

Pathways to Jobs: A Review of India's Labour Reforms

(Appendix)

Farzana Afridi
Arjita Chandna
Aliva Smruti
Jayanta Talukder
Jyoti Thakur

Contents

Chapter 2 Appendix: Code on Wages	1
Section 2A.1 Definitional Changes under the Code on Wages 2019	1
Table 2A.1: Definitional changes.....	1
Section 2A.2 Detailed changes in Wage Regulation Framework.....	2
Table 2A.2: Minimum Wages Architecture: Before and After	3
Table 2A.3: Wage Protection Architecture: Before and After	6
Table 2A.5: Statutory Bonus Framework: Before and After	11
Table 2A.6: Equal Remuneration Framework: Before and After	12
Table 2A.7: Institutional and Governance Architecture (Before and After)	13
Section 2A.3 State-wise Implementation of the Code.....	14
Table 2A.8: Timeline of State and Union Territory Rule Notifications under the Code on Wages.....	14
Table 2A.9: Adoption of Key Minimum Wage Provisions of the Code on Wages across States/UTs	15
Chapter 3 Appendix: Code on Social Security	18
Section 3A.1 Definitional Changes under the Code on Social Security, 2020	18
Table 3A.1: Definitional Changes	18
Section 3A.2 Detailed Changes in the Social Security Framework	19
Table 3A.2: EPF Provisions — Earlier Framework vs. Code on Social Security, 2020.....	19
Table 3A. 3: Historical Revision of the ESI Wage Ceiling.....	20
Table 3A.4: ESI Provisions — Earlier Framework vs. Code on Social Security, 2020	21
Table 3A.5: Gratuity Provisions — Earlier Framework vs. Code on Social Security, 2020	22
Table 3A.6: Maternity Benefit Provisions — Earlier Framework vs. Code on Social Security, 2020.....	23
Section 3A.3 Newly Introduced Definitions and Concepts	23
Table 3A.7: Timeline of State and Union Territory Rule Notifications under the Code on Social Security	25
Chapter 4 Appendix: The Industrial Relations Code	26
Section 4A.1 Definitional Changes.....	26
Table 4A.1: Definitional Additions under the Industrial Relations Code	26
Table 4A.2: Definitional Expansions under the Industrial Relations Code	27

Section 4A.2 Structural Changes	30
Table 4A.3: Trade Union Regulation and Collective Bargaining.....	30
Table 4A.4: Standing Orders and Employment Conditions	31
Table 4A.5: Dispute Resolution Machinery.....	31
Table 4A.6: Industrial Action (Strikes and Lockouts).....	31
Table 4A.7: Lay-off, Retrenchment, and Closure	32
Table 4A.8: Penalties and Digitization (Rules 2025)	32
Table 4A.9: State-Level Implementation of the Industrial Relations Code	33

Chapter 5 Appendix: The Occupational Safety, Health and Working Conditions Code.....

Code.....	34
Section 5A.1 Definitional Architecture	34
Section 5A.2 Selected Definitions under the OSHWC Code (Glossary)	34
Table 5A.1: Definitional Changes as in the Draft OSHWC Code, 2020.....	34
Section 5A.3 Structural Changes introduced by the OSHWC Code	41
Table 5A.2: Common Changes Across Acts (Factories Act, 1948; Building and Other Construction Workers Act, 1996; Contract Labour Act, 1970; Inter-State Migrant Workmen Act, 1970).....	41
Table 5A.3: Changes Specific to the Factories Act, 1948	47
Table 5A.4: Changes Specific to the Building and Other Construction Workers (BOCW) Act, 1996.....	48
Table 5A.5: Changes Specific to the Contract Labour (Regulation and Abolition) Act, 1970	49
Table 5A.6: Changes Specific to the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979	52
Table 5A.7: Timeline of State and Union Territory Rule Notifications under the OSHWC Code.....	54

Chapter 2 Appendix: Code on Wages

Section 2A.1 Definitional Changes under the Code on Wages 2019

One of the most significant structural features of the Code on Wages, 2019 is the consolidation and harmonisation of core legal definitions. Under the earlier framework, each wage statute contained its own definition of “wages,” “employer,” and “employee,” tailored to the objective of that specific law. As a result, definitions varied across laws, and that may have led to interpretive complexity and compliance fragmentation. Table 1 summarises the differences between the key definitions under the earlier wage laws and those under the Code on Wages, 2019.

Table 2A.1: Definitional changes

Term	Payment of Wages Act, 1936	Minimum Wages Act, 1948	Payment of Bonus Act, 1965	Equal Remuneration Act, 1976	Code on Wages, 2019
Wage	Includes: <ul style="list-style-type: none"> • Salary, allowances (monetary) • Awards/settlements/court orders • Overtime, leave, holiday pay • Contractual bonus • Statutory payments Excludes: <ul style="list-style-type: none"> • Non-contractual bonus • Housing & amenities • PF/pension contributions • Travel allowance • Work-related expenses • Gratuity 	Includes: <ul style="list-style-type: none"> • Basic wage • DA/VDA • HRA • Other remuneration Excludes: <ul style="list-style-type: none"> • Housing & amenities • PF/social insurance • Travel allowance • Special expenses • Gratuity Note: In-kind allowed if authorised	Includes: <ul style="list-style-type: none"> • Basic wage • DA Excludes: <ul style="list-style-type: none"> • Overtime • Allowances (HRA etc.) • Bonus • PF/pension • Gratuity • Commission • Housing & travel 	Includes: <ul style="list-style-type: none"> • Basic wage • Additional emoluments (cash/kind) Excludes: <ul style="list-style-type: none"> • Bonus, commission, overtime • PF/pension • Gratuity • Travel concession • Housing & amenities 	Includes: <ul style="list-style-type: none"> • Basic pay • DA • Retaining allowance Excludes: <ul style="list-style-type: none"> • HRA • Conveyance • Bonus • Overtime • Commission Rules: <ul style="list-style-type: none"> • 50% cap on exclusions • 15% cap on in-kind

Term	Payment of Wages Act, 1936	Minimum Wages Act, 1948	Payment of Bonus Act, 1965	Equal Remuneration Act, 1976	Code on Wages, 2019
Employer	Person responsible for wage payment.	Person employing workers in scheduled employment.	Owner/occupier or controlling authority.	Authority controlling establishment.	Includes contractors, managers, government authority.
Employee	Any employed person.	Worker in scheduled employment.	Employees up to Rs. 21,000.	Any employee covered.	All employees across categories.
Worker	Not defined separately.	Not separate.	Not distinct.	Used broadly.	Defined as narrower category.

Source: Government of India, *Payment of Wages Act (1936)*; *Minimum Wages Act (1948)*; *Payment of Bonus Act (1965)*; *Equal Remuneration Act (1976)*; *Code on Wages (2019)*.

Note: Definitions summarised from statutory provisions relating to “wages,” “employer,” and “employee” under the respective Acts.

Section 2A.2 Detailed changes in Wage Regulation Framework

Following the consolidation of definitions, the Code on Wages restructures multiple substantive aspects of wage regulation. While many provisions retain continuity with the earlier statutes, the Code introduces structural shifts in areas such as minimum wage determination, floor wage architecture, working hours, overtime, payment timelines, deductions, bonus computation and enforcement mechanisms.

Table 2A.2: Minimum Wages Architecture: Before and After

Dimension	Minimum Wages Act 1948	Code on Wages 2019
Coverage of Minimum Wage	Applied only to “scheduled employments” listed in the Schedule. States could add to the list of scheduled employments. The appropriate Government may refrain from fixing minimum wages in respect of any scheduled employment in which there are less than 1000 employees in that scheduled employment within the whole State. Fragmented structure across sectors and States.	Applies to all employments. No scheduled list. No worker-threshold exemption. Universal statutory coverage.
National floor Wage	-No concept of statutory national floor wage. States fixed minimum wages independently. -While the national floor was suggested, it was not statutory.	<ul style="list-style-type: none"> • Under the Code on Wages, 2019 and the Code on Wages (Central) Rules, 2020, the Central Government fixes the floor wage after consulting the Central Advisory Board. • The Board advises on fixation taking into account the minimum living standards of a standard working-class family, including food, clothing, housing, and other relevant factors, and also provides advice on fixation and revision of minimum wages • The floor may vary by geographical area. States cannot fix minimum wages below floor wage. If higher rates exist, they cannot be reduced below floor.
Components of Minimum Wage	Minimum wage could consist of: <ul style="list-style-type: none"> • Basic wages • Cost of living allowance (VDA) • Cash value of concessional supplies • Or all-inclusive rate. 	Same structural components of minimum wage retained: <ul style="list-style-type: none"> • Basic wages • VDA • Cash value of concessions • Or all-inclusive rate.
Normative Consumption-Based Criteria	No statutory consumption formula in Act or 1950 Rules. Norms derived from: <ul style="list-style-type: none"> • 1957 Indian Labour Conference (3 consumption 	2025 Rules codify explicit norms: <ul style="list-style-type: none"> • Standard working-class family = 3 consumption units • 2700 calories per unit per day • 66 metres cloth per family per year

Dimension	Minimum Wages Act 1948	Code on Wages 2019
	units, 2700 calories, cloth requirement) • Supreme Court (Reptakos Brett, 25% addition). Norms applied administratively, not codified.	<ul style="list-style-type: none"> • Housing rent = 10% of food + clothing expenditure • Fuel, electricity & miscellaneous = 20% of minimum wage • Education, medical, recreation & contingencies = 25% of minimum wage
Criteria for Fixation of Minimum Wage	Government could fix different rates based on: <ul style="list-style-type: none"> • Scheduled employment • Class of work • Adults, adolescents, children • Different localities. Very broad discretion; no structured economic criteria mandated.	Fixation must consider: <ul style="list-style-type: none"> -Skill category -Geographical area - Nature of work (arduous/hazardous). -Consumption norms embedded in Rules. . Technical committee institutionalised for classification and occupation mapping; alignment with national skill frameworks permitted. Defined categories: • Unskilled • Semi-skilled • Skilled • Highly skilled. Area-based categorisation operationalised through Rules.
Fixation Procedure	Two methods: 1. Committee method (tripartite consultation) 2. Notification method. Advisory Board consultation required. 1950 Rules detailed quorum, meetings, registers, procedural requirements. Committees largely consultative and procedural; no permanent technical skill-classification body.	Same two methods retained but technical committee institutionalised for skill classification, occupational mapping, and advisory input.
Revision of Minimum Wages (Structural Revision)	Structural review required at intervals not exceeding 5 years. If not revised, existing rates continue. Cost of Living Allowance (VDA) was CPI-linked in practice, but the rules did not mandate a clearly structured or biannual revision mechanism.	Structural review/revision required within 5 years (same statutory outer limit). Additionally, VDA explicitly linked to CPI-IW and must be computed and revised twice annually — before 1 April and before 1 October — based on the Average CPI-IW published by the Labour Bureau.
Fixation by Wage Period and Conversion Method	<ul style="list-style-type: none"> - Allowed governments to fix time rate, piece rate, guaranteed time rate, and overtime rate. - Wages could be fixed per hour, day, or month, but the Act itself 	<ul style="list-style-type: none"> -The appropriate Government fixes minimum wages for time work or piece work, and ensures that piece-rate workers receive at least the

Dimension	Minimum Wages Act 1948	Code on Wages 2019
	<p>did not prescribe uniform national conversion factors. Conversion methods (hour-day-month) and the standard working day were mainly defined in State-specific rules, leading to variation across States.</p> <p>- No single nationally mandated formula like 8 hours = day or 26 days = month in the central law.</p>	<p>equivalent minimum wage on a time-rate basis.</p> <p>- Minimum wages may be fixed per hour, per day, or per month.</p> <p>-The Rules prescribe standard conversion factors to ensure uniform calculation:</p> <ul style="list-style-type: none"> • Hourly rate = Daily wage ÷ 8 hours • Monthly rate = Daily wage × 26 days • Fractions of ½ or more are rounded up; less than ½ ignored. • For a five-day work week, the hourly rate is used to derive the daily wage.

Source: Government of India, *Minimum Wages Act* (1948); *Code on Wages* (2019).

Table 2A.3: Wage Protection Architecture: Before and After

Dimension	Minimum Wages Act 1948	Code on Wages 2019
Normal Working Day (Hours, Spread-over, Modification)	Government may fix normal working day. Rule: 9 hours for adults; spread-over not exceeding 12 hours including rest intervals. Modified application permitted for emergency, intermittent, technical and natural-force work.	Government may fix normal working day. Rule: Hours fixed by general/special government order (no statutory 9-hour fixation). Spread-over determined by such order. Rule permits modified application for emergency, intermittent, technical and natural-force work.
Overtime Rate and Cross-Reference	Overtime payable at rate fixed under Act or other applicable law, whichever higher. Rule: 2× (non-agriculture), 1.5× (agriculture). Saving clause for Factories Act.	Overtime payable at not less than 2× normal rate across sectors. No agricultural distinction. No cross-reference to other laws.
Wage Protection for Reduced or Mixed Work	Full day wages payable unless worker unwilling to work. Proportionate payment for two or more classes of work. Piece worker must earn at least minimum time rate.	Full day wages unless employee unwilling to work. Proportionate payment for two or more classes of work. Piece worker safeguard retained.
Weekly Rest and Payment for Rest Day Work	One rest day in seven (normally Sunday). No explicit statutory cap on consecutive days. Payment at overtime rate; 2× (non-agri), 1.5× (agri).	One rest day mandatory (normally Sunday); no employee may work more than 10 consecutive days without rest. Payment at overtime rate; uniform minimum 2× across sectors; clarified monthly wage computation (division by 26 principle).
Night Shift Treatment	Rest day counted as 24 hours from shift end; hours worked after midnight treated as part of previous day.	Same principle retained in modern drafting.

Source: Government of India, *Minimum Wages Act* (1948); *Code on Wages* (2019).

Table 2A.4: Payment of Wages and Deduction Framework: Before and After

Dimension	Payment of Wages Act, 1936	Code on Wages 2019
Responsibility for Payment	“Employer” defined differently depending on establishment type (e.g., factory manager, railway administration, local authority head. Employer responsible for payment of wages. Principal employer liable where contractor failed to pay.	Single consolidated definition of “employer” including occupier, named manager, person with ultimate control, contractor, government authority and legal representative. Employer shall pay or cause to be paid wages within prescribed time limits.
Mode of Payment of Wages	Wages payable in current coin or currency notes; later amendments permitted cheque or bank transfer.	Wages payable in currency, cheque, by credit to bank account or by electronic mode. Appropriate Government may mandate payment through bank or electronic mode for specified establishments or classes of employees.
Wage Period and Time Limits for Payment	<ul style="list-style-type: none"> • Wage period not to exceed one month. • Payment required before 7th or 10th day of following month depending on number of employees. • Separate provision for payment upon termination (within 2 working days after amendments). 	<ul style="list-style-type: none"> • Wage period may be daily, weekly, fortnightly or monthly; cannot exceed one month. • Time limits linked to wage period (daily – end of shift; weekly – last working day; fortnightly – within 2 days; monthly – within 7 days of succeeding month). • Wages on termination payable within 2 working days.
Principle Governing Deductions from Wages	No deduction from wages permitted except those authorised under the Act. Explanation clarified what constitutes a “deduction.”	No deduction from wages permitted except those authorised under the Code. Explanation regarding meaning of “deduction” substantially retained.
Categories of Permissible Deductions	Permitted deductions included: <ul style="list-style-type: none"> • fines; • absence from duty; • damage or loss; • house accommodation; • amenities; • advances and loans; • income tax; • court orders; • provident fund; 	Similar categories retained and consolidated: <ul style="list-style-type: none"> • fines; • absence; damage or loss; • house accommodation and authorised amenities; • advances and loans; • recovery of advances and loans; • statutory dues such as income tax;

Dimension	Payment of Wages Act, 1936	Code on Wages 2019
	<ul style="list-style-type: none"> • co-operative societies; LIC; • defence funds; • railway losses; • and other notified purposes. 	<ul style="list-style-type: none"> • social security contributions (e.g., provident fund, pension, and health insurance); • Court-ordered deductions, such as maintenance payments; • employee-authorized deductions such as trade union subscriptions, cooperative society payments, and contributions to approved funds; • Contributions to approved funds (e.g., relief funds); • specific provisions for recovery of losses in certain sectors, such as railways employees: recovery of losses due to ticketing errors, counterfeit currency acceptance, or billing failures caused by negligence. <p>The Code further prescribes detailed safeguards on how such deductions may be made including limiting deductions for absence to the proportion of time not worked, restricting deductions for damage to the actual loss caused, allowing recovery of housing or amenities only at actual cost and with employee acceptance, and regulating recovery of advances and loans under prescribed conditions.</p>
Procedural Safeguards for Fines, Absence and Damage/Loss Deductions	<ul style="list-style-type: none"> -Fines allowed only for approved acts/omissions notified at the workplace. -Opportunity to explain/show cause required before imposing a fine. -Maximum fine limit remains 3% of wages per wage period. - No fines on employees below 15 years of age. - Fines must be recovered within 90 days and not in instalments. -Mandatory register of fines. 	<ul style="list-style-type: none"> - Fines may be imposed only for acts or omissions approved by the appropriate Government and notified at the workplace. - The employee must be given an opportunity to explain before any fine is imposed. -The maximum fine is capped at 3% of wages in a wage period. - No fines can be imposed on employees below 15 years of age. - Fines must be recovered within 90 days and cannot be recovered in instalments. - Employers must maintain a register of fines, and the collected amount must be

Dimension	Payment of Wages Act, 1936	Code on Wages 2019
	- Fine proceeds must be used only for employee welfare purposes.	used only for employee welfare purposes, as approved by the authority.
Ceiling on Total Deductions in a Wage Period	Total deductions from wages in any wage period could not exceed 50% of wages; ceiling extended to 75% where deductions included payments to co-operative societies. Excess beyond ceiling recoverable in subsequent wage periods in prescribed manner.	Total deductions from wages in any wage period cannot exceed 50% of wages (uniform ceiling; 75% exception removed). Any excess deduction must be recovered in subsequent wage periods in prescribed manner.
Deductions Requiring Written Authorisation of Employee	Written authorisation required for certain deductions such as LIC premium, trade union contributions and welfare fund payments.	Written authorisation required for trade union membership fees and specified fund contributions.
Claims and Adjudication Mechanism	<ul style="list-style-type: none"> - Authority appointed by Government (e.g., Labour Commissioner, Labour Court officer, or judicial officer) to hear claims relating to illegal deductions or delayed wages. - Claims could be filed by employee, trade union representative, legal practitioner, Inspector, or authorised person within 12 months (extendable). - Authority could order payment of dues and compensation and claims were to be decided within about 3 months. - Recovery of ordered amounts was enforced through a Magistrate as if it were a fine. - Separate adjudication mechanisms existed across different wage laws. 	<ul style="list-style-type: none"> - Authority appointed by Government (not below Gazetted Officer rank) to hear wage claims under a unified Code. - Claims may be filed by the employee, registered trade union, or Inspector-cum-Facilitator, including single applications for multiple employees, within 3 years (extendable). - Authority may order payment of dues and compensation up to 10 times the claim amount, and endeavour to decide claims within 3 months. - Non-payment is recoverable through the Collector as arrears of land revenue, - authorities are granted explicit civil court powers, strengthening enforcement.
Inspection and	- Government appointed Inspectors with powers to	- Government appoints Inspector-cum-Facilitators , retaining powers to

Dimension	Payment of Wages Act, 1936	Code on Wages 2019
Enforcement Model	<p>enter, inspect, and search establishments; examine employers and workers; supervise payment of wages; require production of registers and records; and seize or copy documents related to violations.</p> <p>-Inspectors could investigate offences and support prosecution.</p> <p>-The role was primarily enforcement-oriented, focusing on detection of violations and legal action.</p>	<p>inspect establishments, examine persons, require information, and seize records, but also introducing a facilitative role to advise employers and workers on compliance.</p> <p>-The Code provides for web-based inspection schemes, electronic information submission, and randomised inspections, shifting toward a compliance-based, technology-enabled enforcement model.</p>

Source: Government of India, *Payment of Wages Act (1936)*; *Code on Wages (2019)*.

Table 2A.5: Statutory Bonus Framework: Before and After

Dimension	Payment of Bonus Act, 1965	Code on Wages 2019
Applicability Threshold	Applicable to establishments employing 20 or more persons on any day during the accounting year.	Same threshold retained
Eligibility of Employee	Employees drawing wages ≤ ₹21,000 per month (post-2015 amendment); must have worked at least 30 days in accounting year.	Employees drawing wages not exceeding notified wage ceiling; 30-day minimum retained.
Minimum Bonus	8.33% of wages or ₹100 (₹60 for employees below 15 years), whichever higher; payable even if no allocable surplus.	8.33% of wages or ₹100, whichever higher, irrespective of allocable surplus
Maximum Bonus	20% of wages where allocable surplus permits	20% ceiling retained
Calculation Ceiling (Wage Cap for Computation)	Bonus calculated on ₹7,000 or applicable minimum wage, whichever higher.	Same principle retained: bonus calculated as if wage equals notified ceiling or minimum wage, whichever higher
Allocable Surplus	60% (banking company) and 67% (other establishments) of available surplus	Same percentages retained
Computation Structure (Gross & Available Surplus)	Gross profits computed under Schedule I (banking) and Schedule II (others). Available surplus = gross profits minus prior charges	Computation retained. Schedules renumbered (Schedule B – banking; Schedule C – others under 2025 Rules).
Set-On / Set-Off Mechanism	Excess or deficiency in allocable surplus carried forward up to 4 years	Same 4-year carry-forward
New Establishments	Special regime for first 5 years of operation.	Same structure retained with clearer rule illustrations for subsequent years.
Proportionate Reduction	Bonus reduced proportionately where employee worked part of accounting year.	Same principle retained
Disqualification from Bonus	Disqualification for fraud, riotous or violent behaviour, theft, sabotage	Same grounds retained; includes conviction for sexual harassment

Dimension	Payment of Bonus Act, 1965	Code on Wages 2019
Public Sector Application	Applicable to public sector establishments only if $\geq 20\%$ income derived from competitive activity	Same retained
Exemptions	Exemptions for LIC, educational institutions, RBI and specified public institutions	Same categories retained
Time Limit for Payment	Bonus payable within 8 months of close of accounting year; extension up to 2 years permitted	Same 8-month rule retained; extension allowed; bonus payable within 1 month of settlement or award in case of dispute
Mode of Payment	Cash or bank transfer (post amendments).	Mandatory credit to employee's bank account
Adjustment of Customary / Interim Bonus	Customary or puja bonus adjustable against statutory bonus	Same adjustment permitted
Deduction for Financial Loss Due to Misconduct	Financial loss caused by employee's misconduct deductible from bonus	Same provision retained
Inspection and Enforcement	Inspector model under Bonus Act.	Inspector-cum-Facilitator model under Code framework.
Adjudication of Disputes	Disputes largely processed under Industrial Disputes Act framework.	Disputes handled under unified authority framework under Code

Source: Government of India, *Payment of Bonus Act (1965)*; *Code on Wages (2019)*

Table 2A.6: Equal Remuneration Framework: Before and After

Dimension	Equal Remuneration Act, 1976	Code on Wages, 2019
Core Non-Discrimination Principle	Prohibited discrimination in recruitment, wages and service conditions for same work or work of similar nature	Prohibits discrimination in wages and recruitment on grounds of gender for same work or work of similar nature.
Definition of Same Work	Same skill, effort and responsibility under similar working conditions; minor differences irrelevant	Substantially same definition retained
Scope of Drafting	Focused on equal remuneration for men and women.	Gender-neutral language; prohibition framed broadly on grounds of gender.

Source: Government of India, *Equal Remuneration Act (1976)*; *Code on Wages (2019)*.

Table 2A.7: Institutional and Governance Architecture (Before and After)

Dimension	Old Framework (Four Separate Wage Laws)	Code on Wages, 2019
Advisory Mechanism	Separate advisory structures under different Acts. For example, the Equal Remuneration Act, 1976 permitted constitution of Advisory Committees to promote women's employment. Minimum Wages Act relied on committees for fixation but no single consolidated advisory body across wage laws.	Code establishes a Central Advisory Board to advise the Central and State Governments on matters relating to fixation of minimum wages, increasing employment opportunities for women, and other wage-related issues. The Board includes representatives of employers, employees and independent persons.
Authority for Claims (Delayed Payment / Wrongful Deduction / Bonus / Discrimination)	Separate authorities existed under different Acts (e.g., Sec. 15 Payment of Wages Act; Sec. 20 Minimum Wages Act; Sec. 7 Equal Remuneration Act). Different procedural rules applied under each statute.	Code creates a unified authority and appellate authority for claims arising under the Code, including minimum wage, payment of wages, bonus and gender discrimination matters. Single procedural framework applies.
Recovery of Dues	Each Act provided its own mechanism for recovery. Typically, amounts due could be recovered through direction of authority or through prosecution; recovery processes varied across statutes.	Code provides that amounts directed to be paid by the authority may be recovered as arrears of land revenue, creating a uniform recovery mechanism across all wage-related dues.
Inspection Model	Inspector-based model under each Act (e.g., Secs. 14–18 PWA; Sec. 19 MWA; Sec. 27 Bonus Act). Inspectors had powers of entry, examination, seizure and prosecution.	Code introduces Inspector-cum-Facilitator. Powers of inspection retained but combined with advisory and compliance facilitation functions. Inspection scheme may be web-based or electronically assigned.
Compounding of Offences	Limited or Act-specific compounding provisions; prosecution-driven enforcement dominant.	Code provides for compounding of certain offences, subject to prescribed conditions and payment of compounding amount, reducing reliance on prosecution.
Penalty Structure	Separate penalty provisions under each Act with different fine and imprisonment terms.	Consolidates penalties for all wage-related contraventions into a unified framework with graded penalties.
Rule-Making Power	Separate rule-making powers under each statute; resulted in multiple independent rule sets (e.g., 1937 Rules, 1950 Rules, 1975 Rules).	Confers consolidated rule-making power under a single Code; implemented through unified Central Rules, 2025.

Source: Government of India, *Payment of Wages Act* (1936); *Minimum Wages Act* (1948); *Payment of Bonus Act* (1965); *Equal Remuneration Act* (1976); *Code on Wages* (2019).

Section 2A.3 State-wise Implementation of the Code

Table 2A.8: Timeline of State and Union Territory Rule Notifications under the Code on Wages

2020	2021	2022	2023	2024	2025	Not notified
Madhya Pradesh (MP)	Assam (AS), Bihar (BR), Chandigarh (CH), Chhattisgarh (CG), Delhi (DL), Goa (GA), Gujarat (GJ), Haryana (HR), Himachal Pradesh (HP), Jammu & Kashmir (JK), Jharkhand (JH), Karnataka (KA), Kerala (KL), Maharashtra (MH), Manipur (MN), Mizoram (MZ), Odisha (OR), Puducherry (PY), Punjab (PB), Rajasthan (RJ), Telangana (TS), Tripura (TR), Uttar Pradesh (UP), Uttarakhand (UK)	Andaman & Nicobar Islands (AN), Andhra Pradesh (AP), Arunachal Pradesh (AR), Ladakh (LD), Sikkim (SK), Tamil Nadu (TN)	Dadra and Nagar Haveli and Daman and Diu (DN)	Meghalaya (ML)	Nagaland (NL)	West Bengal (WB), Lakshadweep (LK)

Notes:

1. Year refers to the year in which the final rules under the Code on Wages were notified by the respective State Government or Union Territory administration.
2. Abbreviations in parentheses indicate the standard state/UT codes used for ease of reference in the analysis.
3. "Not notified" indicates that rules under the Code on Wages had not been notified by the respective State/UT as of the time of this study.
4. Union Territories are included along with states where the appropriate government is responsible for notifying rules under the Code.
5. The table presents the timeline of notifications only and does not capture subsequent amendments or republication of draft rules where applicable.

Table 2A.9: Adoption of Key Minimum Wage Provisions of the Code on Wages across States/UTs

State / UT	Year Rules Notified	Definition of 'Minimum Wage'	Definition of 'National Floor Wage'	Manner of Calculating Minimum Wage	Conformity to the National Floor Wage
Andhra Pradesh	2022	1	1	1*	1*
Arunachal Pradesh	2022	1	1	1	0
Assam	2021	1	1	1*	1
Bihar	2021	1	1	1*	1
Chhattisgarh	2021	1	1	1*	0
Goa	2021	1	1	1	0
Gujarat	2021	1	1	1	0
Haryana	2021	1	1	1	0
Himachal Pradesh	2021	1	1	1	0
Jharkhand	2021	1	1	1	1
Karnataka	2021	1	1	1	1
Kerala	2021	1	1	1*	1
Madhya Pradesh	2020	1	1	1*	0
Maharashtra	2021	1	1	1	0
Manipur	2021	1	1	1	1
Meghalaya	2024	1	1	1	1
Mizoram	2021	1	1	1	0
Nagaland	2025	1	1	1	1
Odisha	2021	1	1	1	0
Punjab	2021	1	1	1	0
Rajasthan	2021	1	1	1	0
Sikkim	2022	1	1	1	0
Tamil Nadu	2022	1	1	1	0
Telangana	2021	1	1	1	1*
Tripura	2021	1	1	1	0
Uttar Pradesh	2021	1	1	1	0
Uttarakhand	2021	1	1	1	0
West Bengal	—	—	—	—	—
Jammu and Kashmir	2021	1	1	1	0
Delhi	2021	1	1	1	0
Ladakh	2022	1	1	1	0

State / UT	Year Rules Notified	Definition of 'Minimum Wage'	Definition of 'National Floor Wage'	Manner of Calculating Minimum Wage	Conformity to the National Floor Wage
Lakshwadeep	-	-	-	-	-
Dadra and Nagar Haveli and Daman and Diu	2023	1	1	1	0
Andaman & Nicobar Islands	2022	1	1	1	1
Puducherry	2021	1	1	1	1
Chandigarh	2021	1	1	1	0

Notes:

1. In terms of conformity to national wage, a State is treated as conforming to the national floor wage (takes value 1) if the rules explicitly mention that the State minimum wage cannot be less than the national floor wage
2. 1 indicates that the provision in the state/UT rules is consistent with the Code on Wages and Central Rules.
3. 0 indicates that the state/UT rules do not explicitly contain such a provision.
4. * indicates that the provision is broadly consistent with the Central Rules but includes additional qualifications or variations.
 - Andhra Pradesh: Minimum wages are determined based on the national floor wage fixed by the Central Government, rather than being independently calculated by the state.
 - Bihar, Uttar Pradesh and Kerala: While the general methodology follows the Central Rules, the state additionally considers consumer price index, arduousness of work, temperature/humidity, and hazardous occupations or processes when fixing minimum wages.
 - Assam : Rules of Assam do not specify what portion of minimum wage is based out of education, medical, recreation, and contingency expenses.
 - Chhattisgarh and Madhya Pradesh: The rules clarify that a standard working-class family consists of a worker, their spouse, and two children.
 - Telangana rules say national floor must be taken into account but it does not explicitly say minimum wages must be above the floor wage

Table 2A.10: Range of Statutory Minimum Wages Across States/UTs (Rs per day)

State/UT	Range (Rs/day)
Andaman & Nicobar Islands	682 – 915
Andhra Pradesh	369 – 396
Assam	240 – 450
Bihar	395 – 611
Chandigarh	486 – 511
Chhattisgarh	383 – 488
Dadra & Nagar Haveli and Daman & Diu	441 – 462
Delhi	673 – 816
Goa	407 – 528
Gujarat	452 – 474
Haryana	292 – 536
Himachal Pradesh	348 – 453
Jharkhand	274 – 562
Karnataka	423 – 729
Kerala	675 – 837
Ladakh	325 – 835
Madhya Pradesh	368 – 620
Maharashtra	324 – 596
Manipur	225 – 273
Meghalaya	381 – 534
Mizoram	380 – 730
Nagaland	176 – 235
Odisha	345 – 502
Puducherry	239 – 258
Punjab	412 – 517
Rajasthan	259 – 333
Sikkim	500 – 565
Tamil Nadu	228 – 297
Telangana	358 – 451

Sources: Authors' compilation based on state minimum wage notifications reported in the World Bank database on minimum wages across Indian states and union territories

Note: Minimum wage figures refer to statutory minimum wages for unskilled workers based on state government minimum wage notifications compiled in the World Bank report and reflect wage levels prevailing largely in 2023 (with some revisions effective in 2024).

Chapter 3 Appendix: Code on Social Security

Section 3A.1 Definitional Changes under the Code on Social Security, 2020

The Code on Social Security undertook two distinct definitional tasks: first, harmonising existing concepts that had diverged across the predecessor statutes; and second, introducing entirely new legal categories to respond to the realities of the modern economy.

The table below illustrates how the Code resolves definitional divergences across the four major predecessor statutes. The most consequential revision is the standardisation of the wage's definition with the introduction of the 50% cap.

Table 3A.1: Definitional Changes

Term	EPF Act, 1952	ESI Act, 1948	Gratuity Act, 1972	Code on Social Security, 2020
Employee Definition	Persons employed for wages including contract workers	Employees in factories/notified establishments including contract workers, subject to wage ceiling	Employees in manual, supervisory, technical, or administrative roles	Broad unified definition covering all persons employed on wages; also recognises gig, platform, and unorganised workers
Wages Definition	Basic + DA + retaining allowance; allowances excluded; no cap	Broad cash remuneration; excludes employer contributions, gratuity, reimbursements	All emoluments on duty/leave including DA; excludes bonus, overtime, commission	Standardised: Basic + DA + retaining allowance; exclusions allowed but subject to 50% cap — excess counted as wages
Coverage / Applicability	Establishments with 20+ employees; wage ceiling for mandatory membership	Power factories 10+; non-power factories 20+; shops/establishments typically 10+	Establishments with 10+ employees; gratuity payable after min. 5 years' service	Retains scheme-specific thresholds but allows expansion to new worker categories via notification

Source: Government of India, Employees' Provident Funds and Miscellaneous Provisions Act, 1952; Employees' State Insurance (ESI) Act, 1948; Payment of Gratuity Act, 1972; Code on Social Security (2020).

Section 3A.2 Detailed Changes in the Social Security Framework

Table 3A.2: EPF Provisions — Earlier Framework vs. Code on Social Security, 2020

Dimension	Earlier Framework	Code on Social Security, 2020
Coverage	Establishments with 20+ persons. Opt-in available but no reciprocal opt-out once voluntarily covered. Cooperative societies under 50 excluded.	Coverage threshold retained. Opt-in and opt-out made symmetrical. No sectoral exclusion; applies to all establishments including platform-linked enterprises.
Definition of Wages	Basic Wages + DA + Retaining Allowance. HRA, bonus, and other allowances excluded. No cap on proportion of allowances in CTC.	Unified Definition: Basic + DA + Retaining Allowance. If excluded allowances exceed 50% of total remuneration, the excess is added back to wages for PF calculation.
Contribution Rate	Employee: 12% of basic wages + DA. Employer: 12% (3.67% EPF + 8.33% EPS capped at Rs.15,000). Reduced rate of 10% for specified industries.	Rates unchanged. Reduced rate option preserved. Rates can now be revised by notifying a fresh scheme — no Act amendment required.
Wage Ceiling	Rs.15,000 per month (unchanged since 2014).	Rs.15,000 per month retained. Central Government empowered to revise by notification without full legislative amendment.
Gig & Platform Workers	No recognition or social security coverage.	Central Government enabled to frame separate social security schemes including PF-like benefits for gig and platform workers.
Portability	UAN introduced in 2014 but transfer remained partly manual; delays common; migrant workers frequently lost accumulations.	Aadhaar-seeded, UAN-based automatic portability envisaged on change of employment. National database for unorganised and migrant workers supports digital continuity.
Fixed-Term Employees	No definition of fixed-term employment. Contract routing used to deny or dilute EPF coverage.	Fixed-term employment formally defined. Fixed-term employees entitled to EPF on same terms as permanent employees from day one. Statutory bar

		against short-contract structuring to deny coverage.
Offences & Penalties	Up to 1 year imprisonment or Rs.10,000 fine for certain defaults.	Failure to pay contributions attracts 1 to 3 years imprisonment and fines up to Rs.1 lakh. Repeat offences attract enhanced penalties. Compounding introduced.
Registration & Compliance	Separate registration, forms, timelines, and annual returns under each statute. Multiple inspectors visiting the same establishment independently.	Single unified registration covering all applicable chapters. One combined return. Single Inspector-cum-Facilitator covering all four pillars.

Source: Government of India, Employees' Provident Funds and Miscellaneous Provisions Act, 1952; Code on Social Security. 2020.

Table 3A. 3: Historical Revision of the ESI Wage Ceiling

Effective Date	Wage Ceiling (Rs.)
01 April 1992	3,000
23 December 1996	6,500
01 April 2004	7,500
01 October 2006	10,000
01 May 2010	15,000
01 January 2017	21,000 (current)

Source: Employees' State Insurance Corporation (ESIC), Ministry of Labour & Employment, Government of India. Wage ceiling revised periodically via official gazette notifications.

Table 3A.4: ESI Provisions — Earlier Framework vs. Code on Social Security, 2020

Dimension	Earlier Framework	Code on Social Security, 2020
Coverage Threshold	10+ workers in notified areas and specific industries.	Same threshold retained. Pan-India coverage extended; mandatory for any unit with hazardous processes.
Wage Basis	Gross Salary including almost all allowances.	New unified Wage Definition: Basic + DA + Retaining Allowance. 50% cap applies.
The 50% Wage Rule	No restriction on salary structuring.	If allowances exceed 50% of total remuneration, the excess is added back to wages for ESIC contribution purposes.
Wage Ceiling	Rs.21,000 per month (Gross). In force since 1 January 2017.	Rs.21,000 per month under the new wage definition. Proposal under consideration to revise to Rs.30,000.
Coverage Scope	Notified areas and specific industries.	Pan-India. Extends to gig and platform workers. Mandatory for any unit with hazardous processes.
Contribution Rates	Employer: 3.25%. Employee: 0.75%.	Rates unchanged. However, the wage amount contributions apply to may increase due to the 50% rule.
Failure to Pay	Benefits could be denied to employees until recovery from employer.	ESIC may pay benefits to employees and recover the capitalised value from the employer net of contributions, interest, and damages.
Enforcement	Inspector Raj — physical inspections.	Inspector-cum-Facilitator — web-based inspections, advisory-first approach.
Exit from Coverage	No general exit mechanism. Once covered, always covered.	Exit permitted subject to a minimum 5-year lock-in period.
Compliance Deadlines	Monthly payment by the 15th of the following month.	Unified filing; standardised reporting across EPF and ESIC platforms.
Penalties	Traditional penal structure.	Rationalised and compounding introduced.
Digitisation	Limited.	Portal-based compliance.

Source: Government of India, Employees' State Insurance (ESI) Act, 1948; Code on Social Security, 2020

Table 3A.5: Gratuity Provisions — Earlier Framework vs. Code on Social Security, 2020

Dimension	Earlier Framework	Code on Social Security, 2020
Coverage Threshold	Establishments with 10+ employees.	Same 10-employee threshold retained.
Wage Basis	Only Basic Salary + DA. Allowances entirely excluded; gratuity base easily suppressed.	New unified Wage Definition. 50% Rule applies — excess allowances added back. Base floor-protected at 50% of CTC.
Gratuity Formula	(Last Drawn Wages x 15/26) x Years of Service.	Same formula retained — applied on the new, broader wage definition.
Ceiling	Rs.20 lakh (as amended in 2018).	Rs.20 lakh retained. Central Government empowered to revise upward by notification without fresh legislation.
Regular Employee Eligibility	Minimum 5 years of continuous service (except death/disablement).	Same — 5 years continuous service required.
Fixed-Term Employee Eligibility	No special provision. Fixed-term employees received zero gratuity unless they completed 5 full years.	Gratuity payable on pro-rata basis after 1 year of service. Major expansion of coverage for contract workforce.
Contractor Liability	No direct principal employer liability for contractor workforce gratuity.	Principal employer jointly liable if contractor fails to pay gratuity to contract workers.
Accounting Impact	Low impact — suppressed wage base led to lower actuarial liability.	Immediate recognition as Past Service Cost under Ind AS 19 / AS 15. Expected 25-50% increase in gratuity liabilities for companies with suppressed basic pay structures.
Enforcement	Inspector Raj; Controlling Authority adjudicates disputes.	Inspector-cum-Facilitator; web-based; advisory-first approach.
Digitisation	Paper-based applications and physical Controlling Authority processes.	Portal-based; unified filing across EPF, ESIC, and Gratuity on a single platform.

Source: Government of India, Payment of Gratuity Act, 1972; Code on Social Security, 2020

Table 3A.6: Maternity Benefit Provisions — Earlier Framework vs. Code on Social Security, 2020

Dimension	Earlier Framework	Code on Social Security, 2020
Applicability	Shops/Establishments with 10+ employees; factories, mines, and plantations.	Same, extended to unorganised, gig, and platform workers via new schemes.
Eligibility	80 days of work in the preceding 12 months.	Retained.
Leave Duration (1st & 2nd Child)	26 weeks (8 pre-delivery, 18 post-delivery).	Retained.
Leave Duration (3rd+ Child)	12 weeks (6 weeks pre-delivery).	Retained.
Adoptive / Commissioning Mothers	12 weeks from date of handover; child must be under 3 months.	Retained.
Wage Base	Average daily wages; interpretation varied across companies.	New Wage Definition (Basic + DA + 50% Rule) — higher and more consistent payouts.
Medical Bonus	Rs.3,500 (if no free care provided); upper cap Rs.20,000.	Base of Rs.3,500 retained. Statutory upper cap removed — greater flexibility to revise upward.
Creche Facility	Mandatory for 50+ employees; 4 visits per day permitted.	Retained. New provision permits resource-pooling — common creche with other companies.
Work from Home	Permitted by mutual agreement after 26-week leave.	Retained and reaffirmed as a flexible post-maternity option by mutual consent.
Penalties	Fines up to Rs.5,000 and 1-year imprisonment.	Enhanced: fines up to Rs.50,000 for first offence; repeat offenders face up to 3 years imprisonment and Rs.3 lakh fine.

Source: Government of India, Maternity Benefit (Amendment) Act, 2017; Code on Social Security, 2020

Section 3A.3 Newly Introduced Definitions and Concepts

The Code did not merely consolidate the nine predecessor Acts — it introduced several entirely new legal concepts with no precedent in Indian social security law.

Gig Worker

A person who performs work or participates in a work arrangement and earns from activities outside of a traditional employer-employee relationship. The Code empowers the Central Government to design and notify specific social security schemes under

Chapter IX, covering insurance, health benefits, and old-age support, financed through contributions from digital platform aggregators.

Platform Worker

A work arrangement outside a traditional employer-employee relationship in which organisations or individuals use an online platform to access others for specific services or problem-solving. This distinction recognises the rapid growth of India's app economy and is entirely new in Indian social security law.

Aggregator

A digital intermediary or marketplace connecting buyers or users of services with sellers or service providers. The First Schedule lists types of aggregators including ride-sharing, food delivery, logistics, e-marketplace, professional services, healthcare, and travel platforms. Aggregators must contribute 1% to 2% of their annual turnover (subject to a cap of 5% of the amount payable to gig and platform workers) to the Social Security Fund.

Fixed-Term Employment (FTE)

Employment of a worker on the basis of a written contract for a fixed period, entitling the worker to the same working hours, wages, and social security benefits as a permanent worker; proportionate gratuity if tenure is one year or more; and no notice or severance pay at the end of the contract. The formal definition of FTE closes a major exploitation loophole that allowed employers to deny social security benefits through repeated short-term contracts.

Social Security Fund for Unorganised Workers

A fund constituted by the Central Government for financing and implementing social security schemes for unorganised workers, gig workers, and platform workers, receiving contributions from the Central Government, State Governments, CSR funds, and aggregators. This creates a dedicated, legally constituted fund — a new institutional structure without precedent in earlier legislation.

Career Centre

Any office, including an employment exchange, set up or notified by the appropriate Government for providing career services such as job matching, placement assistance, career counselling, vocational guidance, apprenticeship training, and related functions. The Code modernises the concept of employment exchanges — reflecting a shift from passive job registration to active career development.

Inspector-cum-Facilitator

The replacement of the traditional Inspector with the Inspector-cum-Facilitator moves away from a punitive policing mindset to an advisory-first, technology-driven approach. Physical inspections are replaced by a centralised web-based randomised inspection scheme. The facilitator's primary mandate is to advise and guide employers before resorting to enforcement, with a mandatory 30-day rectification window for most non-hazardous administrative errors, and provision for compounding of offence.

Table 3A.7: Timeline of State and Union Territory Rule Notifications under the Code on Social Security

2021	2022	2023	2025	2026	Not Yet Notified
Arunachal Pradesh	Karnataka	Gujarat	Meghalaya	Andhra Pradesh	Tamil Nadu
Assam	Sikkim	Mizoram	Punjab	Madhya Pradesh	West Bengal
Bihar	Telangana	Nagaland	NCT of Delhi	Odisha	
Chhattisgarh	Andaman & Nicobar Islands (UT)	Dadra & Nagar Haveli and Daman & Diu (UT)	Lakshadweep (UT)	Rajasthan	
Goa	Ladakh (UT)				
Haryana	Puducherry (UT)				
Himachal Pradesh					
Jharkhand					
Kerala					
Maharashtra					
Manipur					
Tripura					
Uttarakhand					
Uttar Pradesh					
Chandigarh (UT)					
Jammu & Kashmir (UT)					

Notes:

1. Year refers to the year in which the draft rules under the Code on Wages were notified by the respective State Government or Union Territory administration.
3. "Not yet notified" indicates that draft rules under the Code on Social Security had not been notified by the respective State/UT as of the time of this study.
4. Union Territories are included along with states where the appropriate government is responsible for notifying rules under the Code.
5. The table presents the timeline of notifications only and does not capture subsequent amendments or republication of draft rules where applicable.
6. Arunachal Pradesh and Gujarat have notified final rules of Code on social security

Chapter 4 Appendix: The Industrial Relations Code

Section 4A.1 Definitional Changes

The Industrial Relations Code, 2020 (IR Code), consolidated and retained many of the legal definitions from the three repealed codes. While many other terms have been updated and expanded, their core legal essence and structure are carried forward. Some new terms have also been added to expand the coverage of the law. Below is a summarized table for the core changes in the definition that impact the overall implications for industrial disputes.

Table 4A.1: Definitional Additions under the Industrial Relations Code

Term	Industrial Relations Code, 2020
Employee	<ul style="list-style-type: none"> • An employee is anyone who works for a company or factory (except apprentices under the Apprentices Act, 1961) and is paid for their work. • This includes people doing any work (skilled, semi-skilled, unskilled, manual, office, technical, supervisory, or managerial). • The agreement to work can be written or just understood. The government can also officially declare someone as an employee. • However, members of the Armed Forces are not considered employees under this definition.
Fixed Term Employment	<ul style="list-style-type: none"> • Fixed-term employment refers to the engagement of a worker under a written contract for a specific period. • Such a worker must receive wages, hours of work, allowances, and other benefits not less than those of a permanent worker performing similar work, and is entitled to statutory benefits proportionate to the period of service. • The worker is eligible for gratuity upon completing one year of service under the contract.
Negotiating Union / Council	<ul style="list-style-type: none"> • New statutory framework for identifying sole bargaining agents or proportional councils

Source: Government of India, Industrial Relations Code (2020).

Note: Definitions summarised from statutory provisions relating to “employee”, “fixed term employment”, and “negotiating union/council”

Table 4A.2: Definitional Expansions under the Industrial Relations Code

Term	Industrial Disputes Act, 1947	Trade Unions Act, 1926	Industrial Employment (Standing Orders) Act, 1946	Industrial Relations Code, 2020	Key Difference
Employer	<p>An employer is:</p> <ul style="list-style-type: none"> For industries run by the Central or State Government, the prescribed authority, or if none, the head of the department; For industries run by a local authority, the chief executive officer of that authority. 	Not defined	<p>An employer is the owner of an industrial establishment covered by this Act and includes:</p> <ul style="list-style-type: none"> The manager of a factory as named under the Factories Act, 1948; The authority or head of a government department overseeing a government-run establishment; Any person responsible for supervising and controlling the establishment on behalf of the owner. 	<p>An employer is any person or authority who hires one or more employees, directly or indirectly, in an establishment. This includes:</p> <ul style="list-style-type: none"> In a factory, the occupier or appointed manager; In other establishments, the person or authority with ultimate control, or the manager/director in charge; Contractors; and Legal representatives of a deceased employer. 	Explicit inclusion of the owner, manager, or any person with supervisory control over an establishment, thereby broadening and clarifying responsibility
Industry	An industry is any business, trade, enterprise, or manufacturing activity of employers, and includes any work, service, or occupation of employees.	Not defined	Not defined	<ul style="list-style-type: none"> Industry means systematic activity carried on by co-operation between an employer and worker (whether such worker is employed by such employer directly 	Retains the broad definition from the Industrial Disputes Act, 1947, but clarifies the inclusion of contract employees and the exclusion of

Term	Industrial Disputes Act, 1947	Trade Unions Act, 1926	Industrial Employment (Standing Orders) Act, 1946	Industrial Relations Code, 2020	Key Difference
				<p>or by or through any agency, including a contractors for producing or supplying goods or services to meet human needs (other than purely religious or spiritual needs), regardless of profit motive or capital investment.</p> <ul style="list-style-type: none"> It does not include charitable or philanthropic institutions, sovereign government functions (such as defence, atomic energy, and space), domestic services, or any activity specifically excluded by the Central Government. 	<p>institutions engaged in charitable, social, or philanthropic services and certain sovereign government functions</p>
Worker	<ul style="list-style-type: none"> A workman is anyone (including apprentices) employed in any industry to do manual, skilled, technical, operational, clerical, or 	Not defined	As in IDA 1947	<ul style="list-style-type: none"> A worker is anyone (except apprentices under the Apprentices Act, 1961) employed in any industry to do manual, skilled, technical, operational, clerical, or 	<ul style="list-style-type: none"> The term has been updated from “workman” to “worker”. Explicit exclusion of apprentices

Term	Industrial Disputes Act, 1947	Trade Unions Act, 1926	Industrial Employment (Standing Orders) Act, 1946	Industrial Relations Code, 2020	Key Difference
	<p>supervisory work for pay, whether the employment terms are written or implied.</p> <ul style="list-style-type: none"> • For industrial disputes, it also includes those dismissed, discharged, or retrenched in connection with the dispute. • Exclusions: <ol style="list-style-type: none"> 1. Members of the Armed Forces; 2. Police personnel or prison employees; 3. Employees mainly in managerial or administrative roles; 4. Supervisors earning over ₹16,000 per month (amended in 2010) or performing mainly 			<p>supervisory work for pay, whether the employment terms are written or implied.</p> <ul style="list-style-type: none"> • This includes working journalists, sales promotion employees, and, for industrial disputes, even those who have been dismissed or retrenched. • Exclusions: <ol style="list-style-type: none"> 1. Members of the Armed Forces; 2. Police personnel or prison employees; 3. Employees mainly in managerial or administrative roles; 4. Supervisors earning above ₹18,000 per month (or the notified amount). • For Chapter III, the term also includes all persons in trade or industry and workers under the Unorganised 	<ul style="list-style-type: none"> • Expands coverage to certain additional professional and promotional roles • Threshold for supervisors considered as workers under the clause is higher • Broader scope to cover unorganised workers in the social security legislation.

Term	Industrial Disputes Act, 1947	Trade Unions Act, 1926	Industrial Employment (Standing Orders) Act, 1946	Industrial Relations Code, 2020	Key Difference
	managerial functions.			Workers' Social Security Act, 2008.	
Strike	A strike is when a group of workers in an industry collectively stop working or refuse, by mutual agreement, to continue work or accept employment.	Not defined	Not defined	A strike is when a group of workers in an industry stop working together, refuse to work, or collectively decline employment under a common understanding. It also includes coordinated casual leave by 50% or more of the workers on the same day.	Recognizes mass casual leave as a form of strike

Source: Government of India, Trade Union Act(1926); Industrial Employment (Standing Order) Act (1946), Industrial Disputes Act (1947), Industrial Relation Code (2020).

Note: Definitions summarised from statutory provisions relating to “employer”, “industry”, “worker”, “strike” under the respective Acts.

Section 4A.2 Structural Changes

Table 4A.3: Trade Union Regulation and Collective Bargaining

Dimension	Pre-Code	Industrial Relations Code 2020
Collective Bargaining Agent	No central statutory provision existed for the recognition of a sole bargaining agent or negotiating union.	Introduces the Negotiating Union (51% support) or Negotiating Council (20% support per seat) to act as the sole point of negotiation
Recognition at Government Levels	No statutory recognitions at the government level.	The Central and State governments can now formally recognise "Central Trade Unions" and "State Trade Unions".
Trade Union Registration	Any seven members could apply for registration regardless of the size of the establishment	Requires a minimum of 10% of workers or 100 workers (whichever is less) to apply for registration

Source: Government of India, Trade Union Act (1926); Industrial Relations Code (2020).

Table 4A.4: Standing Orders and Employment Conditions

Dimension	Pre-Code	Industrial Relations Code 2020
Standing Orders Threshold	Mandated for industrial establishments employing 100 or more workers	Threshold increased to 300 or more workers, granting greater flexibility to smaller firms
Certification of Standing Orders	Required manual submission and formal certification by a Certifying Officer for all covered establishments	Adoption of the Central Government's model standing orders results in deemed certification; firms only need to certify clauses that differ
IT Sector Specifics	No such specifications provided	Draft Rules 2025 explicitly allow for "Work from Home" and remote work under service sector standing orders.

Source: Government of India, Industrial Employment (Standing Order) Act (1946), Industrial Relation Code (2020). Industrial Relation Rule (2025)

Table 4A.5: Dispute Resolution Machinery

Dimension	Pre-Code	Industrial Relations Code 2020
Dispute Resolution Machinery	Multiple individual adjudicating bodies including Labour Courts, Tribunals, and Boards of Conciliation	Replaces multiple bodies with a unified Industrial Tribunal system consisting of both a Judicial Member and an Administrative Member
Adjudication Reference System	Required the appropriate Government to refer disputes to a Tribunal	Abolishes the reference system for most disputes, allowing workers to apply directly to the Tribunal after failed conciliation

Source: Government of India, Industrial Disputes Act (1947), Industrial Relation Code (2020). Industrial Relation Rule (2025)

Table 4A.6: Industrial Action (Strikes and Lockouts)

Dimension	Pre-Code	Industrial Relations Code 2020
Strike Notice Requirements	A 14-day notice was mandatory primarily for workers in "Public Utility Services	Mandatory 14-day strike notice is now universal for all industrial establishments

Source: Government of India, Industrial Disputes Act (1947), Industrial Relation Code (2020). Industrial Relation Rule (2025)

Table 4A.7: Lay-off, Retrenchment, and Closure

Dimension	Pre-Code	Industrial Relations Code 2020
Retrenchment Threshold	Prior government permission was required for establishments with 100 or more workers	The threshold for prior government permission is raised to 300 or more workers
Retrenchment Support	Focused primarily on notice and monetary compensation as a condition precedent	Introduces a mandatory Worker Re-skilling Fund, requiring employers to contribute 15 days' wages for retraining workers

Source: Government of India, Industrial Disputes Act (1947), Industrial Relation Code (2020). Industrial Relation Rule (2025)

Table 4A.8: Penalties and Digitization (Rules 2025)

Dimension	Pre-Code	New Industrial Relations Code
Compounding of Offences		For the first time, a statutory mechanism is provided to settle minor offences through a compounding fee.
Electronic Governance	The reliance on physical registers and manual service of notices	The Draft Rules 2025 mandate that all registrations, filing of standing orders, and applications for retrenchment must be done electronically via a designated portal.

Source: Government of India, Industrial Relations Rule (2025)

Table 4A.9: State-Level Implementation of the Industrial Relations Code

2021	2022	2024	2025	Not notified
Bihar (BH), Chhattisgarh (CG), Gujarat (GJ), Haryana (HR), Jammu and Kashmir (JK), Jharkhand (JR), Karnataka (KA), Kerala (KL), Madhya Pradesh (MP), Maharashtra (MH), Manipur (MA), Odisha (OD), Punjab (PJ), Telangana (TEL), Tripura (TR), Uttar Pradesh (UP), Uttarakhand (UK), Arunachal Pradesh (AR), Goa (GA), Himachal Pradesh (HP), Sikkim (SK), Assam (AS), Chandigarh (CH), Puducherry (PD)	Andhra Pradesh (AP), Mizoram (MZ), Tamil Nadu (TN), Rajasthan (RJ), Ladakh (LD)	Meghalaya (ML), Andaman and Nicobar Island (AN)	Nagaland (NL), Lakshadweep (LK), Delhi (DL), Nagar Haveli and Diu Daman (DD)	West Bengal (WB)

Source: Gazette document of the State

Notes:

1. Year refers to the year in which the draft rules under the Code on Industrial Relation were notified by the respective State Government or Union Territory administration.
2. Abbreviations in parentheses indicate the standard state/UT codes used for ease of reference in the analysis.
3. "Not notified" indicates that rules under the Code on Industrial Relation had not been notified by the respective State/UT as of the time of this study.
4. Union Territories are included along with States where the appropriate government is responsible for notifying rules under the Code.
5. The table presents the timeline of notifications only and does not capture subsequent amendments or republication of draft rules where applicable.

Chapter 5 Appendix: The Occupational Safety, Health and Working Conditions Code

Section 5A.1 Definitional Architecture

This section provides a comparative analysis of key labour laws that have been consolidated under the Occupational Safety, Health and Working Conditions Code (OSHWC), 2020 and its Central Rules, 2025. For each Act, we tabulate a provision-by-provision breakdown of the rules under the previous regime and what the new Code prescribes in its place, covering areas related to coverage thresholds, welfare facilities, working conditions, enforcement mechanisms, and jurisdictional arrangements.

Section 5A.2 Selected Definitions under the OSHWC Code (Glossary)

The table below maps definitional changes across the major Acts consolidated by the OSHWC Code, 2020, in alphabetical order. The previous regime column cites the specific Act from which each definition is drawn. Where a term was not defined in any of the previous Acts, we note the legislative history of how the concept was treated. Terms not defined in previous Acts are noted accordingly.

Table 5A.1: Definitional Changes as in the Draft OSHWC Code, 2020

Term	Previous Regime Definition	OSHWC Code, 2020
Building or Other Construction Work	[BOCW Act, 1996] Construction, alteration, repairs, maintenance or demolition in relation to buildings, streets, roads, railways, tramways, airfields, irrigation, drainage, embankment and navigation works, flood control, power, waterworks, oil and gas installations, electric lines, wireless, radio, television, telephone, telegraph and overseas communications, dams, canals, reservoirs, tunnels, bridges, viaducts, aqueducts, pipelines, towers and such other work as notified by the appropriate Government. Excludes factory or mine.	Same core scope as the BOCW Act. Expanded to include internet towers and digital communications infrastructure. Adds a new exclusion for construction work undertaken for own residential purposes by an individual or group where the total cost does not exceed Rs. 50 lakhs (or such higher amount as notified) and where the notified number of workers is not exceeded. Central Government may notify additional categories of work.
Building Worker	[BOCW Act, 1996] A person employed to do any skilled, semi-skilled or unskilled, manual, technical or clerical work for hire in connection with any building or construction, whether terms of employment are expressed or implied. Excludes persons employed in a managerial,	Adds 'highly skilled' as an express category alongside skilled, semi-skilled and unskilled. Same exclusion for managerial, supervisory and administrative capacity retained.

Term	Previous Regime Definition	OSHC Code, 2020
	supervisory or administrative capacity.	
Contract labour	<p>[Contract Labour Act, 1970] Not defined as a standalone term in the 1970 Act. Section 2(b) defined 'workman' to include a person hired through a contractor with or without the knowledge of the principal employer. The concept of contract labour was embedded in the workman definition rather than separately defined.</p>	<p>A worker hired in or in connection with the work of an establishment by or through a contractor, with or without the knowledge of the principal employer. This includes inter-state migrant workers. It does not include a worker (other than a part-time employee) who is regularly employed by the contractor for any activity of the contractor's own establishment, and who receives periodical increments, social security coverage and other welfare benefits in accordance with law. This is a new addition for regular contractor employees.</p>
Contractor	<p>[Contract Labour Act, 1970] A person who undertakes to produce a given result for an establishment other than a mere supply of goods or articles of manufacture, through contract labour; or who supplies contract labour for any work of the establishment. Includes sub-contractors.</p> <p>[Inter-State Migrant Workmen Act, 1979] A person who undertakes to recruit or supply inter-state migrant workmen for any work of an establishment.</p>	<p>A person who (i) undertakes to produce a given result for the establishment, other than a mere supply of goods or articles of manufacture, through contract labour; or (ii) supplies contract labour for any work of the establishment as mere human resource. Includes sub-contractors. Consolidates the CLA and ISMW formulations into a single definition.</p>
Core activity	<p>[No prior statutory definition in previous Acts] The concept developed entirely through judicial interpretation of the Contract Labour Act, 1970. Courts applied tests of perennial nature of the work; whether the work was sufficient to employ a considerable number of full-time workers; and whether the work was ordinarily done by regular workers.</p>	<p>[OSHC Code, 2020] Any activity for which the establishment is set up, and includes any activity which is essential or necessary to such activity. Proviso lists 11 categories that shall not be considered core if the establishment is not set up for such activity: (i) sanitation including sweeping, cleaning, dusting and waste disposal; (ii) watch and ward/security services; (iii) canteen</p>

Term	Previous Regime Definition	OSHC Code, 2020
	No statutory definition existed in any of the thirteen Acts consolidated by the Code.	and catering services; (iv) loading and unloading operations; (v) hospitals, educational/training institutions, guest houses and clubs operating as support services; (vi) courier services as support services; (vii) civil and constructional works including maintenance; (viii) gardening and lawn maintenance; (ix) housekeeping, laundry and similar support services; (x) transport including ambulance services; (xi) any activity of intermittent nature even if it constitutes a core activity of the establishment.
Establishment	<p>[Contract Labour Act, 1970] Any office, establishment, undertaking, company or other body corporate or any department of the Government carrying on any trade, industry, manufacture, occupation or service in which contract labourers are employed or were employed on any day in the preceding twelve months. Threshold: 20 or more contract workers.</p> <p>[Inter-State Migrant Workmen Act, 1979] Any establishment in which five or more inter-state migrant workmen are employed or were employed on any day in the preceding twelve months.</p> <p>[Factories Act, 1948 and BOCW Act, 1996] Neither Act defined 'establishment' as a general term.</p>	<p>[OSHC Code, 2020] Unified definition: (i) a place where any industry, trade, business, manufacturing or occupation employs 10 or more workers; (ii) motor transport undertaking, newspaper establishment, audio-video production, building and other construction work or plantation employing 10 or more workers; (iii) factory for purposes employing 10 or more workers, notwithstanding the factory-specific worker threshold; (iv) a mine or port or vicinity of port where dock work is carried out. The 10-worker threshold does not apply to establishments carrying hazardous or life-threatening activities as notified by the Central Government.</p>
Factory	<p>[Factories Act, 1948] Any premises where 10 or more workers are employed with the aid of power, or 20 or more workers without the aid of power, on any day in the preceding twelve months, and in which a</p>	<p>[OSHC Code, 2020] Any premises where 20 or more workers are working or were working on any day of the preceding twelve months with the aid of power, or 40 or more workers without the aid of power, and a</p>

Term	Previous Regime Definition	OSHC Code, 2020
	<p>manufacturing process is being carried on or is ordinarily carried on.</p> <p>This covers seasonal factories.</p> <p>Excludes mobile units of the armed forces, railways running sheds, hotels, restaurants and eating places.</p>	<p>manufacturing process is being carried on or ordinarily carried on.¹</p> <p>Same exclusions as before. New: installation of EDP/computer unit alone does not make premises a factory.</p>
Industry	<p>[Industrial Disputes Act, 1947] Any business, trade, undertaking, manufacture or calling of employers and includes any calling, service, employment, handicraft or industrial occupation or avocation of workmen. Scope substantially widened by the Supreme Court in 1978 to include all systematic activity carried on for the production of goods or services with the cooperation of employer and employee, regardless of profit motive or capital investment. Excluded sovereign governmental functions and activities of a spiritual/religious nature.</p> <p>[Factories Act, 1948; BOCW Act, 1996; Contract Labour Act, 1970; ISMW Act, 1979] None of these Acts defined 'industry' as a standalone term.</p>	<p>[OSHC Code, 2020] Any systematic activity carried on by co-operation between an employer and worker (whether directly or through any agency including a contractor) for the production, supply or distribution of goods or services with a view to satisfy human wants or wishes (not being merely spiritual or religious wants), whether or not any capital has been invested or any profit motive exists. Excludes: (a) institutions wholly or substantially engaged in charitable, social or philanthropic services; (b) activities of the appropriate Government relating to sovereign functions including defence research, atomic energy and space; (c) domestic service; (d) any other activity notified by the Central Government. First statutory definition consolidating previously judge-made scope.</p>
Inter-State Migrant Worker	<p>[ISMW Act, 1979] Person recruited by or through a licensed contractor in one state for employment in another state. Coverage was tied to the original recruitment transaction, meaning workers who subsequently changed employers in the destination state lost statutory standing. Self-initiated migrants who moved independently and found employment on arrival were</p>	<p>[OSHC Code, 2020] Person employed in an establishment who has been recruited directly or through a contractor across state lines, or who has come on their own to another state and obtained employment there. Coverage now follows the worker rather than the recruitment process. A migrant who subsequently changes establishment within the destination state remains covered.</p>

Term	Previous Regime Definition	OSHWC Code, 2020
	excluded entirely. Workers placed through unregistered intermediaries fell outside the definition irrespective of their economic vulnerability.	Self-initiated migrants are brought within the statutory definition. No licensing condition is imposed on the intermediary through whom employment is obtained.
Ordinarily employed	<p>[No prior statutory definition in previous Acts] The term was used across multiple Acts, including the Factories Act, 1948 and the BOCW Act, 1996, to determine thresholds for welfare officers, safety officers, canteens and similar facilities. The concept was interpreted by courts and inspectorates to mean average daily attendance during a reference period.</p>	<p>[OSHWC Code, 2020] The average number of persons employed per day in the establishment or part thereof during the preceding calendar year, calculated by dividing the total number of man-days worked by the number of working days excluding rest days and other non-working days. First statutory definition of the term. Provides a precise arithmetic formula.</p>
Owner	<p>[BOCW Act, 1996] The person who, or the authority which has ultimate control over the affairs of the establishment and where affairs are entrusted to a manager or managing director. [Factories Act, 1948; Contract Labour Act, 1970; ISMW Act, 1979] These Acts did not define 'owner' as a distinct term. The Factories Act used 'occupier'; the CLA and ISMW used 'principal employer'.</p>	<p>[OSHWC Code, 2020] Definition confined to mines. Any contractor or sub-lessee for working of a mine is subject to the Code as if they were an owner, without exempting the original owner from liability. For establishments other than mines, the term 'employer' is used as the primary duty-bearer.</p>
Principal employer	<p>[Contract Labour Act, 1970] (i) In relation to any office or department of the Government or a local authority, as the head of that office/department or such other officer as specified; (ii) in a factory, as the owner or occupier and where a person is named as manager; (iii) in a mine, as the owner or agent; (iv) any person responsible for the supervision and control of the establishment. [BOCW Act, 1996]</p>	<p>[OSHWC Code, 2020] (i) Government office or local authority, as head of office/department or officer so specified; (ii) factory, as owner or occupier and where a manager is named; (iii) mine, as owner or agent; (iv) any other establishment as person responsible for supervision and control. No substantive change in scope or coverage. The definition now operates across all establishment types covered by</p>

Term	Previous Regime Definition	OSHC Code, 2020
	<p>The owner or occupier of the establishment and where a person is named as manager. [Factories Act, 1948] Did not use the term 'principal employer'. The occupier was the primary duty-bearer.</p>	<p>the Code rather than being confined to Act-specific contexts.</p>
Wages	<p>[Payment of Wages Act, 1936] All remuneration expressed in terms of money or capable of being so expressed which would be payable to a person in respect of employment or work done. Included basic pay, dearness allowance, and any additional remuneration under the terms of employment. Standard exclusions: bonus not forming part of remuneration, value of house accommodation/amenities, employer PF contributions and interest, travelling concessions, amounts to defray special expenses, HRA, remuneration under awards/settlements, overtime allowance, gratuity, retrenchment compensation and ex gratia.</p>	<p>[OSHC Code, 2020] All remuneration whether by way of salaries, allowances or otherwise, expressed in terms of money or capable of being so expressed, payable to a person in respect of employment or work done. Includes: basic pay; dearness allowance; and retaining allowance (if any) (new). Standard exclusions retained: bonus not forming part of remuneration; value of house accommodation, light, water, medical attendance or other amenities; employer PF/pension contributions and interest thereon; conveyance allowance/travelling concession; amounts to defray special expenses; HRA; remuneration under awards/settlements/court orders; overtime allowance; commission; gratuity; retrenchment compensation/retirement benefits; ex gratia on termination. Two new provisions: (i) if the excluded payments exceed 50% of total remuneration, the excess is deemed wages and added back as anti-avoidance mechanism; (ii) for the purpose of equal wages across genders and for wage payment purposes, conveyance allowance, HRA, award/settlement remuneration and overtime allowance are included in the computation.</p>
Worker	[Factories Act, 1948]	[OSHC Code, 2020]

Term	Previous Regime Definition	OSHWC Code, 2020
	<p>A person employed directly or through any agency (including a contractor or sub-contractor) in any manufacturing process, or in any other kind of work incidental to or connected with the manufacturing process or subject matter of the manufacturing process. Excludes members of the armed forces.</p> <p>[BOCW Act, 1996 — 'building worker']</p> <p>A person employed to do any skilled, semi-skilled or unskilled, manual, technical or clerical work for hire or reward in connection with building or other construction work. Excludes persons employed mainly in managerial, supervisory or administrative capacity.</p> <p>[Contract Labour Act, 1970; Industrial Disputes Act — 'workman']</p> <p>Any person employed in any industry to do manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward, whether terms are express or implied. Excludes persons in managerial/ administrative capacity and supervisors above the prescribed wage threshold.</p>	<p>Any person employed in any establishment to do any manual, unskilled, skilled, technical, operational, clerical or supervisory work for hire or reward, whether terms are express or implied. Expressly includes working journalists and sales promotion employees, two categories not previously captured in a single unified worker definition.</p> <p>Excludes: (i) persons subject to the Air Force Act, 1950, Army Act, 1950 or Navy Act, 1957; (ii) persons employed in the police service or as officers or employees of a prison; (iii) persons employed mainly in managerial or administrative capacity; (iv) supervisors drawing wages exceeding Rs. 18,000 per month or such higher notified amount. The Rs. 18,000 supervisory wage threshold is now uniform across the Code, replacing varied and inconsistent state-level and Act-specific thresholds.</p> <p>Broad unified definition across all sectors.</p>

Source: Government of India, Factories Act 1948; Building and Other Construction Workers Act, 1996; Contract Labour Act, 1970; Inter-State Migrant Workmen Act, 1970; Occupational Safety, Health and Working Conditions Code, 2020.

Section 5A.3 Structural Changes introduced by the OSHWC Code

Table 5A.2: Common Changes Across Acts (Factories Act, 1948; Building and Other Construction Workers Act, 1996; Contract Labour Act, 1970; Inter-State Migrant Workmen Act, 1970)

Dimension	Pre-Code Regime	New OSHWC Rules 2025
Legislative Architecture	Thirteen separate standalone Acts , each with its own Central/State Rules, compliance, registration, and enforcement mechanisms. Employers operating across multiple categories (factory, contract labour, construction) maintained separate compliance silos, with distinct filings, returns, and inspectorates under each Act.	Single consolidated OSHWC Code, 2020 integrating all thirteen Acts. Central Rules, 2025 provide a unified procedural framework. Employers operate under one registration, one inspection scheme, and a common compliance architecture regardless of establishment type or worker category.
Regulatory Model	Sector-specific, inspector-driven , compliance-heavy model. Each Act administered by a separate inspectorate. Enforcement with wide discretionary powers. Significant state-level variation in rules and implementation across states.	Harmonised, digitised, facilitative enforcement model. Central standardisation reduces state-level variation. Reduced inspector discretion through mandatory electronic audits.
Registration of Establishments	Separate registrations required under each applicable Act. Manual or semi-digital filings with state authorities. Prior approval requirements (e.g., factory plan approval by State Chief Inspector before commencement). State-level registering officers. No deemed registration concept; delays common.	Single electronic registration via Shram Suvidha Portal. Certificate issued within 7 days; if not processed, establishment deemed registered and certificate auto-generated. Establishments already registered under other central labour laws must update particulars within 6 months. Central Government to register officers.
Centre-State Jurisdictional Shift	Predominantly state-administered inspectorates . State governments framed their	Centralised appointment of Inspector-cum-Facilitators under the Central Government.

Dimension	Pre-Code Regime	New OSHWC Rules 2025
	own rules under each Act, creating inter-state variation in standards, thresholds, and procedures.	Uniform standards applicable across India. Licensing and appellate authorities centralised under Chief Labour Commissioner (Central).
Inspector Powers and Enforcement Model	Inspectors appointed by appropriate government with powers to enter, examine persons, inspect records, seize documents, and take samples. Separate inspector cadres under each Act. Reactive inspection culture with broad discretionary powers. Inspection triggered by complaints or schedules.	Inspector-cum-Facilitator with same entry, examination, seizure, and sampling powers. Cross-designation across all Codes with a single inspector covering all Code obligations. Risk-based inspection selection. Samples divided into three portions: one to employer, one to NABL-accredited lab, one retained for court. Findings to be recorded electronically.
Digitisation of Compliance	Physical registers, physical inspection records , state-specific printed forms. Manual filing of returns by post or in person. Accident notices sent by telegram or post. No centralised compliance database.	Mandatory electronic registers . Electronic accident and disease reporting. Wage slips issued electronically. Annual returns to be uploaded online on Ministry of Labour portal. Notice of commencement/cessation to be submitted electronically. All correspondence with authorities electronically or by post.
Working Hours — Daily Limit	Maximum 9 hours per day for adult workers across Factories Act, Contract Labour Act, and BOCW Act. Spread over not exceeding 10.5 hours. Fixed work periods with rest intervals (usually 30 minutes to 1 hour) after a continuous stretch.	Maximum 12 hours per day. Spread over not exceeding 13.5 hours. Liberalisation of the daily limit from 9 to 12 hours. Allows compressed work schedules (e.g., 4 days x 12 hours = 48-hour week). 48-hour weekly cap retained. Overtime triggered beyond 12 hours/day or 48 hours/week.
Working Hours — Weekly Limit and Overtime	48 hours per week for adult workers. Overtime at double ordinary wage rate. Quarterly overtime caps prescribed by state rules (typically 50 hours/quarter).	48-hour weekly cap retained. Overtime at twice ordinary rate for hours beyond 48/week or 12/day. Quarterly overtime cap: no worker may work overtime exceeding 144 hours in any quarter.

Dimension	Pre-Code Regime	New OSHWC Rules 2025
	State rules varied on overtime authorisations.	
Weekly Rest	One day weekly rest mandatory. Adult workers not required to work more than 10 consecutive days without a rest day under the Factories Act. Compensatory rest day if holiday substituted.	Mandatory rest after 6 consecutive days of work. Compensatory holidays provisions retained. Not more than 2 compensatory holidays to be given in one week. Notice of compensatory holidays to be displayed before end of month in which holidays are lost.
Annual Leave with Wages	Adult entitled to one day leave for every 20 days worked (approximately 18 days annually). Leave encashment on termination. Accumulation permitted up to prescribed limits.	Entitlement retained: one day for every 20 days worked. Encashment and accumulation protections continue unchanged.
Employment of Women — Night Work	Prohibited between 6 am and 7 pm under most Acts. State governments could vary hours by notification. Created employment barriers for women in 24-hour operations in manufacturing, construction, and dock work.	Night work (before 6 am and beyond 7 pm) permitted subject to mandatory safeguards: written consent of woman employee; no deployment against maternity benefit provisions; free transport to and from residence; well-lit workplace; CCTV surveillance on way to toilet/washroom; dedicated emergency telephone numbers; compliance with Sexual Harassment of Women at Workplace Act, 2013. Policy shift from blanket prohibition to regulated inclusion with a statutory safety framework.
Employment of Young Persons	No employment of children below 14 years. Young persons (14–18 years) permitted only in prescribed non-hazardous processes with certificate of fitness from medical officer. Working hours limited (4.5 hours for children, 6 hours for adolescents). Night work and hazardous processes prohibited.	Absolute prohibition on child labour retained and strengthened. Adolescent (14–18 years) employment continues subject to fitness certification by qualified medical practitioner. 6-hour daily limit for adolescents retained. Night work and hazardous process prohibition retained. Aligns with amended Child Labour (Prohibition and Regulation) Act.

Dimension	Pre-Code Regime	New OSHWC Rules 2025
Annual Health Examination	<p>Mandatory health examination only for workers in hazardous processes under the Factories Act. Cost not uniformly employer-borne. Frequency and standards varied by state rules. Inter-state migrant and construction workers largely outside formal health surveillance.</p>	<p>Free annual medical examination for every employee over 40 years. Examination within 120 days from commencement of calendar year. Conducted by qualified medical practitioner. Employer bears full cost. Universal expansion regardless of process or sector.</p>
Letter of Appointment	<p>Workers entitled to appointment letters under some Acts, but implementation varied widely. Many workers, particularly in construction, migrant labour, and contract labour, employed without any written appointment documentation.</p>	<p>Mandatory appointment letter before employment, containing name, DOB, father/mother name, Aadhaar number, Labour Identification Number of establishment, UAN/ESIC number, designation, skill category, date of joining, wages/basic/DA, other allowances, avenue for higher wages/position, EPFO/ESIC applicability, and nature of duties. Existing employees without appointment letters to receive one within 3 months of rule commencement. Standardised documentation across all sectors.</p>
Notice of Accidents and Dangerous Occurrences	<p>Manual notice to Inspector and district authorities. State-prescribed timelines. Fatal accident notice required immediately; injury notices within 12 hours under some Acts. Family notification not uniformly required. State-specific forms and procedures.</p>	<p>Immediate electronic notice and telephone intimation to Inspector-cum-Facilitator, Chief Inspector-cum-Facilitator, District Magistrate/Sub-Divisional Officer, nearest police station, and family of deceased. Bodily injury (48+ hours disability): notice within 12 hours after 48-hour period. Dangerous occurrences: notice within 12 hours. If death occurs, further notice required.</p>
Notice of Occupational Disease	<p>Employer to notify Inspector when occupational disease detected. Medical practitioners attending such</p>	<p>Immediate electronic notice to Inspector-cum-Facilitator or Chief Inspector-cum-Facilitator by employer/occupier/manager when disease occurs. Standard notice</p>

Dimension	Pre-Code Regime	New OSHWC Rules 2025
	patients to report to Chief Inspector. State-specific forms and timelines.	format prescribed. Qualified medical practitioner attending such patient must also separately report to Chief Inspector-cum-Facilitator.
Safety Committee	Safety officer mandatory in large factories (1,000+ workers under Factories Act). Individual compliance role. No equivalent participatory committee structure under Contract Labour Act or Inter-State Migrant Workmen Act. Construction sector had limited and state-variable safety committee provisions.	Safety Committee mandatory for factories employing 500 or more workers , for hazardous process factories, building or other construction work with 250 or more, and mines with 100 or more workers. Equal employer and worker representation; total not exceeding 20. Worker representatives chosen by union/council or workers among themselves; electronic process permissible. Mandatory women's representation proportional to share of women workers. Tenure of 3 years. Meets at least once per quarter (mines: monthly). Employer must act on recommendations within 15 days.
Maintenance of Registers and Records	Multiple registers under each Act: attendance registers, wage registers, leave registers, employment registers, accident registers. Physical maintenance mandatory. State-specific forms. Preservation periods varied (3–5 years). Duplicate information filed under multiple Acts.	Common registers: Register of Employees, Register of Attendance-cum-Muster Roll, Register of Wages/Overtime/Deductions, Leave with Wages Register, Accident Register. Electronic or physical maintenance. Entries in English, Hindi, or local majority language. Preserved for 5 years from date of last entry. Registers under Code on Wages and Code on Social Security deemed maintained under these rules (no duplication).
Annual Returns	Separate annual returns under each Act filed with respective state or central authorities. Varying deadlines (mid-February under most Acts). Different forms and content requirements under each	Unified Annual Return uploaded online on Ministry of Labour web portal by 28th/29th February each year. Single return covers all applicable Codes. If establishment sold, abandoned, or discontinued, further return within 1 month

Dimension	Pre-Code Regime	New OSHWC Rules 2025
	Act. Duplicate information filed multiple times when covered by multiple Acts.	(sale/abandonment) or 4 months (discontinuance). Annual return copy to Director General, Labour Bureau.
Penalties — General	Penalties varied by Act. Factories Act: imprisonment up to 2 years or fine up to Rs. 1 lakh; continuing offence Rs. 1,000/day; dangerous operations up to 3 years/Rs. 2 lakh. Contract Labour Act: first conviction up to 3 months/Rs. 1,000; second up to 6 months/Rs. 2,000; continuing Rs. 100/day. ISMW Act: fines up to Rs. 1,000 for most violations. BOCW Act: similar modest fines.	Unified penalty structure: imprisonment up to 2 years or fine up to Rs. 1 lakh or both. Continuing offence: additional Rs. 1,000/day. Repeat offence within 5 years: imprisonment up to 5 years or fine up to Rs. 1 lakh or both. Registration/licensing violations: fine up to Rs. 50,000 (no imprisonment). Company officers liable unless they prove no knowledge or exercised due diligence. No prosecution without prior opportunity to comply and compound.
Compounding of Offences	Limited compounding provisions under individual Acts. Modest amounts (typically Rs. 200–1,000). Available before or after prosecution in some Acts.	Expanded and digitised compounding mechanism. Notified officer notified issues electronic compounding notice. Accused applies electronically and deposits amount within 15 days. Composition certificate issued within 10 days of receipt. If amount not deposited within 1 month before prosecution, prosecution proceeds. No prosecution without opportunity to comply and compound first. Compounding amounts to be set by states.

Source: Government of India, Factories Act 1948; Building and Other Construction Workers Act, 1996; Contract Labour Act, 1970; Inter-State Migrant Workmen Act, 1970; Occupational Safety, Health and Working Conditions Code, 2020.

Table 5A.3: Changes Specific to the Factories Act, 1948

Dimension	Pre-Code Regime	New OSHWC Code Rules 2025
<p>Coverage Threshold and Factory Definition</p>	<p>'Factory' defined as premises with 10 or more workers with power, or 20 or more without power. Seasonal factories: 10 with power or 20 without power for at least 120 days. Premises with 10–19 workers using power were fully covered.</p>	<p>The threshold for a premises to be considered as a factory has been increased to 20 or more workers, if manufacturing using power; and to 40 or more workers, if not using power. Seasonal factory distinctions absorbed into general definition.</p>
<p>Factory Registration — Plan Approval</p>	<p>Occupier must give written notice at least 15 days before commencing operations. State Chief Inspector examined factory plans showing layout, processes, machinery, worker areas, and welfare facilities before granting registration. State Chief Inspector had power to grant or refuse registration based on compliance with health and safety standards. Prior plan scrutiny was a substantive pre-commencement safeguard.</p>	<p>Notice of commencement to be submitted within 30 days. No separate factory plan approval; registration absorbed into general establishment registration on Shram Suvidha Portal. Simplified process without prior plan scrutiny. Certificate within 7 days or deemed registered. Centre-state shift: jurisdiction moved from State Chief Inspectors to Central Government registering officers.</p>
<p>Occupier's Obligations</p>	<p>Occupier (person having ultimate control over the factory) bore primary statutory duty. Core obligations: ensure health, safety, and welfare of all workers; provide and maintain safe plant and systems of work; safe use/storage/transport of articles and substances; provision of information, instruction, training, and supervision; maintain safe means of access; provide adequate welfare facilities. Written general safety and health policy statement required.</p>	<p>Employer is primary duty-bearer under the Code (occupier concept subsumed). Core obligations aligned with previous regime: safe plant and systems, safe handling of substances, information and training provision, safe premises. Written safety and health policy retained. Safety Committee assists management in achieving policy objectives.</p>

Dimension	Pre-Code Regime	New OSHWC Code Rules 2025
Inspector Jurisdiction — Factories	State government appointed Chief Inspector and Inspectors. Jurisdiction: state inspectors for factories in the state; central inspectors for central government factories. Each state maintained its own inspectorate cadre. Cross-state inconsistency in enforcement standards.	Central Government to appoint Inspector-cum-Facilitators. Dual role: enforcement and facilitation. Similar entry, examination, and seizure powers. Jurisdiction centralised under Chief Labour Commissioner (Central). Cross-designation with other Code inspectors. Centre-state shift from state factory inspectorates to a unified central inspectorate.

Source: Government of India, Factories Act 1948; Occupational Safety, Health and Working Conditions Code, 2020.

Table 5A.4: Changes Specific to the Building and Other Construction Workers (BOCW) Act, 1996

Dimension	Pre-Code Regime	New OSHWC Code Rules 2025
Coverage Threshold — Construction	Establishments employing 10 or more workers on any day during preceding 12 months. Lower threshold than the Factories Act.	Construction establishments brought under general Code architecture. Building workers included within unified establishment definition.
Working Hours — Construction Workers	Working hours governed by BOCW Act and State Rules: 9 hours/day, 48 hours/week. Overtime at double wages. Spread-over provisions for construction work prescribed by state rules.	General Code provisions apply: 12 hours/day maximum, 48 hours/week. Spread over permitted beyond normal hours for urgent repairs; technically continuous work; work of national importance; breakdown work, etc. Quarterly overtime cap of 144 hours.

Source: Government of India, Building and Other Construction Workers Act, 1996; Occupational Safety, Health and Working Conditions Code, 2020.

Table 5A.5: Changes Specific to the Contract Labour (Regulation and Abolition) Act, 1970

Parameter	Pre-Code Regime	New OSHWC Code Rules 2025
Coverage Threshold — Contractor Licensing	Contractor employing 20 or more workers must obtain license. License was establishment-specific; separate licenses required for each location. Valid for 1 year with mandatory annual renewal. Principal employer registration threshold also 20 workers.	Contractor licensing threshold raised to 50 workers. Contractors employing 20–49 workers exempt from licensing. License valid for 5 years. Single pan-India or multi-state license option (not establishment-specific). Auto-generation if authority fails to decide within 45 days.
License Fee Structure	Central Rules, 1971: 20–50 workers: Rs. 25 ; 51–100: Rs. 50; 101–200: Rs. 75; 201–400: Rs. 100; above 400: Rs. 150. Annual renewal at same rates. Total over 5 years for 51–100 workers: Rs. 250.	Up to 49 workers: Nil (exempt). 50–100: Rs. 1,000; 101–300: Rs. 2,000; 301–500: Rs. 3,000; 501–1,000: Rs. 5,000; 1,001–5,000: Rs. 10,000; 5,001–10,000: Rs. 20,000; 10,001–20,000: Rs. 30,000; above 20,001: Rs. 40,000. Validity: 5 years. For 51–100 workers: Rs. 1,000 total vs Rs. 250 under old Act — a 4x increase. Late renewal: 25% additional fee.
Security Deposit	Security deposit required before license grant. Amount based on maximum workers and wage rates (typically 2–3 months wages). Forms accepted: cash deposit, bank guarantee, or fixed deposit. Held by state licensing authority. Forfeiture for violations. Refund on license expiry if compliant.	Bank guarantee only (cash and fixed deposit no longer accepted). Rs. 1,000 per contract worker. Capping for large contractors: 1,00,000–1,49,999 workers: Rs. 10 crore; 1,50,000–1,99,999: Rs. 15 crore; 2,00,000+: Rs. 20 crore (regressive at scale). Held by Chief Labour Commissioner (Central). Refund within 30 days on application with expired license and work completion notice. If contractor defaults on wages, payment made from security deposit.
Wage Payment — Method and Timeline	Wages before 7th day after wage period end. Wage period not exceeding 1 month. Payment in presence of principal employer's authorised representative.	Wage payment periods unchanged. Electronic payment; cash payment eliminated. Notice showing wage period and disbursement date displayed at

Parameter	Pre-Code Regime	New OSHWC Code Rules 2025
	<p>Form: cash; cheque/bank only with written worker authorisation.</p> <p>Wage slip required showing gross wages, deductions with reasons, and net amount.</p>	<p>workplace; copy to principal employer electronically.</p> <p>Half-yearly return for all contractors (including those below 50-worker licensing threshold).</p>
<p>Joint Liability for Wages</p>	<p>Joint liability: if contractor failed to pay wages, principal employer was liable. Workers could claim from either or both.</p> <p>Strict liability: principal employer could not escape by showing it had paid the contractor in full or that the contractor had absconded.</p> <p>Recovery: deduction from contract amount or civil suit.</p>	<p>Joint liability retained with explicit timelines. If contractor fails to pay within 7 days of wage period completion, principal employer must pay within 15 days.</p> <p>Recovery from contractor via deduction from contract amount; recovery as debt; deduction from security deposit held with principal employer. If both fail, Chief Labour Commissioner conducts inquiry and orders payment from security deposit.</p> <p>Contractor must replenish security within 15 days or face license suspension.</p>
<p>Prohibition of Contract Labour — Core Activity</p>	<p>Appropriate government (Central/State) could proactively prohibit contract labour in any process after consulting Advisory Boards.</p> <p>Criteria: work is perennial; sufficient to employ considerable full-time workers; ordinarily done by regular workers. Workers could automatically become direct employees. Mandatory Advisory Board consultation before any prohibition order.</p>	<p>Contract labour prohibited where work is of 'core activity.' If question arises whether activity is core, aggrieved party may apply to Joint Secretary, Ministry of Labour with reasons and documents. Joint Secretary passes order after hearing parties. No proactive suo motu power. Only 'core activity' criterion applies; perennial or considerable-number tests absent. No automatic absorption provision. No Advisory Board consultation required. Case-by-case determination; no appeal mechanism specified.</p>
<p>Grievance Redressal — Contract Labour</p>	<p>No internal grievance mechanism. Disputes resolved only through external mechanisms: complaints to Labour Inspectors (6–12 months); Payment of Wages Act claims; Industrial Disputes</p>	<p>Three-tier internal mechanism introduced.</p> <p>Tier 1: contract labour submits grievance on health, working conditions, or wages directly to principal employer.</p>

Parameter	Pre-Code Regime	New OSHWC Code Rules 2025
	<p>Act proceedings (1–2 years); civil courts (3–5+ years). No statutory obligation on principal employer to address contract worker grievances directly.</p>	<p>Tier 2: committee constituted by principal employer (with principal employer and contractor representatives) hears and disposes of grievance within 1 month. Tier 3: if unresolved within 1 month, principal employer forwards grievance to Inspector-cum-Facilitator electronically. Committee constitution is permissive ('may be constituted'); no worker/union representation on committee.</p>
<p>Annual Wage Increment — Contract Labour</p>	<p>No statutory provision for automatic annual wage increment for contract workers. Wages increased only when minimum wages revised by government notification (typically every 2–5 years) or through collective bargaining. Long-term contract workers could work for years without any wage increase.</p>	<p>New provision: worker regularly employed by contractor, whose employment is governed by mutually accepted standards, entitled to annual increment of not less than 2% of wages. Applies only to qualifying regular contract workers; excludes casual, daily-wage, and short-term workers.</p>
<p>Fixed-Term Employment</p>	<p>No legally recognised fixed-term direct employment category. Establishments could not hire directly on fixed-term contracts without risk of regularisation claims after 240 continuous days under the Industrial Disputes Act. Temporary direct hires treated as permanent after qualifying period. Binary framework: permanent or contract labour (through contractor).</p>	<p>Fixed-term employment (FTE) introduced as a distinct category under the OSHWC Code and IR Code, 2020. FTE workers directly employed by establishment (not through contractor) on written contract for fixed period. Not subject to contractor licensing, security deposit, or contract labour rules. Statutory benefits (PF, ESI, gratuity, bonus) at par with permanent workers; pro-rata leave; same working conditions as permanent in similar roles.</p>
<p>Intimation of Work Orders</p>	<p>No provision requiring contractors to report individual work orders to</p>	<p>Every contractor must, within 15 days of receipt of a contract work order, intimate to the authority the name of principal employer,</p>

Parameter	Pre-Code Regime	New OSHWC Code Rules 2025
	licensing authority within a defined timeframe.	address of premises, date of commencement of work, number of contract labour employed, and duration of work order. Intimation also sent electronically on Shram Suvidha Portal or to Chief Labour Commissioner (Central).

Source: Government of India, Contract Labour Act, 1970; Occupational Safety, Health and Working Conditions Code, 2020.

Table 5A.6: Changes Specific to the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

Dimension	Pre-Code Regime	New OSHWC Code Rules 2025
Displacement Allowance	Inter-state migrant workman entitled to displacement allowance equal to 50% of monthly wages or Rs. 75, whichever higher. One-time payment by contractor for dislocation from home state.	Displacement allowance provision retained under the Code as a distinct migrant worker right separate from general worker entitlements.
Journey Allowance	Inter-state migrant workman entitled to journey allowance to and from home state: to-and-fro fare plus daily allowance for journey duration. Payable at commencement and on termination or completion of employment. Payable by employer.	Journey allowance payable as lump sum for to-and-fro journey by train (not less than II Class Sleeper), bus, or other passenger transport from place of employment to home state. Payable if worker has completed at least 180 days of work in preceding 12 months. Frequency: once in 12 months. If worker changes employer mid-year and has not availed journey allowance from previous employer, current employer pays if combined 180-day threshold (across both employers) is met.
Registration and Statistics for Migrant Workers	Separate registration for establishments employing 5 or more inter-state migrant workers. Contractor licensing for those recruiting 5 or more migrants.	Employer to submit detailed statistics of inter-state migrant workers and their occupational safety and health data electronically on designated web portal.

Dimension	Pre-Code Regime	New OSHWC Code Rules 2025
	<p>State-level data collection with no centralised national database.</p> <p>Significant gaps in migrant worker data and portability of entitlements.</p>	<p>Portal-based tracking of migrant workers envisioned as national database.</p> <p>Migrant worker data submission linked to Shram Suvidha Portal infrastructure.</p>
<p>Toll-Free Helpline for Migrant Workers</p>	<p>No statutory toll-free helpline under the ISMW Act. Migrant workers had to access state labour departments, local police, or NGOs for assistance.</p> <p>No centralised grievance or safety helpline.</p>	<p>Toll-Free helpline to be provided by Director General, Labour Welfare Organisation, Ministry of Labour and Employment, to address queries and safety concerns of inter-state migrant workers.</p> <p>Nationally accessible single number.</p>
<p>Studies on Migrant Worker Safety and Welfare</p>	<p>No statutory provision or national mandate requiring the Central Government to commission studies on migrant worker safety, health, and welfare. Data collection ad hoc and state-dependent.</p>	<p>Central Government may identify and commission studies to promote safety, health, and welfare of inter-state migrant workers. Central Government may consult State Governments and expert organisations involved in migrant worker welfare.</p>
<p>Inspector Jurisdiction for Migrant Workers</p>	<p>Separate inspecting officers under ISMW Act with state-level jurisdiction. Destination-state inspectors covered migrants at place of employment. Source-state inspectors covered recruitment conditions. Fragmented cross-state enforcement with significant jurisdictional gaps.</p>	<p>Inspector-cum-Facilitator appointed by Central Government covers all Code obligations including migrant worker protections. Single inspector cadre. Cross-state enforcement standardised under central jurisdiction. Reduces enforcement gaps arising from source-destination state divide under the old fragmented regime.</p>

Source: Government of India, Inter-State Migrant Workmen Act, 1970; Occupational Safety, Health and Working Conditions Code, 2020.

Table 5A.7: Timeline of State and Union Territory Rule Notifications under the OSHWC Code

2021	2022	2023	2024	2025	Not Yet Adopted
Bihar (BR), Chandigarh (CH), Chhattisgarh (CG), Goa (GA), Gujarat (GJ), Haryana (HR), Himachal Pradesh (HP), Jammu & Kashmir (JK), Jharkhand (JH), Kerala (KL), Madhya Pradesh (MP), Manipur (MN), Odisha (OR), Punjab (PB), Uttar Pradesh (UP), Uttarakhand (UK)	Andhra Pradesh (AP), Arunachal Pradesh (AR), Assam (AS), Karnataka (KA), Ladakh (LD), Maharashtra (MH), Puducherry (PY), Tamil Nadu (TN), Telangana (TS), Tripura (TR)	Mizoram (MZ), Nagaland (NL), Rajasthan (RJ)	Andaman & Nicobar Islands (AN), Meghalaya (ML), Sikkim (SK)	Daman and Diu and Dadra & Nagar Haveli (DD), Delhi (DL), Lakshadweep (LK)	West Bengal (WB)

Source: State gazetted notifications (2020-2025), as of April 2026.



NATIONAL COUNCIL OF APPLIED ECONOMIC RESEARCH

11 Indraprastha Estate, New Delhi 110002. India.

Tel: +91-11-2345 2698, 6120, 2698 | info@ncaer.org | www.ncaer.org

NCAER | Quality. Relevance. Impact