

Central Advisory Committee on Equal Remuneration Rules, 1991

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## THE EQUAL REMUNERATION ACT, 1976

### INTRODUCTION

In Part IV relating to the Directive Principles of State Policy article 39 of the Constitution envisages that the State shall direct its policy, among other things, towards securing that there is equal pay for equal work for both men and women. In order to give effect to this provision, in the year which was being celebrated as the International Women's Year, President of India promulgated the Equal Remuneration Ordinance, 1975 on 26th September, 1975 to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment. To replace the said Ordinance of 1975 the Equal Remuneration Bill was introduced in the Parliament.

### STATEMENT OF OBJECTS AND REASONS

Article 39 of the Constitution envisages that the State shall direct its policy among other things, towards securing that there is equal pay for equal work for both men and women. To give effect to this constitutional provision, the President promulgated on the 26th September, 1975, the Equal Remuneration Ordinance, 1975 so that the provisions of article 39 of the Constitution may be implemented in the year which is being celebrated as the International Women's Year. The Ordinance provides for payment of equal remuneration to men and women workers for the same work or work of a similar nature and for the prevention of discrimination on grounds of sex.

2. The Ordinance also ensures that there will be no discrimination against recruitment of women and provides for the setting up of Advisory Committees to promote employment opportunities for women.
3. This Bill seeks to replace the Ordinance.

### ACT 25 OF 1976

The Equal Remuneration Bill was passed by both the Houses of Parliament and it received the assent of the President on 11th February, 1976. It came on the Statute Book as THE EQUAL REMUNERATION ACT, 1976 (25 of 1976).

### AMENDING ACT

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The Equal Remuneration (Amendment) Act, 1987 (49 of 1987).

# THE EQUAL REMUNERATION ACT, 1976

(25 of 1976)

[11th February, 1976]

An Act to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto be it enacted by Parliament in the Twenty-seventh year of the Republic of India as follows:—

## CHAPTER I PRELIMINARY

### 1. Short title, extent and commencement.—

- (1) This Act may be called the Equal Remuneration Act, 1976.
- (2) It extends to the whole of India.
- (3) It shall come into force on such date\*, not being later than three years from the passing of this Act, as the Central Government may, by notification, appoint and different dates may be appointed for different establishments or employments.

### 2. Definitions.—In this Act, unless the context otherwise requires.—

- (a) “**appropriate** Government” means.—
  - (i) in relation to any employment carried on by or under the authority of the Central Government or a railway administration, or in relation to a banking company, a mine, oilfield or major port or any corporation established by or under a Central Act, the Central Government, and
  - (ii) in relation to any other employment, the State Government;
- (b) “**commencement of this Act**” means, in relation to an establishment or employment, the date on which this Act comes into force in respect of that establishment or employment;
- (c) “**employer**” has the meaning assigned to it in clause (f) of section 2 of the Payment of Gratuity Act, 1972 (39 of 1972);
- (d) “**man**” and “**woman**” means male and female human beings, respectively, of any age;
- (e) “**notification**” means a notification published in the Official Gazette;
- (f) “**prescribed**” means prescribed by rules made under this Act;

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\* 8-3-1976, vide S.O. 175(E), dated 6th March, 1976.

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- (g) “**remuneration**” means the basic wage or salary, and any additional emoluments whatsoever payable, either in cash or in kind, to a person employed in respect of employment or work done in such employment, if the terms of the contract of employment, express or implied, were fulfilled;
- (h) “**same work or work of a similar nature**” means work in respect of which the skill, effort and responsibility required are the same, when performed under similar working conditions, by a man or a woman and the differences, if any, between the skill, effort and responsibility required of a man and those required of a woman are not of practical importance in relation to the terms and conditions of employment;
- (i) “**worker**” means a worker in any establishment or employment in respect of which this Act has come into force;
- (j) words and expressions used in this Act and not defined but defined in the Industrial Disputes Act, 1947 (14 of 1947), shall have the meanings respectively assigned to them in that Act.

### Case Law

- (i) The words “under the authority of” in the definition of “appropriate Government” in section 2(a) means pursuant to the authority. If the firm and its partners were independent contractors, their employment cannot be said to be carried on by or under the authority of Central Government and sanction of Central Government would be invalid and incompetent; K.E. Koshy v. The State, (1987) 71 FJR 548 (Kant).
- (ii) In section 2(h) the expression “same work or work of similar nature” lays stress upon the similarity of skill, effort and responsibility when performed under similar working conditions. The equality of work may vary from institution to institution. It is a matter of proof and not of assumption; State of Madhya Pradesh v. Pramod Bhartiya, 1992 (65) FLR 1991 (SC).
- (iii) The question of equal work depends on various factors like responsibility, skill, effort and condition of work; Ashok Kumar Garg v. State of Rajasthan, (1994) 3 SCC 357:1994 SC (L & S) 768: (1994) 27 ATC 200.
- (iv) A broad approach should be taken in deciding whether the work is the same or of a similar nature. In doing so the duties actually and generally performed by men and women and not those theoretically possible, should be looked at; Mackinnon Mackenzie and Co. v. Audrey D’ Costa, (1987) 2 SCC 469.

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- 3. Act to have over riding effect.**—The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any other law or in the terms of any award, agreement or contract of service, whether made before or after the commencement of this Act, or in any instrument having effect under any law for the time being in force.

### Case Law

A settlement arrived at between the management and the employees cannot be a valid ground for effecting discrimination in payment of remuneration between male and female employees performing the same work or work of a similar nature; *Mackinnon Mackenzie and Co. v. Audrey D' Costa*, (1987) 2 SCC 469.

## CHAPTER II PAYMENT OF REMUNERATION AT EQUAL RATES TO MEN AND WOMEN WORKERS AND OTHER MATTERS

**4. Duty of employer to pay equal remuneration to men and women workers for same work or work of a similar nature.**—

- (1) No employer shall pay to any worker, employed by him in an establishment or employment, remuneration, whether payable in cash or in kind, at rates less favourable than those at which remuneration is paid by him to the workers of the opposite sex in such establishment or employment for performing the same work or work of a similar nature.
- (2) No employer shall, for the purpose of complying with the provisions of sub-section (1), reduce the rate of remuneration of any worker.
- (3) Where, in an establishment or employment, the rates of remuneration payable before the commencement of this Act for men and women workers for the same work or work of a similar nature are different only on the ground of sex, then the higher (in cases where there are only two rates), or, as the case may be, the highest (in cases where there are more than two rates), of such rates shall be the rate at which remuneration shall be payable, on and from such commencement to such men and women workers:

Provided that nothing in this sub-section shall be deemed to entitle a worker to the revision of the rate of remuneration payable to him or her with reference to the service rendered by him or her before the commencement of this Act.

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### Case Law

- (i) The principle of equal pay for equal work is not applicable in professional services; *C. Girijambal v. Government of Andhra Pradesh*, (1981) 2 SCC 155.
- (ii) An employer cannot claim exemption on the ground of financial incapability from the Equal Remuneration Act, 1976; *Mackinnan Mackenzie and Co. v. Audrey D' Costa*, (1987) 2 SCC 469.
- (iii) The proviso to sub-section (3) of section 4 operates only where sub-section (3) is applicable and not elsewhere; *Mackinnan Mackenzie and Co, v. Audrey D' Costa*, (1987) 2 SCC 469.
- (iv) The benefit conferred on females under the Act is not absolute and unconditional. Section 16 clearly authorises restrictions regarding remuneration to be paid by the employer if a declaration under it is made by the appropriate Government; *Air India v, Nergesh Meerza*, (1981) 4 SCC 335.

**5. No discrimination to be made while recruiting men and women workers.**—On and from the commencement of this Act, no employer shall while making recruitment for the same work or work of a similar nature, <sup>1</sup>[or in any condition of service subsequent to recruitment such as promotions, training or transfer,] make any discrimination against women except where the employment of women in such work is prohibited or restricted by or under any law for the time being in force:  
Provided that the provisions of this section shall not affect any priority or reservation for Scheduled Castes or Scheduled Tribes, ex-servicemen, retrenched employees or any other class or category of persons in the matter of recruitment to the posts in an establishment or employment.

**6. Advisory Committee.**—

- (1) For the purpose of providing increasing employment opportunities for women, the appropriate Government shall constitute one or more Advisory Committees to advise it with regard to the extent to which women may be employed in such establishments or employments as the Central Government may, by notification, specify in this behalf.

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<sup>1</sup> Ins. by Act 49 of 1957, sec. 2 (w.e.f. 16-12-1987).

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- (2) Every Advisory Committee shall consist of not less than ten persons, to be nominated by the appropriate Government, of which one-half shall be women.
- (3) In tendering its advice, the Advisory Committee shall have regard to the number of women employed in the concerned establishment or employment, the nature of work, hours of work, suitability of women for employment, as the case may be, the need for providing increasing employment opportunities for women, including part-time employment, and such other relevant factors as the Committee may think fit.
- (4) The Advisory Committee shall regulate its own procedure.
- (5) The appropriate Government may, after considering the advice tendered to it by the Advisory Committee and after giving to the persons concerned in the establishment or employment an opportunity to make representations, issue such directions in respect of employment of women workers, as the appropriate Government may think fit.

### **7. Power of appropriate Government to appoint authorities for hearing and deciding claims and complaints.—**

- (1) The appropriate Government may, by notification, appoint such officers, not below the rank of a Labour Officer, as it thinks fit to be the authorities for the purpose of hearing and deciding—
  - (a) Complaints with regard to the contravention of any provision of this Act;
  - (b) claims arising out of non-payment of wages at equal rates to men and women workers for the same work or work of a similar nature, and may, by the same or subsequent notification, define the local limits within which each such authority shall exercise its jurisdiction.
- (2) Every complaint or claim referred to in sub-section (1) shall be made in such manner as may be prescribed.
- (3) If any question arises as to whether two or more works are of the same nature or of a similar nature, it shall be decided by the authority appointed under sub-section (1).
- (4) Where a complaint or claim is made to the authority appointed under sub-section (1), it may, after giving the applicant and the employer an opportunity of being heard, and after such inquiry as it may consider necessary, direct,—



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- (i) in the case of a claim arising out of non-payment of wages at equal rates to men and women workers for the same work or work of a similar nature, that payment he made to the worker of the amount by which the wages payable to him exceed the amount actually paid;
  - (ii) in the case of complaint, that adequate steps be taken by the employer so as to ensure that there is no contravention of any provision of this Act.
- (5) Every authority appointed under sub-section (1) shall have all the powers of a Civil Court under the Code of Civil Procedure, 1908 (5 of 1908), for the purpose of taking evidence and of enforcing the attendance of witnesses and compelling the production of documents, and every such authority shall be deemed to be a Civil Court for all the purposes of section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973 (2 of 1974).
- (6) Any employer or worker aggrieved by any order made by an authority appointed under sub-section (1), on a complaint or claim may, within thirty days from the date of the order, prefer an appeal to such authority as the appropriate Government may, by notification, specify in this behalf, and that authority may, after hearing the appeal, confirm, modify or reverse the order appealed against and no further appeal shall lie against the order made by such authority.
- (7) The authority referred to in sub-section (6) may, if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal within the period specified in sub-section (6), allow the appeal to be preferred within a further period of thirty days but not thereafter.
- (8) The provisions of sub-section (1) of section 33C of the Industrial Disputes Act, 1947 (14 of 1947), shall apply for the recovery of monies due from an employer arising out of the decision of an authority appointed under this section.

### CHAPTER III MISCELLANEOUS

- 8. Duty of employers to maintain registers.**—On and from the commencement of this Act, every employer shall maintain such registers and other documents in relation to the workers employed by him as may be prescribed.

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**9. Inspectors.—**

- (1) The appropriate Government may, by notification, appoint such persons as it may think fit to be Inspectors for the purpose of making an investigation as to whether the provisions of this Act, or the rules made thereunder, are being complied with by employers, and may define the local limits within which an Inspector may make such investigation.
- (2) Every Inspector shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (45 of 1860).
- (3) An Inspector may, at any place within the local limits of his jurisdiction,—
  - (a) enter, at any reasonable time, with such assistance as he thinks fit, any building, factory, premises or vessel;
  - (b) require any employer to produce any register, muster-roll or other documents relating to the employment of workers, and examine such documents;
  - (c) take, on the spot or otherwise, the evidence of any person for the purpose of ascertaining whether the provisions of this Act are being, or have been, complied with;
  - (d) examine the employer, his agent or servant or any other person found in charge of the establishment or any premises connected therewith or any person whom the Inspector has reasonable cause to believe to be, or to have been a worker in the establishment;
  - (e) make copies, or take extracts from, any register or other document maintained in relation to the establishment under this Act.
- (4) Any person required by an Inspector to produce any register or other document or to give any information shall comply with such requisition.

**10. Penalties.—**

- (1) If after the commencement of this Act, any employer, being required by or under the Act, so to do—
  - (a) omits or fails to maintain any register or other document in relation to workers employed by him, or
  - (b) omits or fails to produce any register, muster-roll or other document relating to the employment of workers, or
  - (c) omits or refuses to give any evidence or prevents his agent, servant, or any other person in charge of the establishment, or any worker, from giving evidence, or

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- (d) omits or refuses to give any information, he shall be punishable <sup>1</sup>[with simple imprisonment for a term which may extend to one month or with fine which may extend to ten thousand rupees or with both.]
- (2) If, after the commencement of this Act, any employer—
- (a) makes any recruitment in contravention of the provisions of this Act, or
  - (b) makes any payment of remuneration at unequal rates to men and women workers, for the same work or work of a similar nature, or
  - (c) makes any discrimination between men and women workers in contravention of the provisions of this Act, or
  - (d) omits or fails to carry out any direction made by the appropriate Government under sub-section (5) of section 6, he shall be punishable <sup>2</sup>[with fine which shall not be less than ten thousand rupees but which may extend to twenty thousand rupees or with imprisonment for a term which shall be not less than three months but which may extend to one year or with both for the first offence, and with imprisonment which may extend to two years for the second and subsequent offences.]
- (3) If any person being required so to do, omits or refuses to produce to an Inspector any register or other document or to give any information, he shall be punishable with fine which may extend to five hundred rupees.

#### 11. Offences by companies.—

- (1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment, if he proves that the offence was committed

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<sup>1</sup> Subs, by Act 49 of 1987, sec. 3, for “with fine which may extend to one thousand rupees” (w.e.f. 16-12-1987).

<sup>2</sup> Subs, by Act 49 of 1987, sec. 3, for “with fine which may extend to five thousand rupees” (w.e.f. 16-12-1987).

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without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

(2) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

**Explanation.**—For the purposes of this section,—

- (a) “company” means any body corporate and includes a firm or other association of individuals; and
- (b) “director”, in relation to a firm, means a partner in the firm.

### <sup>1</sup> [12. Cognizance and trial of offences.—

(1) No court inferior to that of a Metropolitan Magistrate or a Judicial Magistrate of the first class shall try any offence punishable under this Act.

(2) No court shall take cognizance of an offence punishable under this Act except upon—

- (a) its own knowledge or upon a complaint made by the appropriate Government or an officer authorised by it in this behalf, or
- (b) a complaint made by the person aggrieved by the offence or by any recognised welfare institution or organisation.

**Explanation.**—for the purposes of this sub-section “recognised welfare institution or organisation” means a social welfare institution or organisation recognised in this behalf by the Central or State Government.]

### 13. Power to make rules.—

(1) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

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<sup>1</sup> Subs, by Act 49 of 1987, see. 4, for section 12 (w.e.f. 16-12-1987).

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- (a) the manner in which complaint or claim referred to in sub-section (1) of section 7 shall be made;
  - (b) registers and other documents which an employer is required under section 8 to maintain in relation to the workers employed by him;
  - (c) any other matter which is required to be, or may be, prescribed.
- (3) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

**14. Power of Central Government to give directions.**—The Central Government may give directions to a State Government as to the carrying into execution of this Act in the State.

**<sup>1</sup>[15. Act not to apply in certain special cases.**—Nothing in this Act shall apply—

- (a) to cases affecting the terms and conditions of a woman's employment in complying with the requirements of any law giving special treatment to women, or
- (b) to any special treatment accorded to women in connection with—
  - (i) the birth or expected birth of a child, or
  - (ii) the terms and conditions relating to retirement, marriage or death or to any provision made in connection with the retirement, marriage or death.]

**16. Power to make declaration.**—Where the appropriate Government is, on a consideration of all the circumstances of the case, satisfied that the

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<sup>1</sup> Subs, by Act 49 of 1987, sec. 5, for section 15 (w.e.f. 16-12-1987).

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differences in regard to the remuneration, or a particular species of remuneration, of men and women workers in any establishment or employment is based on a factor other than sex, it may, by notification, make a declaration to that effect, and any act of the employer attributable to such a difference shall not be deemed to be a contravention of any provision of this Act.

**17. Power to remove difficulties.**—If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by notification, make any order, not inconsistent with the provisions of this Act, which appears to it to be necessary for the purpose of removing the difficulty:

Provided that every such order shall, as soon as may be after it is made, be laid before each House of Parliament.

**18. Repeal and saving.**—

(1) The Equal Remuneration Ordinance, 1975 is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Ordinance so repealed (including any notification, nomination, appointment, order or direction made thereunder) shall be deemed to have been done or taken under the corresponding provisions of this Act as if this Act were in force when such thing was done or action was taken.

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