

**THE PAYMENT OF WAGES ACT, 1936**

**FORM IV—ANNUAL RETURNS**

**WAGES AND DEDUCTIONS FROM WAGES**

Return for the year ending 31<sup>st</sup> December, . . . . .

1. (a) Name of the Factory or Establishment and postal address. . . . .

(b) Industry . . . . .

2. Number of days worked during the year . . . . .

3. (a) Number\* of mandays worked during the year . . . . .

Category of Workers	Persons earning less than Rs. 10,000† per month
Adults	
Children	
Total	

\*\* (b) Average daily number of persons employed during the year

Category of Workers	Persons earning less than Rs. 10,000† per month
Adults	
Children	
Total	

(c) Gross amount paid as remuneration to persons getting less than Rs. 10,000† per month including deductions under Section 7 (2) . . . . . of which the amount due to profit sharing bonus is . . . . . and that due to money value of concessions\*\*\* is . . . . .

4. Total wages paid including deductions under Section 7(2) on the following accounts.

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	Persons earning less than Rs. 10,000† per month
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- (a) Basic wage including overtime wages and non-profit sharing bonus.      Rs.
- (b) Dearness and other allowances in cash.    Rs.
- (c) Arrears of pay in respect of previous year paid during the year.              Rs.

Total      Rs.

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## 5. Deductions—Number of cases and amount realised

Deductions	Persons earning less than Rs.10,000† per month	
	Number of cases	Amount realised (Rs.)
(a) Fines		
(b) Deductions for damage or loss		
(c) Deduction for breach of contract		
	Total	

## 6. Fines Fund

(i) Balance of fines fund in hand at the beginning of the year Rs. ....

(ii) Disbursement from fines fund:--

Purpose	Amount (Rs.)
(a)	
(b)	
(c)	
(d)	
Total	

(iii) Balance of fines fund in hand at the end of the year Rs. ....

Signature .....

Dated. ....

Designation .....

\*This is the aggregate number of attendances during the year.

\*\*Please see foot-note at page 4.

\*\*\*The money value of concessions should be obtained by taking the difference of the price paid by the employee and the actual price paid by the employees for supplies of essential commodities given free or at concessions rates.

†Rs. 6500 w.e.f. 09.11.2005 vide notification No. 41 of 2005 and Rs. 10,000 w.e.f. 8.8.2007 vide notification No.978 dated 8.8.2007.

**NOTE—THIS RETURN SHOULD BE SENT TO THE PRESCRIBED AUTHORITY BY 15<sup>TH</sup> FEBRUARY OF SUCCEEDING YEAR.**

**THE PAYMENT OF WAGES ACT, 1936**

Methods of Scrutiny at the Primary Stage and Cross - Checks, etc.

1. The primary unit is required to submit information in Form-IV annually to the appropriate Government. Before submission, it is to be seen that the information in respect of all the items in Form-IV has been given in the return.
2. The figures of average daily employment for adults and children should be got verified by dividing the respective figures of mandays worked by the number of days worked during the year.
3. The total wages when divided by the figure of average daily employment give the per capita annual earnings. It should be checked that the per capita annual earnings, 'as obtained by dividing the figure of total wages furnished in item 4 of Form-IV, excluding figure of arrears of pay, by the corresponding figure of average daily number of persons employed' is less than Rs. 1,20,000. The figures of per capita earnings should also not be too low taking into account the number of days worked by the factory/establishment. This is very important check and should always be kept in view.
4. It should be seen that total of basic wages, dearness allowance and arrears of pay is equal to the figure of total wages paid.
5. Total of profit-sharing bonus, money value of concessions and total wages paid, should be equal to gross amount paid as remuneration.
6. The per capita annual earnings, as obtained by dividing the total gross wages amount paid minus arrears divided by the figure of average daily employment, should be compared with the corresponding figure for the previous year. Normally, there should not be wide fluctuations. In case, there is a wide divergence the cause should be investigated and invariably reported in the form of footnotes, etc. Unless there is some error in reporting, such a difference may occur due to a sharp change in the number of days worked during the year by the factory or due to major revisions in the rates of wages or due to major shift in the employment pattern such as employment of much larger proportion of employees on higher/lower rates of wages.

**THE MINIMUM WAGES ACT, 1948**  
**FORM-III**  
**ANNUAL RETURN**

Return for the year ending 31st, December, .....

( TO BE SENT TO THE PRESCRIBED AUTHORITY BY FIRST FEBRUARY OF SUCCEEDING YEAR)

1. (a) Name of the establishment and postal address. ....  
(b) Name and residential address of the owner/contractor .....
- (c) Name and residential address of the Managing Agent/Director/Partner in charge of the day-to-day affairs of the establishment owned by a Company, Body Corporate or Association
- (d) Name and residential address of the Manager/Agent, if any .....
2. Number of days worked during the year .....
3. \*Number of mandays worked during the year—  
(i) Adults .....
- (ii) Children .....
- Total .....
4. \*\*Average daily number of persons employed during the year—  
(i) Adults .....
- (ii) Children .....
- Total .....
5. Total wages paid in cash (Rs.) .....
6. ††Total cash value of the wages paid in kind (Rs.) .....
7. Deductions made during the year

	Number of cases	Total amount (Rs.)
(a) Fines .. .. .	..	..
(b) Deductions for damage or loss .. .. .	..	..
(c) Deductions for breach of contract .. .. .	..	..
Total .. .. .	..	..

8. Balance of fines fund at the beginning of the year (Rs.) .....

9. Disbursement from the fines fund during the year

	Purposes	Amount (Rs.)
(a)		
(b)		
(c)		
	Total .....	

10. Balance of fines fund in hand at the end of the year (Rs.)

Signature .....

Dated :

Designation .....

\*This is the aggregate number of attendances during the year.

\*\*Please see foot-note at page 3.

††As laid down under sub-section (4) of Section 11 of the Minimum Wages Act, 1948, the Cash Value of Wages in Kind and of concessions in respect of essential commodities at concessional rates authorised under sub-section (2) and (3) of Section 11 of the said Act shall be estimated in the prescribed manner by the appropriate Government. Accordingly it has been prescribed under Rule 20 of the Minimum Wages (Central) Rules, 1950 that the retail prices at the nearest market shall be taken into account in computing the cash value of wages paid in kind and essential commodities supplied at concessional rates. However, the cash value of concession should be obtained by taking the difference between the cost price paid by the employer and the actual price paid by the employees for supplies of essential commodities given at concessional rates.

**THE MINIMUM WAGES ACT, 1948**

Method of Scrutiny at the Primary Stage and Cross-Checks:

1. The primary unit is required to submit to the concerned Authority a copy each of all the entries made relating to a year in the Register of Deductions from Wages, in Form-III Annual Return. It is to be seen before submission that the information in respect of all the items of Form-III has been given in the Return.
2. The figure for average daily employment (item 4) for adults and children should be got verified by dividing the respective figures of mandays worked (item 3) by the number of days worked during the year (item 2).
3. The average daily earnings per worker derived by dividing the total wages (items 5 and 6) by the total number of mandays worked (item 3) should not be less than the minimum rates of wages fixed for the lowest paid worker in the scheduled employment.
4. The per capita annual earnings [as derived by dividing the figures of total wages paid (items 5 and 6) by the average daily number of persons employed (item 4) during the year should be checked with corresponding figures for the previous year. Normally, there should not be any wide fluctuations. In case there is wide divergence, the cause should be investigated. Unless there is some error in filling the return, such difference may occur in the case of number of persons employed due to the application of the Minimum Wages Act to certain other employees of the establishment or a sharp change in the number of days worked during the year by the establishment or expansion of the establishment. As regards annual earnings, it may be due to the major revision of the minimum rates of wages fixed or major shift in the employment such as inclusion of those employees whose minimum rates of wages were fixed at higher/lower level. Invariably, in all cases where there is a fall/rise over the figures for the previous year, this should be investigated and explained separately.