

The definition of basic wages defined under the act has been subject matter of Judicial Interpretation by the different High Courts and Supreme Court. Examples are stated below:

SR NO.			
1	Basic wages or component of wages		Section 2(b) Read along with Section 6 of the Act, 1952. Bridge and Roof Company (India) Limited V Union of India, (1962-II L.L.J. 490), Manipal Academy of Higher Education Vs. Provident Fund Commissioner LLR 2008 sc 443.
2	Special pay or special allowance	Included if it is in the nature of basic pay Excluded, if it is in nature of special payment by doing special work.	Gordon Woodruffe Ltd., Vs. Regional Commissioner, Employees Provident Fund, 2002 II LLJ 653 (Mad HC)
3	Dearness Allowance	Excluded from basic wage (since included only u/s 6)	Sec 2(b)(ii)
4	Cash value of food concession	Excluded (from basic wage)	Sec 2(b)(i)
5	Free-food tiffin Allowance	Excluded (from basic wage)	
6	HRA	Excluded	Sec 2(b)(ii)
7	Travel concession allowance	Excluded	
8	City compensatory allowance	Excluded	
9	Retaining allowance retention allowance	Excluded (since included only u/s 6)	
10	Subsistence allowance	Included	Analogy of ESIC case rendered in popular automobiles is adopted (1997 AIR (SC) 3956)
11	Project allowance	Excluded	
12	Night shift allowance or night allowance	Excluded	
13	Overtime allowance	Excluded	Sec.2 (b)(ii)
14	Leave encashment	Excluded	Manipal Academy of Higher Education V Provident Fund Commissioner, 2008 II LLJ 666 (S.C.2J)
15	Bonus	Excluded	Sec.2 (b)(ii)
16	Production or incentive bonus	Excluded	T.I Cycles of India, Ambatuur, Chennai V M.K. Gurumani & Ors, 2001 II LLJ 1068(S.C.2J)
17	Contact bonus	Excluded	

18	Service charges collected from customers and paid to employer	Excluded	The Rambagh Palace Hotel, Jaipur V Rajasthan Hotel Workers Union, Jaipur, 1977 (34) FLR 12 (S C 3J)
19	Contribution of PF pension or for any benefit under any law	Not Connected	
20	Gratuity on discharge	Not Connected	
21	Retrenchment Compensation	Not Connected	
22	Closure compensation	Not Connected	
23	Lay off compensation	Included if paid for illegal lay off	P.V. Joseph v Official liquidator & Ors., 2001 II LLJ 1217 (Ker HC)
24	Inam	Excluded	Greysham & Company V RPF 1978 II LLJ 5 (Del.HC)
25	Medical/Sickness allowance	Excluded	Medical/Sickness allowance
26	Maternity benefit	Included	Since wages on leave included
27	Good work reward	Included	D.C.M. Shriram Consolidated Ltd., V The Regional Provident Fund Commissioner, 2004 III LLJ (Raj DB)
28	Ex-gratia adhoc payment	Excluded	Gurukripa Beedi Industry(Pvt.) Ltd., Bantwal, DaleshinaKannada V Assistant Provident Fund Commissioner, Employees provident fund Organisation, Mangalor & Anr 2010 1 LLN 228 (Karn HC)
29	Special Allowance (as per Settlement) In the nature of incentive	Excluded	Gurukrupa Beedi Industry(Pvt.) Ltd., Bantal, DakhinaKannada V Assistant Provident Fund Commissioner, Employees Provident Fund Organisation, Mangalore & Anr 2010 I LLN 228 (Karn HC)
30	Educational allowance	Excluded	