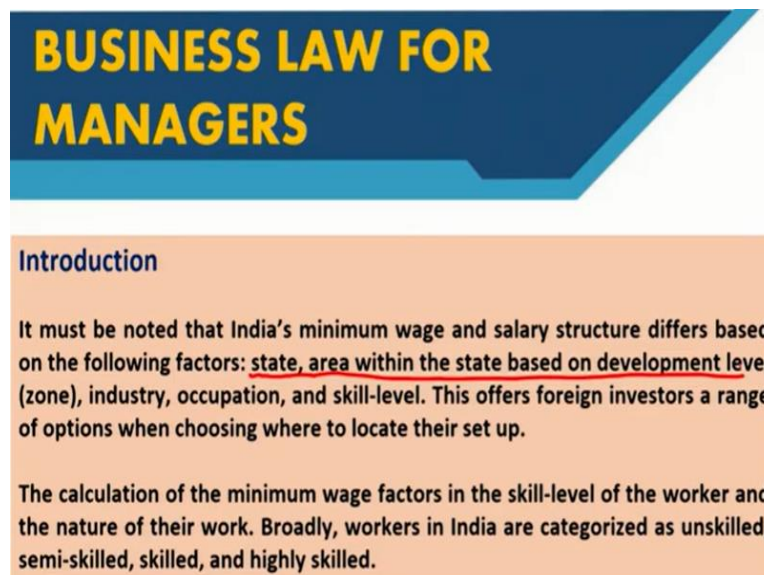


Business Law for Managers
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Module No- 06: : Legislation on Wages
Lecture No # 28
Minimum Wages

Welcome to lecture 28 on module 6, the previous lecture we discussed about the Payment of Wages. And today we are going to discuss about minimum wages which is one of the legislation on wages and what are we going to talk about in minimum wages. In minimum wage we are going to discuss about what the government is stipulating about fixing the minimum wage to be paid for the employees and workers in who is been employed in certain specific establishment

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BUSINESS LAW FOR MANAGERS

Introduction

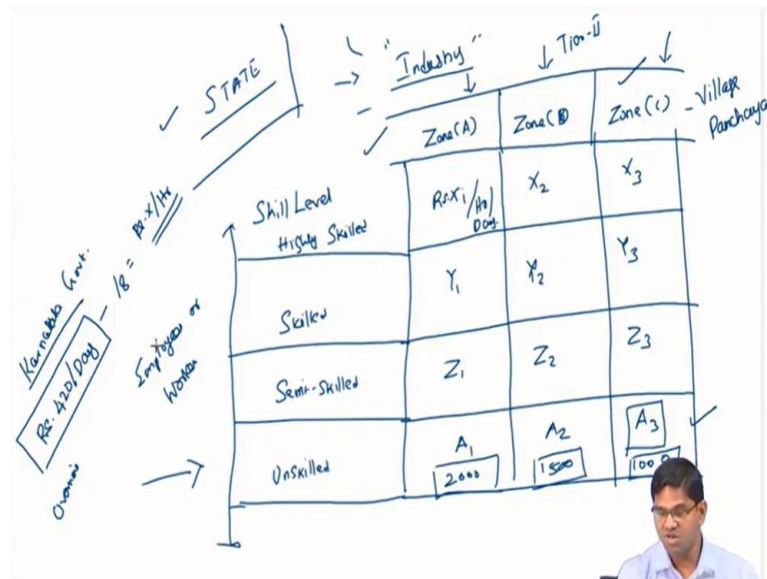
It must be noted that India's minimum wage and salary structure differs based on the following factors: state, area within the state based on development level (zone), industry, occupation, and skill-level. This offers foreign investors a range of options when choosing where to locate their set up.

The calculation of the minimum wage factors in the skill-level of the worker and the nature of their work. Broadly, workers in India are categorized as unskilled, semi-skilled, skilled, and highly skilled.

So we are going to discuss about various aspects in the minimum wages the fixation of the minimum wages, the revision of the minimum wages, how minimum wage is fixed for, different categories of the workers. So let us understand how minimum wages are fixed and how minimum wages are varied between different levels of workers. In India minimum wage and salary structure is differ based on the following factors.

Majorly if you look at you know state were based on the specific state, and then area within the state and the development level of the zone, industry, and occupation, and skill level.

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So let me put it in a simple way how does this minimum wage will look like? In a minimum wage how, this classification happens is of course state each state will have the different minimum wages. For example, let us say West Bengal, Maharashtra, Delhi, Mumbai, Rajasthan, Tamil Nadu, Andhra Pradesh, Telangana, Kerala, so each state will have their different minimum wages.

Because the geography is different, their inflation rate within the state is different, and also zone wise also there will be classifications, and also if you look at the state wise yes, first level is state wise there are difference in minimum wages. And if you look at the next level is about industry wise see now you know government or the state government cannot bring and talk about you know wage, same ways for all different type of industry no there are different ways structure for different industry practices.

For example, coir industry there is a different, toy industry there is a different payment, textile industry there is a different payment, general manufacturing activity there is a different, automobile industry there is a different wage structure. So, based on the industry minimum wage will vary, but now we are going into another aspect which are largely followed in all irrespective of the state, and irrespective of the industry.

What is that major classification happens? So they classify based on the skill level, so let me create a matrix. Now here comes the skill level so the skill level is unskilled, semi-skilled, skilled, and next is highly skilled, these are the categorization based on the skill level of the employees or workers. Now comes on this side what is that there is zone base zone A, zone B and zone C.

Now what are the zones are? If the particular factory is in any establishment which; is operating in zone A meaning that there are the metropolitan cities, within the city tier 1 cities that will be coming under zone A. Now come zone B are let us say tier 2 cities which are not a cosmopolitan or metropolitan cities it can may be a second level cities or maybe you know semi urban all those places fall under a zone B.

Now the last one is zone C, what is the zone z which is any comes under a Village Panchayat. So now so the salary will vary rupees X 1 here will be X 2, X 3, similarly if you look at Y 1, Y 2, Y 3, Z 1, Z 2, Z 3, and let us say A 1, A 2, A 3. So now if you look at the salary will be varying the minimum wage will be varying based on 2 aspects, one is about as I said the larger level yes state wise is the larger level.

And Industry wise and State level and Industry level is a larger you know level of you know salary difference how the minimum wage is fixed. But if you look at the you know granular level yes the primary aspect of is this, based on the skill level and also the where the establishment is located. Are you operating in a cosmopolitan metropolitan city? Or you are in a tire to city? Or you are operating in a village, based on that this minimum wages will vary.

So this is the primary aspect on under which the salary minimum wage is going to govern. So for example, somebody working as an unskilled hired as an unskilled worker and this factor is located in zones C, and he or she will be paid this is the minimum wage that employee worker or employee will be paid for this job. The same person maybe let us says for example, I call it you know just for a reference I am just putting some number.

2000 rupees for a same job in city, you will your minimum wage is 2000 rupees, in zone B you will be earning 1,500 rupees, in zone C you will be earning 1,000 rupees. So this is what a simple analogy I am giving you so that you will be able to relate and understand how this minimum wage is going to vary between the place and the location and the skill level of the employee.

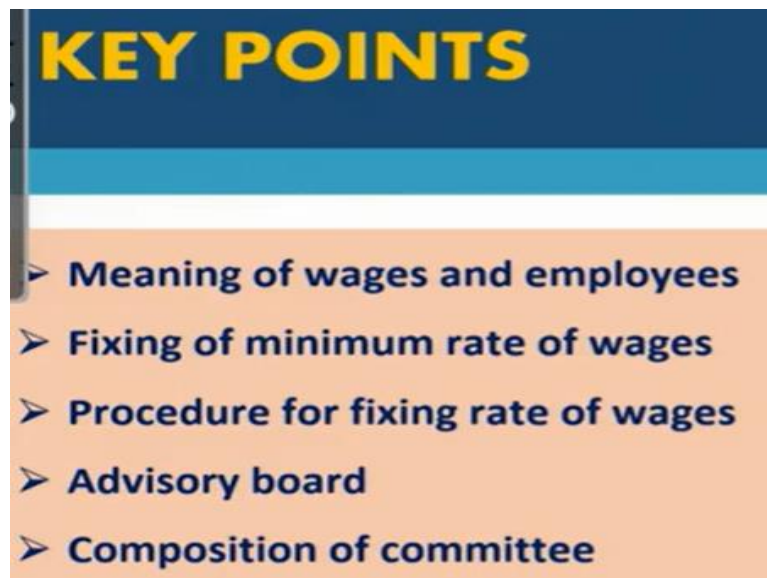
Now if you look at know why this is classification is done primarily for and employer to choose where I can have my establishment. Again you know it should also consider the accessibility I should also attack large workers then I may I have to be close to the city

because the access is more, I can get more employees. So this calculations as I said is all based on this so that the industry investors foreigner.

Especially, to attract you know best you know foreign investors our countries also trying to be more favourable towards ease of doing business. If you look at the manufacturing activities largely if you have happened to see many manufacturing activities generally, this will operate outside the cities. Wherein; primarily some industrial zone falls under a village. Most of the time the manufacturing industries; are in the village panchayat regions.

So, they most often they are they will be paying the zone C salary. Coming back to this, so this is how the minimum wage is being fixed based on the skill and also the location where the establishment is located.

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So now let us get into the other aspects of the minimum wages what are we going to discuss today? We are going to discuss about meaning of wages as I said it is important. If you look at the definition of wages in payment of wages is going to be different in you know wages minimum wages we are going to talk about. And also we are going to talk about fixing the minimum rates of wages how do; they fix the minimum wages the procedure for fixing the rate of wages.

And we are also going to talk about the advisory board or compositions of you know wage fixations committee.

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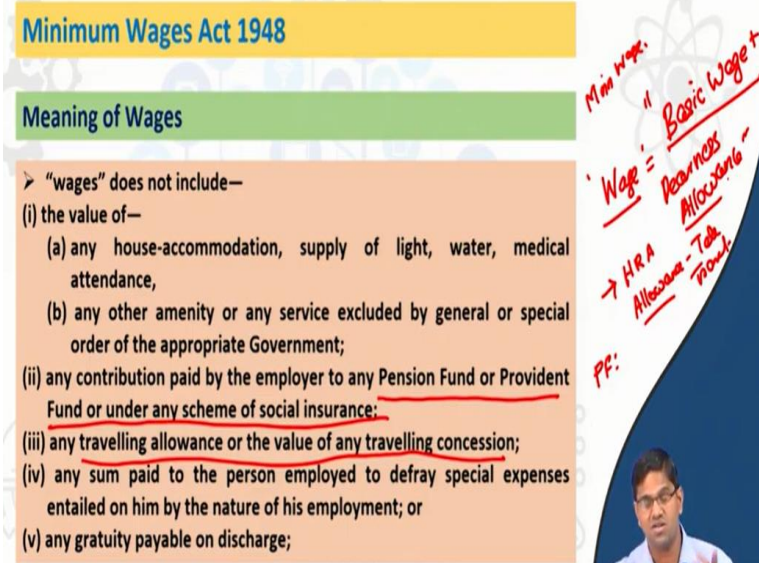
Minimum Wages Act 1948

Meaning of Wages

- “wages” means all remuneration, capable of being expressed in terms of money, which would, if the terms of the contract of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment, and includes house rent allowance

Now Wages, what does a mean of wages in here? So, wages mean all remuneration, it has been expressed in terms of money, which you did not? For example you been employed for the particular job then for fulfilling the particular job you are being fixed a certain amount of payment towards for fulfilling the particular service, that is what the wage means.

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The slide content is identical to the first slide, but with handwritten notes in red ink on the right side. The notes include:

- Min wage.
- Wage = Basic Wage + Dearness Allowance +
- HRA Allowance - Travelling Allowance -
- PF:

The slide also features a small video inset of a man in the bottom right corner.

Now we are what we are interested in understanding is what does not be included in the minimum wage we are talking to, the wage with respect to minimum wage what is not included part of your wage component. If a company is paying any house-accommodation, or you know water facility, medical attendance, does not include.

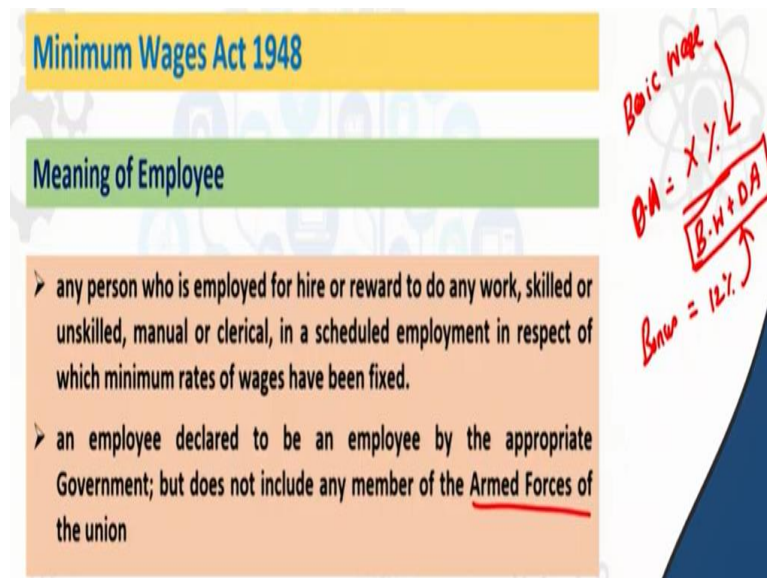
So for example sometime you know the most often the wage primarily basic wage plus dearness allowance this becomes the components of wage, with respect to minimum wage is

concerned. It does not include we are talking about HRA house rent allowance, or we are talking about any allowances. Maybe you know kind of a telephone, travel, all that is not part of your minimum wage. So let us come and pay space and spend some time here.

So for example; contributions paid by the employer towards your pension fund or provident fund. For example if you are you know include a part of a PF you will be contributing some amount, and then your employer will be contributing certain amount right, that is not included part of your wage. As I said yes no travelling allowance cannot be included part of your wage.

Some paid to a person for a special expenses, any graduate payment additional allowances they pay that cannot be configured as wage as per the minimum wage. So the minimum wage primarily focusing on the basic under dearness allowance comes in the major component of the minimum wage.

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The slide contains the following text:

- Minimum Wages Act 1948**
- Meaning of Employee**
- any person who is employed for hire or reward to do any work, skilled or unskilled, manual or clerical, in a scheduled employment in respect of which minimum rates of wages have been fixed.
- an employee declared to be an employee by the appropriate Government; but does not include any member of the Armed Forces of the union

Handwritten notes on the right side of the slide:

- Basic Wage
- $B.W = X\%$
- $B.W + D.A$
- Bonus = 12%

So now we are going to talk about the meaning of employee, so why we spent you know time on understanding this minimum wage because minimum wage becomes a base for many other calculations. For example, your PF contributions are primarily based on your minimum wage, and your proportion of the calculation for your bonus payment is also going to be drawn from your minimum wage.

That is why the minimum wage becomes an important aspect because that becomes a base for your calculation. For example, let us say for a dearness allowance, the dearness allowance how does you are for example government is time to time fix certain percentage X percentage

as your dearness allowance DA we call it DA right. So now this X percent will be calculated from where, the basic wage becomes the primary source for your calculation of D A.

Now if you are coming for other aspect remarkable bonus, for bonus payment what does it be concluded? It is a basic wage plus dearness allowance becomes a basis for your calculation of Bonus. For example, 12% is that yes it will be based on you are 12% of a basic plus dearness allowance, that is why we are interested in understanding what is the minimum wage. Now understand who is the employee?

Employees any person who is employed hired to do any work either it can be skilled, unskilled; same skilled, or highly skilled, in your scheduled employment in respect which the minimum wage has been fixed. That yes, you are doing this job and this is the minimum wage that has been fixed we are not including any other additional allowances like night shift allowance, or shift allowance, or special allowance, travel allowance no we are not talking about anything.

And we are talking about this is a minimum wage fixed. And in any other you know employee can be declared as to be an employee by the state an appropriate government and you know does not include armed forces we are not including the armed forces in this. We are only talking about a government employee or any other worker or employee in any other establishment.

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Minimum Wages Act 1948

Fixing of minimum rate of wages

- The appropriate Government shall, fix the minimum rates of wages payable to employees employed in an employment specified under the law by notification.
- Provided that the appropriate Government may in respect of employees employed in an employment specified in law, instead of fixing minimum rates of wages, for the whole State, fix such rates for a part of the State or for any specified class or classes of such employment in the whole State .
- Provided that the appropriate government may review at such intervals as it may think fit, but not exceeding five years and rising them

*Heavy Industry
Textile Industry
Paper Based Industry
Toy Industry*

So now we are coming into the important aspect fixing of minimum rate of wages. The appropriate government we are talking about central government has entrusted the

responsibility for a state government. So each state government has their labour department, that labour department will fix the minimum rate of wages payable to employees employing different employment.

Why as I said yes industry-wise there can be differences the reason wise is also the wage will vary. So, appropriate government shall have to fix the minimum rate of wages pay to be paid to all workers in different employment establishments. So here we are referring to labour departments of each of the state becomes an appropriate authority to declare the minimum rate.

So provided appropriate government may in respect of employees you know employed in an employment specified in law. Instead of fixing the minimum rate of wages, for a whole state, they may fix rate for specific part of the state or some class or such employment in a whole state, see what is this specific provision talking about? Sometime the revision of wages may not be uniform across state maybe some revision can happen to specific region it is possible.

And also, the revision may be declared for specific categories of industry not for some industry. But let me give an example say there is a revision for only for textile industry, or maybe you know revision only for may know paper mills paper-based industry, or maybe for toy making industry or maybe you know heavy industries. So, this is what it is referring to know it cannot be uniformly across all industries based on specific industry, specific region it can also make.

And then appropriate government may review at sufficient interval that yes the minimum wages are time to time reviewed. So that now the employees do not go through the hardship of not able to meet the basic needs of their life. So they have to revise and revisit and review the minimum wage whether it is sufficient for the employees to meet the basic needs of their life, and it should not be exceedingly more than 5 years.

So the minimum wage at least has to be revised in every 5 years but it is not restricting to only in 5 years you can also revise every year or every 6 months as well some state government do revise every year as well.

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Minimum Wages Act 1948

Fixing of minimum rate of wages

The appropriate Government may fix:

- a minimum rate of wages for a minimum time rate;
- a minimum rate of wages for a minimum piece rate;
- a minimum rate of remuneration to apply in the case of employees employed on piece work for the purpose of securing to such employees a minimum rate of wages on a guaranteed time rate;
- a minimum rate (time rate or a piece rate) to apply in substitution for the minimum rate which would otherwise be applicable, in respect of overtime work done by employees as overtime rate

Rs. 420/day
71 → 80

Now so the appropriate government may fix a minimum wage with respect to time rate. For example, let me go back here so here the minimum wage can be fixed for example, rupees X per hour can be fixed per hour or it can also be per day. So now what will happen there are official gussets released by Saturn state government, they might say a person is employed in unskilled let me talk about you know Karnataka.

Let us say Karnataka government I am just referring to Karnataka government. So they have released rupees 425 per day, this is the salary fixed per day. Now so how do we calculate per hour? So just divide this X amount by 8 you will get rupees X per hour. Why this hour salary is also important if you want to calculate the overtime rate it will be based on hour. And this minimum wage can also be fixed based on the piece rate; because now there are certain industries workers are paid a piece rate.

So even if you are fixing a peace rate it should be fixed in such a way that yes, this peace rate payment is not below the wage rate for per hour. For example, let us say 420 rupees as I said you know 420 rupees per day was fixed as a per day wage. Now if you are fixing for a piece rate, so the piece rate on a day average number can be produced. For example, the employee or worker working in some industry he or she can produce average of 30 products.

This is the minimum that is they can move this 30 piece they if they produce that has to at least come up to earn in making them eligible to earn this 420 rupees that is how the fixed way the piece rate can also be calculated. And minimum rate of remuneration to apply in some case of employed piece rate as I said you know it should not be lower no, it should also

try to see that yes the number of pieces they should do in every day should not bring down there you know earnings.

So it should be at least in such a way the in a piece rate can be fixed in such a way that these workers employed in those industry can at least earn or meet this per day minimum wage right. So this again as I said it can be piece rate, time rate, or an hourly rate, can be fixed.

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The slide is titled "Minimum Wages Act 1948" and "Fixing of minimum rate of wages". It contains the following text:

In fixing or revising minimum rates of wages under this section,

(a) different minimum rates of wages may be fixed for—

- (i) different scheduled employments;
- (ii) different classes of work in the same scheduled employment;
- (iii) adults, adolescents, children and apprentices;

(b) minimum rates of wages may be fixed by any one or more of the following wage-periods, namely:

- (i) by the hour,
- (ii) by the day, ✓ +
- (iii) by the month, or
- (iv) by such other larger wage-period as may be prescribed

Handwritten notes on the right side of the slide include: "25/15", "25", "Per", "800/Month", and "800/26-15". There is also a small image of a person in the bottom right corner of the slide.

Now in case of fixing the rate of wages, so in fixing or reversing the minimum wage you know different minimum rates may be fixed for different schedule employments. As I was saying yes, you know different scheduled employment we are talking about a different industries, will have a different minimum wages, and different class of work in the same schedule employment.

As I said yes skilled, unskilled, same skilled, and also you know administrative, accountants, executives, there are different minimum wages. And for example, security personally employed in the particular industries there are different salaries minimum wages fixed for different categories of employees all right. It is now you cannot just simply put only highly skilled and semi-skilled this is our people who are working in a core manufacturing process.

But there are also administrative staffs those also have to be clearly defined as a different minimum wages. And also, for adult, adolescent's children, and any apprentices, also there should be different minimum rate for this category of workers also. The minimum rate may be fixed by one or more by following the wage periods. It as I said know it can be by hour, by day, or by month, and any such way the larger wage period has may be prescribed by the act.

So sometime what will happen now? The minimum wage is fixed per month. Some state governments may release the minimum wages for a monthly minimum wage. Now why we are talking about monthly also some industry pay by monthly and at the same time if you want to convert yes just divide the number of you know my days to pay fix the per day wage. And similar is the case if there is a day wage then you needed to calculate for a monthly.

So it can be either way so but the minimum wage has to be fixed in either of this either it is an hourly or a day basis or a monthly basis. And of course, if it is a day basis it can be converted to a monthly basis also. And now one of the important things comes here is that there is integrity comes here. So when we are talking about a per day wage when you fix per day wage this you know you should also include the weekly off day we are talking about.

So this 4 or 5 Sunday is coming as a weekly holiday, so when the monthly wage they calculate. For example, monthly wage they said 8000 rupees per month. Now if they want to go for fixing the per day wages they should divide this 8000 divided by 26 days, or you know 25 days, not by 30 because you know to arrive at the period of wage. Because if they divide by 30 what will happen some factory which may not say let us say the worker is working for 25 days, because they will say all 5 or Sunday is a holiday.

When they wanted to pay per, day then per day will just be avoided by dividing the monthly salary by 26 or 25. So that you will the worker do not lose the weekly of day, any minimum wage is comprised of the weekly of day also.

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Handwritten notes and calculations:

- Min. wage = 8000 / Month
- 'X' → Pay the worker - Day based
- 1 Day wage? → weekly Payment
- 7 Day Mon-Sat
- Calculation 1: $\frac{8000}{30} = \frac{X}{\text{Day}}$
- Calculation 2: $\frac{8000}{26} = \frac{X}{\text{Day}}$

Let me explain in a better sense, let us say 8,000 rupees is there is a minimum wage so one particular state government is declared that minimum wage is 8,000 rupees per month. Now let us say I am talking about a factory X which pays the worker day wise, day based let us say it makes weekly payment. Now how do they calculate per day wage, one day wage how do, I calculate the one-day wage?

So now this is the 8,000, so what are possible ways? Let us say, I am fixing I assume that that month has only 30 days. So what factory can do simply they will divide 8000 by 30 and they will get some X amount, then they say this is become a per day wage. So in this case what will happen you say that the worker is based on a weekly payment, it is 7 day a week but they will be working Monday to Saturday, right.

If they work Monday to Saturday, how many days they are working essentially? 6 days, so by dividing this 30 and they say this is the X Day for amount. So they will be paying only 6-day wage what is that the loss for the worker is that, the Sunday is being a legally declared holiday for a worker.

So now what is the way, this is not the way to calculate it should be 8000 divided by either 26 let us say 4 Sundays. This is how they should arrive per day wage so this amount has to be calculated to pay the weekly wage. So that is why it is important to understand if it is an hourly or monthly or whatever we are talking about.

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Minimum Wages Act 1948

Minimum rate of wages

1. Any minimum rate of wages fixed or revised by the appropriate Government in respect of scheduled employments which may consist of

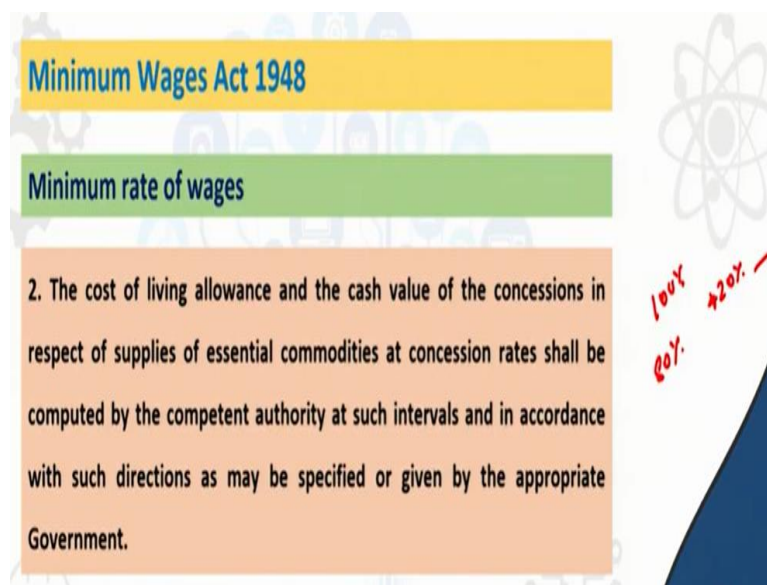
- (i) a basic rate of wages and a special allowance at a rate to be adjusted, at such intervals and in such manner as the appropriate Government may direct, to accord as nearly as practicable with the cost of living allowance; or
- (ii) a basic rate of wages with or without the cost of living allowance, and the cash value of the concessions in respect of supplies of essential commodities at concession rates, where so authorized; or
- (iii) an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any.

Now, so minimum rates of wages what is the minimum rate of wages? The minimum rate of wages fixed or revised by the appropriate government in respect of the scheduled

employment, which may consist of as I said the basic rate of wages as we already discussed about basic rate and special allowance at rate to be adjusted. And basic wages with or without the cost-of-living allowance, and the cash value of concession with respect of supplies of essential commodities at a consistent rate.

Some industry may pay some areas you know still we see that you know there are in a kind payment also paid along with some salary component. And all-inclusive rate allowing for a basic rate, the cost-of-living allowance and the cash value of the concession if any that will be considered as the minimum wage.

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The slide features a yellow header with the text "Minimum Wages Act 1948". Below it is a green header with "Minimum rate of wages". The main content is in an orange box, containing the text: "2. The cost of living allowance and the cash value of the concessions in respect of supplies of essential commodities at concession rates shall be computed by the competent authority at such intervals and in accordance with such directions as may be specified or given by the appropriate Government." To the right of the text is a diagram of an atom with handwritten red annotations: "100%", "80%", and "20%". Below the diagram is a blue triangle pointing upwards.

The and also what does it include it also you include cost of living allowance cash value of concession consistent respect of all supplies. Or any essential commodities paid at the consistent rate will be computed by the competent authority in configuring the minimum rate of wages. For example, let us say a 100% of wages is like you know 80% is wages by as you know cash component and 20% by you know kind component in terms of essential supplies.

That comparative has been provided maybe some places; they used to provide rice, or any other basic commodities essential commodities. Then that also to be configured by the; competent authority when they want to calculate the minimum rate of wages.

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Minimum Wages Act 1948

Procedure for fixing and revising minimum wages

1. In fixing minimum rates of wages in respect of any scheduled employment for the first time or in revising minimum rates of wages so fixed, the appropriate Government shall either
 - (a) appoint as many committees and sub-committees as it considers necessary to hold enquiries and advise it in respect of such fixation or revision, as the case may be, or
 - (b) by notification in the Official Gazette, publish its proposals for the information of persons likely to be affected thereby and specify a date, not less than two months from the date of the notification, on which the proposals will be taken into consideration.

Now, what is the procedure for fixing and revising the minimum wage? So now there are procedures which are listed on by this registration which says, to revise the minimum wage. They will have to appoint the appropriate government has to appoint many committees or maybe sub-committees, as it considers necessary to hold enquiries and advices with respect to fixation or revision as the case may be.

It can be you know for example when it is there is no minimum wage fixed, they can set up a committee to fix the minimum wage. Or they can also set up a committee to revise. As I said time to time know considering those changes or inflation rates conferring this inflation rate is also important in reversing the minimum wage.

Or also by notification in official Gazette, publish it is proposal for you know information of persons likely to be affected that yes the date on which the less than 2 months from the date of notifications. With which the proposal shall be taken into consideration by official Gazette that also they will be notifying the fixation of the minimum wage.

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Minimum Wages Act 1948

Procedure for fixing and revising minimum wages

2. After considering the advice of the committee or committees appointed, or as the case may be, all representations received by it before the date specified in the notification of that sub-section, the appropriate Government shall, by notification in the Official Gazette, fix, or, as the case may be, revise the minimum rates of wages in respect of each scheduled employment, and unless such notification otherwise provides, it shall come into force on the expiry of three months from the date of its issue.

After considering the advice of the committees or committee or by the committee is appointed, so all representation received by before the specified date of the notifications of sub-sections, it should be you know issued. Or sometime what will happen? The minimum wage will come into the existence before the expiry you know like three months from the data if it is issue.

Let us say you know they have set up a committee and then they come up with some suggestions have been floated, and this is what they are saying. And if it is even without the you know official you are declaring that you know if there is been experience within three months period, if that shall become the minimum wage thing. So that is how the procedure for minimum is fixed.

In practicality what has been happening every state government the labour department have set up a committee to revise the minimum wages time to time, based on the changes which are happening on the inflation rate, and which is happening. And so that now there is a purchase capacity at the employees to meet the basic needs of their life that is how the minimum wages has been revised time to time.

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Minimum Wages Act 1948

Advisory Board

As per provision of the act, the appropriate Government shall, by notification, appoint an advisory Board for the purpose of coordinating the work of the committees and advising in the matter of fixing and or revising minimum rates of wages.

And this act also allows to set up an advisory board, so the appropriate Government shall, by notification, can appoint an advisory board for the purpose of what? Coordinating you knows works of the committees and advising the committees on matters of fixing or revising the minimum rate of wages. So it is beyond this committee subcommittee story wise this act also allows to, set up an advisory board, who can time to time give inputs to the committees or the concerned authorities to on fixing or revising the minimum rate of wages.

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Minimum Wages Act 1948

Central Advisory Board

As per provision of the act, the Central Government shall, appoint a Central Advisory Board for the purpose of advising the state and central governments in the matter of fixing and or revising of minimum rates of wages and other matters under this act and for coordinating the work of the Advisory boards.

There is a central advisory board, so they will appoint a central advisory board for the purpose of advising the state and central governments. So as we said you know previous advisory board at the state level and also there can be central advisory board who can actually advise the central government. Also the respective state governments on the matter related to fixing or revising the minimum rate of wages other matter is related to the act.

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Minimum Wages Act 1948

Composition of Committees

Each of the committees, sub-committees and the Advisory Board shall consist of persons to be nominated by the appropriate Government representing employers and employees in the scheduled employments, who shall be equal in number, and independent persons not exceeding one-third of its total number of members; one of such independent persons shall be appointed the Chairman by the appropriate Government.

And the Composition of Committees, so each committee, or sub-committee or advisory shall consist of the person nominated by the appropriate Government. They should have representative both employers and employees in the schedule employment. It cannot be one-sided where only the representative of the management has been considered. It should also have the representative from union the worker category who shall be an equal number.

Independent persons not exceeding one-third of it is total numbers of the members, one such independence shall be appointed as the chairperson by the appropriate Government. So the committee has been formed in such a way that it has an independent person, and also representatives of the employee, and also an employer.

So the committee will be comprised of all 3 including independent people. X will be an independent person, Y will be the representative of the employee, and Z will be the representative of the worker, you know it maybe in a union representatives or the district level representatives.

They will also because what will happen? This employer may not agree on revising the minimum wage, or maybe they may propose a very marginal increase. Sometimes these worker may be always demand more, there is always you know that is why you know it is important to have a committee which is all independent person also part of the committee in fixing or reversing the minimum wages.

(Refer Slide Time: 28:49)

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CONCLUSION

This lecture session has covered the issues like meaning of wages and employees, fixing of minimum rate of wages, procedure for fixing rate of wages, advisory board and composition of committee as laid down in the minimum wages Act. It is very important part of learning about the legislations on wages which learners can learn while they are attending the lecture session.

These are the references, so we have today we have learnt a very important legislation, which are talking about the minimum wages. How minimum wages have been fixed, we discussed about based on the skill category, and also the location at which the factory, or establishment is located that is how the minimum wage is fixed. As I said then a larger level state-wide there is a difference and also industry wise there is a different minimum wages.

And also, category of the worker also plays a critical role in fixing the minimum edges. And we also see minimum wages is not including the travel allowance in any other allowance, it is only the component of basic wage, and DA's allowance are any specific allowance which are essential to need the basic needs of the life. That is where becomes; the core component of the minimum wage.

Why the minimum wage? Minimum wage that is the bare minimum required wage has to be paid to the workers, so that they are able to meet their minimum basic life need, that is why it is called the minimum wage. So, this is also fixed based on the committee's inputs time to time they will revise, understanding the inflations also been considered when they are reversing their minimum wages. So in the next lecture, we will be learning the next wage on the next legislation on with respect to wages thank you.