		3		4		5		6		7		8		9		10		11	
Time	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out
	Signature																					

Date	12		13		14		15		16		17		18		19		20		21	
Time	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out
	Signature																			
Date	22		23		24		25		26		27		28		29		30		31	
Time	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out	In	Out
	Signature																			
Total number of days worked	Total number of overtime worked		Total number of hours worked		Brief details of tour or assignment outside the work place, if any						Signature of Register keeper*									
(8)	(9)		(9)		(10)						(11)									

*Note: Required in case register is maintained physically.

Appendix A

[See rules 22, 23, 27 and 28]

In this Appendix, the total amount of bonus equal to 8.33 per cent of the annual salary or wage payable to all the employees is assumed to be Rs. 1,04,167. Accordingly, the maximum bonus to which all the employees are entitled to be paid (twenty per cent of the annual salary or wage of all the employees) would be Rs. 2,50,000.

Year	Amount equal to sixty per cent. or sixty-seven per cent., as the case may be, of available surplus allocable as bonus	Amount payable as bonus	Set on or Set off of the year or carried forward	Total set on or set off carried forward	
(1)	(2)	(3)	(4)	(5)	(6)
	Rs.	Rs.	Rs.	Rs.	Of (year)
1.	1,04,167	1,04,167**	Nil	Nil	
2.	6,35,000	2,50,000*	Set on 2,50,000*	Set on 2,50,000*	(2)
3.	2,20,000	2,50,000* (inclusive of 30,000 from year-2)	Nil	Set on 2,20,000	(2)
4.	3,75,000	2,50,000*	Set on 1,25,000	Set on 2,20,000 1,25,000	(2) (4)
5.	1,40,000	2,50,000* (inclusive of 1,10,000 from year-2)	Nil	Set on 1,10,000 1,25,000	(2) (4)

6.	3,10,000	2,50,000*	Set on 60,000	Set on Nil + 1,25,000 60,000	(2) (4) (6)
7.	1,00,000	2,50,000* (inclusive of 1,25,000 from year-4 and 25,000 from year-6)	Nil	Set on 35,000	(6)
8.	Nil (due to loss)	1,04,167** (inclusive of 35,000 from year-6)	Set off 69,167	Set off 69,167	(8)
9.	10,000	1,04,167**	Set off 94,167	Set off 69,167 94,167	(8) (9)
10.	2,15,000	1,04,167** (after setting off 69,167 from year-8 and 41,666 from year-9)	Nil	Set off 52,501	(9)

* Maximum.

+ The balance of Rs. 1,10,000 set on from year-2 lapses.

** Minimum

Appendix B

COMPUTATION OF GROSS PROFITS

[See rule 24] Accounting year ending

Item No.	Particulars	Amount of sub-Items	Amount of main Items	Remarks
		Rs.	Rs.	
(1)	(2)	(3)	(4)	(5)
*1.	Net Profit as shown in the Profit and Loss Account after making usual and necessary provisions.			
2.	Add back provision for: (a) Bonus to employees (b) Depreciation (c) Development Rebate Reserve (d) Any other reserves Total of Item No. 2.....			See foot-note(1) Rs..... See foot-note(1)

3.	<p>Add back also:</p> <p>(a) Bonus paid to employees in respect of previous accounting years.</p> <p>(b) The amount debited in respect of gratuity paid or payable to employees in excess of the aggregate of -</p> <p>(i) the amount, if any, paid to, or provided for payment to, an approved gratuity fund; and</p> <p>(ii) the amount actually paid to employees on their retirement or on termination of their employment for any reason.</p> <p>(c) Donations in excess of the amount admissible for income-tax .</p> <p>(d) Capital expenditure (other than capital expenditure on scientific research which is allowed as a deduction under any law for the time being in force relating to direct taxes) and capital losses (other than losses on sale of capital assets on which depreciation has been allowed for income tax).</p> <p>(e) Any amount certified by the Reserve Bank of India in terms of sub-section (2) of section 34A of the Banking Regulation Act, 1949 (10 of 1949).</p> <p>(f) Losses of, or expenditure relating to, any business situated outside India.</p> <p>Total of Item No.3.....</p>	Rs.....		See foot-note(1)
4.	<p>Add also income, profits or gains (if any) credited directly to published or disclosed reserves, other than-</p> <p>(i) capital receipts and capital profits (including profits on the sale of capital assets on such depreciation has not been allowed for income-tax);</p> <p>(ii) profits of, and receipts relating to , any business situated outside India;</p> <p>(iii) income of foreign banking companies from investment outside India.</p> <p>Net total of Item No.4.....</p>	Rs.....		
5.	Total of Item Nos.1, 2, 3 and 4..	Rs.....		

6.	Deduct : (a) Capital receipts and capital profits (other than profits on the sale of assets on which depreciation has been allowed for income-tax). (b) Profits of, and receipts relating to any business situated outside India. (c) Income of foreign banking companies from investments outside India . (d) Expenditure or losses (if any) debited directly to published or disclosed reserves, other than - (i) capital expenditure and capital losses (other than losses on sale of capital assets on which depreciation has not been allowed for income-tax); (ii) losses of any business situated outside India.			See foot-note (2) See foot-note (2) See foot-note (2) See foot-note (3)
	(e) In the case of foreign banking companies proportionate administrative (overhead) expenses of head-office allocable to Indian business. (f) Refund of any excess direct tax paid for previous accounting years and excess provision if any of previous accounting years, relating to bonus, depreciation or development rebate, if written back. (g) Cash subsidy, if any, given by the government or by anybody corporate established by any law for the time being in force or by any other agency through budgetary grants, whether given directly or through any agency for specified purposes and the proceeds of which are reserved for such purposes . Total of Item No. 6	Rs.....		See foot-note (2) See foot-note (2)
7.	Gross profits for purposes of bonus (Item No. 5 minus Item No. 6)		Rs.....	

Explanation.— In sub-item (b) of Item 3, "approved gratuity fund" has the same meaning assigned to it in clause (5) of section 2 of the Income Tax Act, 1961.

* Where the profit subject to taxation is shown in the Profit and Loss account and the provision made for taxes on income is shown, the actual provision for taxes on income shall be deducted from the profit.

Foot-note:-

(1) If, and to the extent, charged to Profit and Loss Account.

(2) If, and to the extent, credited to Profit and Loss Account.

(3) In the proportion of Indian Gross Profit (Item No. 7) to Total World Gross Profit (as per consolidated profit and loss account adjusted as in Item No. 2 above only)]

Appendix C

COMPUTATION OF GROSS PROFITS

[(See rule 25)] Accounting year ending.....

Item No.	Particulars	Amount. Of sub-Items	Amount. Of main Items	Remarks
		Rs.	Rs.	
(1)	(2)	(3)	(4)	(5)
1.	Net profit as per profit and loss account			
2.	Add back provision for : (a) Bonus to employees (b) Depreciation. (c) Direct taxes, including the provision (if any), for previous accounting years (d) Development rebate / investment allowance / development allowance reserve. (e) Any other reserves Total of Item No.2.....			See foot-note (1) See foot-note (1)
		Rs.....		
3.	Add back also : (a) Bonus paid to employees in respect of previous accounting years. (aa) The amount debited in respect of gratuity paid or payable to employees in excess of the aggregate of- (i) the amount, if any, paid to, or provided for payment to, an approved gratuity fund; and (ii) the amount actually paid to employees on their retirement or on termination of their employment for any reason. (b) Donations in excess of the amount admissible for income-tax . (c) Any annuity due, or commuted value of any annuity paid, under the provisions of section 280D of the Income Tax Act during the accounting year.			See foot-note (1)

	<p>(d) Capital expenditure (other than capital expenditure on scientific research which is allowed as a deduction under any law for the time being in force relating to direct taxes) and capital losses (other than losses on sale of capital assets on which depreciation has been allowed for income tax or agricultural income-tax.).</p> <p>(e) Losses of , or expenditure relating to, any business situated outside India.</p> <p>Total of Item No.3.....</p>			See foot-note (1)
		Rs.....		
4.	<p>Add also income, profits or gains (if any) credited directly to reserves, other than-</p> <p>(i) capital receipts and capital profits (including profits on the sale of capital assets on which depreciation has not been allowed for income-tax or agricultural income-tax);</p> <p>(ii) profits of, and receipts relating to, any business situated outside India;</p> <p>(iii) income of foreign concerns from investments outside India.</p> <p>Net total of Item No.4.....</p>			
		Rs.....		
5.	Total of Item Nos. 1,2,3 and 4..	Rs.....		
6.	<p>Deduct :</p> <p>(a) Capital receipts and capital profits (other than profits on the sale of assets on which depreciation has been allowed for income-tax or agricultural income-tax).</p> <p>(b) Profits of, and receipts relating to, any business situated outside India.</p> <p>(c) Income of foreign concerns from investment outside India.</p> <p>(d) Expenditure or losses (if any) debited directly to reserves, other than-</p> <p>(i) capital expenditure and capital losses (other than losses on sale of capital assets on which depreciation has not been allowed for income-tax ; or agricultural income-tax);</p> <p>(ii) losses of any business situated outside India.</p> <p>(e) In the case of foreign concerns proportionate administrative (overhead) expenses of head office allocable to Indian business.</p>			See foot-note (2) See foot-note (2) See foot-note (2)

	(f) Refund of any direct tax paid for previous accounting years and excess provision, if any, of previous accounting years relating to bonus, depreciation, taxation or development rebate or development allowance, if written back. (g) Cash subsidy, if any, given by the government or by any body corporate established by any law for the time being in force or by any other agency through budgetary grants, whether given directly or through any agency for specified purposes and the proceeds of which are reserved for such purposes. Total of Item No.6			See foot-note (3) See-foot-note (2)
7.	Gross Profits for purposes of bonus (Item No.5 minus Item No.6)	Rs.....		

Explanation.— In sub-item (aa) of Item 3, "approved gratuity fund" has the same meaning assigned to it in clause (5) of section 2 of the Income Tax Act, 1961.

Foot-note:-

- (1) If, and to the extent, charged to Profit and Loss Account.
(2) If, and to the extent, credited to Profit and Loss Account.

In the proportion of Indian Gross Profit (Item No. 7) to Total World Gross Profit (as per consolidated Profit and Loss Account, adjusted as in Item No. 2 above only)

Appendix D
[See rule 26]

Item No.	Category of employer	Further sums to be deducted
(1)	(2)	(3)
1.	Company, other than a banking company.	(i) The dividends payable on its preference share capital for the accounting year calculated at the actual rate at which such dividends are payable; (ii) 8.5 percent of its paid up equity share capital as at the commencement of the accounting year; (iii) 6 percent of its reserves shown in its balance sheet as at the commencement of the accounting year, including any profits carried forward from the previous accounting year : Provided that where the employer is a foreign company within the meaning of section 2 (42) of the Companies Act ,2013 (18 of 2013) , the total amount to be deducted under this item shall be 8.5 percent on the aggregate of the value of the net fixed assets and the current assets of the company in India after deducting the amount of its current liabilities (other than any amount shown as payable by the company to its Head Office whether towards any advance made by the Head Office or otherwise or any interest paid by the company to its Head Office) in India.

2.	Banking company	<p>(i) The dividends payable on its preference share capital for the accounting year calculated at the rate at which such dividends are payable ;</p> <p>(ii) 7.5 per cent of its paid up equity share capital as at the commencement of the accounting year ;</p> <p>(iii) 5 per cent of its reserves shown in its balance sheet as at the commencement of the accounting year, including any profits carried forward from the previous accounting year;</p> <p>(iv) any sum which, in respect of the accounting year, is transferred by it-</p> <p>(a) to a reserve fund under sub-section (1) of section 17 of the Banking Regulation Act, 1949 (10 of 1949) ; or</p> <p>(b) to any reserves in India in pursuance of any direction or advice given by the Reserve Bank of India,</p> <p>whichever is higher:</p> <p>Provided that where the banking company is a foreign company within the meaning of section 2 (42) of the Companies Act , 2013 (18 of 2013) , the amount to be deducted under this item shall be the aggregate of-</p> <p>(i) the dividends payable to its preference shareholders for the accounting year at the rate at which such dividends are payable on such amount as bears the same proportion to its total preference share capital as its total working funds in India bear to its total world working funds;</p> <p>(ii) 7.5 per cent of such amount as bears the same proportion to its total paid up equity share capital as its total working funds in India bear to its total working funds.</p> <p>(iii) 5 per cent of such amount as bears the same proportion to its total disclosed reserves as its total working funds in India bear to its total world working funds;</p> <p>(iv) any sum which, in respect of the accounting year, is deposited by it with the Reserve Bank of India under sub-clause (ii) of clause (b) of sub-section (2) of section 11 of the Banking Regulation Act, 1949 (10 of 1949) , not exceeding the amount required under the aforesaid provision to be so deposited.]</p>
3.	Corporation	<p>(i) 8.5 per cent of its paid up capital as at the commencement of the accounting year;</p> <p>(ii) 6 per cent of its reserves, if any, shown in its balance sheet as at the commencement of the accounting year, including any profits carried forward from the previous accounting year.</p>
4.	Co-operative society	<p>(i) 8.5 per cent of the capital invested by such society in its establishment as evidenced from its books of accounts at the commencement of the accounting year;</p> <p>(ii) such sums as has been carried forward in respect of the accounting year to a reserve fund under any law relating to co-operative societies for the time being in force.</p>

5.	Any other employer not falling under any of the aforesaid categories	<p>8.5 per cent of the capital invested in the establishment as evidenced from his books of accounts at the commencement of the accounting year:</p> <p>Provided that where such employer is a person to whom Chapter XXII-A of the income Tax Act applies, the annuity deposit payable under the provisions of that Chapter during the accounting year shall also be deducted:</p> <p>Provided further that where such employer is a firm, an amount equal to 25 per cent of the gross profits derived by it from the establishment in respect of the accounting year after deducting depreciation in accordance with the provisions of clause (a) of section 34 by way of remuneration to all the partners taking part in the conduct of business of the establishment shall also be deducted, but where the partnership agreement, whether oral or written, provides for the payment of remuneration to any such partner, and -</p> <p>(i) the total remuneration payable to all such partners is less than the said 25 per cent the amount payable, subject to a maximum of five lakh rupees to each such partner; or</p> <p>(ii) the total remuneration payable to all such partners is higher than the said 25 per cent, such percentage, or a sum calculated at the rate of five lakh rupees to each such partner, whichever is less, shall be deducted under this proviso:</p> <p>Provided also that where such employer is an individual or a Hindu Undivided Family -</p> <p>(i) an amount equal to 25 per cent of the gross profits derived by such employer from the establishment in respect of the accounting year after deducting depreciation in accordance with the provisions of clause (a) of section 34; or</p> <p>(ii) five lakh rupees,</p> <p>whichever is less by way of remuneration to such employer, shall also be deducted.</p>
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Explanation.— The expression "reserves" occurring in column (3) against Item Nos. 1(iii), 2(iii) and 3(ii) shall not include any amount set apart for the purpose of-

- (i) payment of any direct tax which, according to the balance-sheet, would be payable;
- (ii) meeting any depreciation admissible in accordance with the provisions of clause (a) of section 34;
- (iii) payment of dividends which have been declared, but shall include,-
 - (a) any amount, over and above the amount referred to in clause-(i) of this Explanation, set apart as specific reserve for the purpose of payment of any direct tax; and
 - (b) any amount set apart for meeting any depreciation in excess of the amount admissible in accordance with the provisions of clause (a) of section 34.

[F. No. P-11023/03/2025-WC]

TEJASWI S. NAIK, Jt. Secy.