

Labour Law Guide (India – 2025)

1. Introduction

This professional guide provides a detailed overview of major labour and employment laws applicable in India as of 2025. It includes key statutory provisions, employer obligations, employee rights, compliance requirements, and recent reforms under the four Labour Codes.

2. Major Labour Legislations

- 1 **Factories Act, 1948:** Regulates working conditions in factories, including health, safety, working hours, and welfare of workers.
- 2 **Shops & Establishment Act:** State-specific law governing conditions of work in shops, offices, and commercial establishments.
- 3 **Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF):** Mandates employer and employee contributions to provident fund for social security.
- 4 **Employees' State Insurance Act, 1948 (ESI):** Provides medical and cash benefits to employees in case of sickness, maternity, or employment injury.
- 5 **Payment of Wages Act, 1936:** Ensures timely payment of wages without unauthorized deductions.
- 6 **Payment of Gratuity Act, 1972:** Provides for payment of gratuity to employees who complete five years of continuous service.
- 7 **Minimum Wages Act, 1948:** Sets minimum wage rates for different industries to ensure fair pay.
- 8 **Payment of Bonus Act, 1965:** Mandates annual bonus payments to employees based on profits or productivity.
- 9 **Industrial Disputes Act, 1947:** Governs resolution of industrial disputes between employers and workers.
- 10 **Maternity Benefit Act, 1961:** Grants maternity leave and related benefits to women employees.

3. New Labour Codes (Consolidation of 29 Acts)

- 1 1. Code on Wages, 2019 – combines four wage-related laws and introduces uniform definitions and compliance.
- 2 2. Industrial Relations Code, 2020 – governs trade unions, dispute resolution, and employment termination.
- 3 3. Code on Social Security, 2020 – consolidates EPF, ESI, gratuity, and maternity benefits under one framework.
- 4 4. Occupational Safety, Health and Working Conditions Code, 2020 – integrates 13 safety and welfare legislations.

4. Compliance Checklist for Employers

- 1 • Register establishment under applicable laws (Factories, Shops, or Labour Codes).

- 2 • Maintain employee attendance, wage, and leave records.
- 3 • Deposit EPF and ESI contributions on time.
- 4 • File periodic returns (monthly, quarterly, and annual) as per respective Acts.
- 5 • Display statutory notices and abstracts in the workplace.
- 6 • Conduct regular health and safety audits.
- 7 • Maintain registers in prescribed formats (Form A, B, D, etc.).

5. Penalties for Non-Compliance

- 1 • Failure to pay wages or deductions in violation: Fine up to ₹10,000.
- 2 • Non-payment of PF contributions: Imprisonment up to 3 years and fine up to ₹10,000.
- 3 • ESI non-registration: Fine up to ₹25,000 for first offense and ₹50,000 for repeat offenses.
- 4 • Violation of safety standards: Imprisonment up to 2 years or fine up to ₹1 lakh.
- 5 • Non-filing of returns or registers: Monetary penalties and prosecution under respective Acts.

6. Latest Labour Law Reforms (2025)

- 1 • Central rollout of unified Labour Code portal for online compliance.
- 2 • Mandatory digital wage payment for all establishments with more than 10 employees.
- 3 • Revised thresholds for EPF (₹18,000/month) and ESI (₹25,000/month) coverage.
- 4 • Introduction of state-level single-window systems for registration and inspection.
- 5 • Simplified annual return integrating multiple Acts into a single e-form.

7. Best Practices for HR and Compliance Professionals

- 1 • Conduct regular internal audits to ensure statutory compliance.
- 2 • Use HRMS or compliance software to automate statutory filings.
- 3 • Provide periodic labour law training to HR and payroll staff.
- 4 • Engage with labour consultants for state-wise updates.
- 5 • Maintain transparent employee grievance mechanisms.

8. Useful Resources

- 1 • Ministry of Labour and Employment: <https://labour.gov.in>
- 2 • EPFO: <https://www.epfindia.gov.in>
- 3 • ESIC: <https://www.esic.gov.in>
- 4 • Shram Suvidha Portal: <https://shramsuvudha.gov.in>
- 5 • State Labour Departments (varies by state).