

THE LEXSPHERE

Legal Services & Education • Varanasi

LABOUR LAW COMPLIANCE TOOLKIT

Entity-Wise Advisory for Business India 2026

Prepared By	June Internship Batch 2026
Mentor	Adv. Yashwant S. Soni
Coordinator	Adv. Nandini Trivedi
Entities Covered	Pvt Ltd • LLP • OPC & Startup • Partnership & Sole Prop.
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Note: This document is 30+ pages. Sections 4A through 4D each end with an entity-specific Quick Compliance Checklist for immediate client use.

Disclaimer & Document Notice

Nature of This Document

This toolkit is an educational and advisory reference compiled by student interns at The LexSphere under faculty supervision. It does not constitute legal advice, nor does it create a lawyer-client relationship. Laws, thresholds, and rates cited are based on central statutes and UP state provisions as of June 2026.

Always consult a qualified legal practitioner before making specific compliance decisions for your organisation. For UP-based establishments, state-specific laws have been noted alongside central legislation.

Scope Note — Central Laws First

This toolkit is structured around Central Labour Laws, which apply uniformly across India. Where state-specific law applies (e.g., the Shops & Establishments Act, which varies by state), UP's legislation is cited since The LexSphere operates in Varanasi, Uttar Pradesh.

IMPORTANT: Professional Tax does NOT apply in Uttar Pradesh. If your entity operates in states like Maharashtra, Karnataka, or West Bengal, you must separately verify Professional Tax obligations under the respective state laws.

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Executive Snapshot

Think of this as your one-page briefing before the deep dive. At a glance, here's what labour law compliance means for each entity type operating in India.

What Triggers Compliance?

Labour laws don't all switch on at once. They kick in at specific employee headcounts, called threshold triggers. Cross a threshold, and you must register and comply within the statutory deadline. The table below shows the key triggers:

Central Law	Key Threshold	Pvt Ltd	LLP	OPC / Startup	Partnership / Sole Prop.
Factories Act, 1948	≥10 (with power) / ≥20 (without)	✓(if mfg.)	✗Rarely	✗Rarely	✓(if mfg.)
EPF Act, 1952	≥20 employees	✓	✓	✓ (threshold)	✓ (threshold)
ESI Act, 1948	≥10 employees	✓	✓	✓ (threshold)	✓ (threshold)
Minimum Wages Act, 1948	All scheduled employment	✓	✓	✓	✓
Payment of Wages Act, 1936	All establishments	✓	✓	✓	✓
Payment of Bonus Act, 1965	≥20 employees	✓	✓	✓ — see note ★	✓ (threshold)
Payment of Gratuity Act, 1972	≥10 employees	✓	✓	✓ (threshold)	✓ (threshold)
Maternity Benefit Act, 1961	≥10 employees	✓	✓	✓ (threshold)	✓ (threshold)
Equal Remuneration Act, 1976	Day 1 — no threshold	✓	✓	✓	✓
Contract Labour (R&A) Act, 1970	≥20 contract workers	✓(if applicable)	✓(if applicable)	✗Rarely	✓(if applicable)
Shops & Establishments Act*	≥1 employee	✓	✓	✓	✓

* The Shops & Establishments Act is a state law. In Varanasi (UP), this is the UP Shops and Commercial Establishments Act, 1962. Thresholds and forms differ by state.

Compliance Complexity at a Glance

Entity	Laws That Apply	Complexity Level	Your Biggest Risk
Private Limited Company	All 10+ laws (if manufacturing)	🔴 High	Late ECR filing & contractor mismanagement
LLP	7–8 central laws + state Shops Act	🟡 Medium	Overlooking ESI once threshold is crossed

Entity	Laws That Apply	Complexity Level	Your Biggest Risk
OPC & Startup India	5–6 laws (with startup exemptions)	📌 Low–Medium	Missing DPIIT self-certification renewal
Partnership / Sole Prop.	6–8 laws + state Shops Act	📌 Medium	Paying below minimum wage without realising it

📌 The Golden Rule of Labour Compliance

Register before you start hiring, not after you get a notice. Most penalties are imposed for late registration, not for genuine ignorance. A 10-minute registration on Shram Suvidha Portal saves you ₹10,000 in fines and months of paperwork.

📌 ★Bonus Act & OPC/Startups — Critical Clarification

Startup India self-certification does NOT exempt an entity from the Payment of Bonus Act, 1965. Self-certification only removes routine labour inspections under 6 specified acts. If a DPIIT-recognised startup has ≥20 employees and generates an allocable surplus, it MUST pay bonus. The 'first 5 years' concept refers to the specific accounting year exemption under Section 16 of the Bonus Act (new establishments), not startup status.



Heads Up — Four Labour Codes

Parliament enacted the Code on Wages, 2019; Code on Social Security, 2020; Industrial Relations Code, 2020; and Occupational Safety, Health and Working Conditions (OSH&WC) Code, 2020. The Government announced their implementation effective 21 November 2025, consolidating 29 central labour laws including the Minimum Wages Act, Bonus Act, EPF Act, ESI Act, and Factories Act.

The Labour Codes are a transitional/emerging framework; this toolkit relies on currently enforceable provisions under existing central and state laws, and any Code-based point should be read subject to applicable commencement and notification status.

Refer to the Labour code section of this toolkit for detailed compliance guidance under each Code.

Applicability Matrix

The matrix below maps every major central and UP-state labour law to each entity type, with precise employee threshold triggers. Consult it every time your headcount changes.

How to Read This Matrix

'YES' = Law applies. 'NO' = Law does not apply as a general rule. 'COND.' = Conditional on employee count or industry type. Always read the threshold column before deciding.

Once an establishment is covered under EPF or ESI (i.e., headcount crossed the threshold), it remains covered even if headcount later drops below the threshold.

Central/State Law	Private Limited Co.	LLP	OPC & Startup	Partnership / Sole Prop.	Threshold Trigger
Factories Act, 1948	YES (if manufacturing)	NO (professional services)	NO (startup exemption)	YES (if mfg. workshop)	≥10 workers (with power); ≥20 (without power)
UP Shops & Comm. Estab. Act, 1962 [STATE]	YES — mandatory	YES — mandatory	YES — mandatory	YES — mandatory	≥1 employee; all commercial establishments
EPF & Misc. Provisions Act, 1952	YES	YES	YES (threshold)	YES (threshold)	≥20 employees. Voluntary below 20. Once covered, stays covered.
ESI Act, 1948	YES	YES	YES (threshold)	YES (threshold)	≥10 employees in notified areas. Wage ceiling ₹21,000/month.
Payment of Wages Act, 1936	YES — all employees	YES — all employees	YES — all employees	YES — all employees	All establishments. No minimum employee count.
Minimum Wages Act, 1948	YES — scheduled employment	YES — scheduled employment	YES — scheduled employment	YES — scheduled employment	All. State govt. sets rates. UP revises bi-annually.
Payment of Bonus Act, 1965	YES	YES	NO (first 5 yrs; no surplus)	YES (threshold)	≥20 employees. Bonus: 8.33%–20% of wages.
Payment of Gratuity Act, 1972	YES	YES	COND. (threshold)	COND. (threshold)	≥10 employees on any day in preceding 12 months.
Maternity Benefit Act, 1961	YES	YES	COND. (threshold)	COND. (threshold)	≥10 employees (men + women combined).
Equal Remuneration Act, 1976	YES — Day 1	YES — Day 1	YES — Day 1	YES — Day 1	No threshold. Applies to all entities from Day 1.
Contract Labour (R&A) Act, 1970	YES (if using contractors)	YES (if outsourcing)	RARELY applicable	YES (if using contractors)	Principal Employer: ≥20 contract workers.

Central/State Law	Private Limited Co.	LLP	OPC & Startup	Partnership / Sole Prop.	Threshold Trigger
					Contractor: ≥20 workmen.
POSH Act, 2013 (SH of Women at Workplace)	YES — mandatory	YES — mandatory	YES — mandatory	YES — mandatory	ICC mandatory at ≥10 employees. Local Committee covers smaller workplaces.

No Professional Tax in UP

Uttar Pradesh does NOT levy Professional Tax. Professional Tax is levied by states such as Maharashtra, Karnataka, West Bengal, Tamil Nadu, and Telangana. If your entity has offices in those states, check with local counsel.

CHAPTER A — PRIVATE LIMITED COMPANY

Entity Profile

A Private Limited Company is a separate legal entity incorporated under the Companies Act, 2013. It has the highest compliance burden of all four entity types because it is subject to all central labour laws if it engages in manufacturing. Even non-manufacturing Pvt Ltd companies must comply with ESI, EPF, Bonus, Gratuity, and the Shops Act once employee thresholds are crossed.

Laws Applicable & Key Obligations

Law	Threshold	Key Obligation	Due Date
Factories Act, 1948	≥10 (power) / ≥20 (no power)	Annual health & safety returns; maintain Form 23 (accident register)	Annual return by 1 Feb
UP Shops Act, 1962	≥1 employee	Register within 30 days of commencing business; renew annually	Form L annual return: 31 Dec
EPF Act, 1952	≥20 employees	Register within 15 days of threshold; file ECR monthly; 12% + 12% contribution	15th of every month
ESI Act, 1948	≥10 employees	Register within 15 days; pay 3.25% employer + 0.75% employee ESI premium	15th of every month
Payment of Wages Act, 1936	All employees	Pay wages by 7th (≤1000 workers) or 10th (>1000 workers) of following month	7th or 10th monthly
Minimum Wages Act, 1948	Scheduled employment	Pay at least UP state scheduled minimum wage; check bi-annual VDA revision	Ongoing — no fixed return
Bonus Act, 1965	≥20 employees	Pay 8.33%–20% annual bonus out of allocable surplus. Calculation: 15 days wages × years of service equivalent. Salary cap for calculation: ₹7,000/month or state minimum wage, whichever higher. File Form D return.	Within 8 months of financial year end
Gratuity Act, 1972	≥10 employees	Pay 15 days' wages per year of service on separation; maintain gratuity fund	On employee separation
Maternity Benefit Act, 1961	≥10 employees	26-week paid leave (first 2 children), 12 weeks for 3rd child; creche facility mandatory at ≥50 total employees (men + women combined, per 2017 amendment)	Before and after delivery
Equal Remuneration Act, 1976	All — no threshold	No wage discrimination by gender for same or similar work; maintain register	Ongoing
Contract Labour Act, 1970	≥20 contract workers	Register as Principal Employer; verify contractor's license; maintain Form XIII	Bi-annual return: 11 May & 11 Nov

Red Flag for Pvt Ltd Companies

Misclassifying regular employees as 'freelancers' or 'consultants' to avoid EPF/ESI is the most common and most costly mistake. Labour inspectors apply the 'Control Test': if the person follows your instructions, works

your hours, and uses your equipment, they are your employee. Backdated contributions plus 100% damages under Section 14B of the EPF Act can cripple a growing company.

✓ Your First 30 Days — Pvt Ltd Action Plan

Day 1: Register under the UP Shops & Establishments Act (Nivesh Mitra Portal).

Day 1: Ensure Equal Remuneration Act register is maintained from the first hire.

Within 15 days of crossing 20 employees: Register on Shram Suvidha for EPF & ESI.

Before deploying contract workers: Verify contractor holds valid CLRA license.

Every month: File ECR before the 15th; pay wages by 7th/10th.

Chapter A — Quick Compliance Checklist (Pvt Ltd)

	Action Item	When
☐	UP Shops & Establishments Act registration obtained via Nivesh Mitra Portal	Within 30 days of starting operations
☐	EPF registration completed on Shram Suvidha within 15 days of crossing 20-employee mark	Before 20th employee joins
☐	ESI registration completed within 15 days of crossing 10-employee mark	Before 10th employee joins
☐	CLRA Principal Employer registration done if engaging contract workers	Before first contract worker is deployed
☐	ICC (Internal Complaints Committee) constituted under POSH Act, 2013	Mandatory at ≥10 employees
☐	Equal Remuneration Act registers (Form A & Form D) created and being maintained	From first hire
☐	Monthly ECR filed and EPF/ESI contributions remitted before 15th of every month	Every month
☐	Factories Act registration obtained if manufacturing with ≥10 workers (with power)	Before production begins
☐	Annual bonus paid and Form D return filed within 8 months of financial year end	Annually
☐	POSH Act annual report submitted to employer and District Officer by 31 January	Every January

CHAPTER B — LIMITED LIABILITY PARTNERSHIP (LLP)

Entity Profile

An LLP combines the flexibility of a partnership with limited liability protection. It is typically used for professional services firms (CA firms, law firms, consultancies). LLPs are not engaged in manufacturing, so the Factories Act rarely applies. However, all employee-based central labour laws apply once thresholds are crossed.

Laws Applicable & Key Obligations

Law	Threshold	Key Obligation for LLP
UP Shops & Comm. Estab. Act, 1962	≥1 employee	Mandatory registration for all commercial offices; keep employee register in Form J
EPF Act, 1952	≥20 employees	Register & remit 24% combined contribution monthly; all partners drawing salary included in headcount
ESI Act, 1948	≥10 employees	Register once threshold crossed; contribution: employer 3.25% + employee 0.75% of wages
Payment of Wages Act, 1936	All employees	Pay salaries on time; wage period not to exceed 30 days; maintain payment register
Minimum Wages Act, 1948	Scheduled employment	LLP staff in clerical/commercial roles covered under UP scheduled employment rates
Payment of Bonus Act, 1965	≥20 employees	Annual bonus 8.33%–20%; employees earning up to ₹21,000/month are eligible
Payment of Gratuity Act, 1972	≥10 employees	5 years of continuous service triggers gratuity; maintain gratuity trust or insurance
Maternity Benefit Act, 1961	≥10 employees	All women employees entitled; partners' co-working spaces also covered if employees work there
Equal Remuneration Act, 1976	No threshold	No wage gap between male and female professionals doing equivalent work; register to be maintained

ESI Wage Ceiling — Pending Revision Under Labour Codes

The current ESI wage ceiling of ₹21,000/month has been in force since 2017. Under the Code on Social Security, 2020 (once notified), this ceiling is proposed to be revised upward, potentially to ₹30,000/month — and gig/platform workers may be brought within ESI coverage. Until the Code is notified, ₹21,000/month remains the applicable threshold. Watch for a central government notification and update your ESI eligibility register accordingly.

LLP-Specific Insight

Partner remuneration paid under the LLP Agreement is NOT 'wages' for EPF/ESI purposes — partners are not 'employees' of the LLP. However, any staff hired by the LLP (office assistants, paralegals, delivery staff) are employees and must be covered under applicable laws. Do not conflate partner drawings with employee wages in compliance calculations.

Chapter B — Quick Compliance Checklist (LLP)

	Action Item	When
☐	UP Shops & Establishments Act registration obtained for all LLP offices via Nivesh Mitra	Within 30 days of commencing operations
☐	EPF registration when employee count (excluding partners) crosses 20	Within 15 days of threshold
☐	ESI registration when employee count crosses 10 in notified area	Within 15 days of threshold
☐	Partner drawings correctly excluded from EPF/ESI wage base calculations	From first payroll run
☐	ICC constituted under POSH Act, 2013 (mandatory at ≥10 employees)	At 10-employee mark
☐	Monthly wages paid to all employees by 7th/10th of following month	Every month
☐	ESI wage ceiling (₹21,000/month) monitored; new joiners enrolled within 10 days	Ongoing
☐	Form L annual return filed under UP Shops Act by December 31 each year	Annually — 31 December

CHAPTER C — ONE PERSON COMPANY (OPC) & STARTUP INDIA

Entity Profile

An OPC (One Person Company under Section 2(62) of the Companies Act, 2013) is a company with only one natural person as member and shareholder. When recognised by DPIIT under the Startup India Initiative, OPCs and other startup entities unlock powerful self-certification privileges that dramatically reduce routine compliance inspections for their first 3–5 years.

Startup India Self-Certification — What It Actually Means

DPIIT-recognised startups can self-certify compliance (in lieu of routine inspections) under 6 specified central labour laws:

Law	Self-Certification Benefit	Duration
Building & Other Construction Workers Act	No routine inspections	3 years (non-manufacturing)
Contract Labour (R&A) Act, 1970	No routine inspections	3 years
EPF & Misc. Provisions Act, 1952	No routine inspections	3 years
Employees' State Insurance Act, 1948	No routine inspections	3 years
Inter-State Migrant Workmen Act, 1979	No routine inspections	3 years
Payment of Gratuity Act, 1972	No routine inspections	5 years (manufacturing); 3 years (others)

Self-Certification ≠ Exemption

Self-certification means no routine government inspection, it does NOT mean the law does not apply. EPF contributions, ESI premiums, gratuity entitlements, and minimum wages must still be paid. If a complaint is filed or if a startup is found non-compliant during a complaint-based inspection, full penalties apply. Compliance is mandatory, only the inspection mechanism changes.

NOTE- Exemption does not cover POSH, Equal Remuneration, Minimum Wages, or Payment of Wages.

Laws That Apply Regardless of Startup Status

Law	Applies From	Key Note
Equal Remuneration Act, 1976	Day 1 — no threshold	No exemption under Startup India for this Act
Payment of Wages Act, 1936	Day 1 — all employees	Wages must be paid on time regardless of startup status

Law	Applies From	Key Note
Minimum Wages Act, 1948	Day 1 — scheduled employment	Startup employees cannot be paid below state minimum wage
UP Shops & Estab. Act, 1962	≥1 employee	State law — Startup India does not grant state-level exemption

✓OPC/Startup Action Plan

Step 1: Get your DPIIT Recognition Number via startupindia.gov.in.

Step 2: Log into Shram Suvidha Portal and complete the 'Startup Self-Certification' wizard.

Step 3: Self-certify under the 6 applicable labour acts to opt out of routine inspections.

Step 4: Still pay EPF, ESI, and gratuity as due, self-certification only covers inspections.

Step 5: Register under the UP Shops Act through Nivesh Mitra within 30 days of starting operations.

Chapter C — Quick Compliance Checklist (OPC & Startup)

	Action Item	When
☐	DPIIT Recognition Certificate obtained via startupindia.gov.in	Before claiming any startup benefits
☐	Startup self-certification completed on Shram Suvidha for 6 specified labour acts	Immediately after DPIIT recognition
☐	UP Shops Act registration done via Nivesh Mitra (state exemption does NOT apply)	Within 30 days of operating
☐	EPF contributions being paid even though routine inspections are waived	Monthly — if ≥20 employees
☐	ESI contributions being paid even though routine inspections are waived	Monthly — if ≥10 employees
☐	Bonus paid to eligible employees (self-certification does NOT exempt from bonus obligation)	Within 8 months of FY end
☐	ICC constituted under POSH Act, 2013 if ≥10 employees on payroll	At 10-employee mark
☐	DPIIT self-certification renewal tracked (3-year window for most startups)	Before expiry of current certification

CHAPTER D — PARTNERSHIP & SOLE PROPRIETORSHIP

Entity Profile

Partnerships and sole proprietorships are the most common form of small business in India. They tend to operate in retail, trading, or small-scale manufacturing. While they appear simple, they are fully covered by all central labour laws once employee thresholds are met. The biggest compliance gaps in this category are minimum wage violations and missing Shops Act registrations.

Laws Applicable & Key Obligations

Law	Threshold	Key Obligation
UP Shops & Comm. Estab. Act, 1962	≥1 employee	Register within 30 days; display certificate; keep Form J attendance register
Minimum Wages Act, 1948	Scheduled employment	Pay UP scheduled rate; include all basic components; update after bi-annual VDA revision
Payment of Wages Act, 1936	All employees	Pay by 7th of following month; cannot deduct wages for reasons not authorised by the Act
EPF Act, 1952	≥20 employees	Full EPF compliance; register within 15 days of crossing threshold
ESI Act, 1948	≥10 employees	ESI registration; wage ceiling ₹21,000/month; contributions by 15th
Maternity Benefit Act, 1961	≥10 employees	Paid maternity leave; cannot dismiss a woman during leave; medical bonus ₹3,500
Payment of Gratuity Act, 1972	≥10 employees	Gratuity payable after 5 years continuous service; max ₹20 lakh
Payment of Bonus Act, 1965	≥20 employees	8.33% minimum bonus; file Form D return within 8 months of year-end
Equal Remuneration Act, 1976	No threshold	Equal pay for equal work regardless of gender from first hire

Sole Proprietor Reality Check

Many sole proprietors believe labour laws do not apply to them because they 'run a small shop.' This is incorrect. Even a shop with 2 employees must register under the UP Shops Act and pay minimum wages. With 10+ employees, ESI kicks in. With 20+, EPF applies. The law doesn't care about your entity form, it looks at your employee count.

Chapter D — Quick Compliance Checklist (Partnership & Sole Prop.)

	Action Item	When
☐	UP Shops & Establishments Act registration obtained (mandatory for all commercial establishments)	Within 30 days of starting
☐	Current UP minimum wage schedule checked and applied to all workers	Before every payroll run
☐	EPF registration completed once headcount crosses 20 employees	Within 15 days of threshold
☐	ESI registration completed once headcount crosses 10 employees in notified area	Within 15 days of threshold
☐	Attendance muster roll and leave register maintained for all employees	From first hire — ongoing
☐	Wages paid on time (by 7th of following month for ≤1000 workers)	Every month
☐	ICC constituted under POSH Act, 2013 if ≥10 employees are employed	At 10-employee mark
☐	Form L annual return filed under UP Shops Act by 31 December each year	Annually — 31 December

Registration Steps — Portal-by-Portal Guide

Registration is not optional, it is the first act of legal compliance. Here is your practical, step-by-step guide for each official government portal.

Portal A — Shram Suvidha Portal (Central Labour Laws)

URL: <https://shramsuvudha.gov.in> | For: EPF, ESI, Contract Labour registration

- Visit Shram Suvidha and click 'Sign Up'. Create a user ID using your Aadhaar/PAN.
- Log in and navigate to 'Registration for EPFO-ESIC' tab.
- Fill the unified registration form with: Certificate of Incorporation (Col), Entity PAN, Address proof, Employee headcount data.
- Digitally sign via DSC or Aadhaar eSign to generate your Labour Identification Number (LIN) instantly.
- For Contract Labour: Navigate to 'CLRA Registration' and upload the list of contractors and workmen engaged.
- For Startup India self-certification: Navigate to 'Startup India, Self-Certification' wizard after DPIIT recognition.

Portal B — Nivesh Mitra Portal (UP Shops & Establishments Act)

URL: <https://niveshmitra.up.nic.in> | For: UP Shops & Commercial Establishments Act registration

- Create an entrepreneur profile with your business PAN and office address.
- Go to 'Labour Department Services' and select 'Application for Shop and Commercial Establishment Registration.'
- Enter employee headcount, business hours, and upload premises photos and signboard images.
- Pay the dynamically calculated state fee via the integrated payment gateway.
- Download the digitally signed Registration Certificate immediately upon payment confirmation.
- Annual renewal: File Form L return by December 31 of each year through the same portal.

Portal C — EPFO Unified Portal & ESIC Portal

URL (EPFO): <https://unifiedportal-emp.epfindia.gov.in> | URL (ESIC): <https://esic.gov.in>

- Use login credentials received via Shram Suvidha setup.
- For EPF: Upload monthly Electronic Challan-cum-Return (ECR) text file mapping employee wages before the 15th.
- For ESI: Generate Temporary Registration Number (TRN), complete IP (Insured Person) registration for each eligible employee.
- Generate electronic challans and pay via net banking.
- Fines for late deposits are calculated and paid directly through these portals (Section 14B damages + Section 7Q interest).

Portal D — Startup India Portal (DPIIT Recognition)

URL: <https://www.startupindia.gov.in> | For: DPIIT Recognition & Startup Self-Certification

-
- Register your entity and apply for DPIIT Recognition under the definition of 'Startup' (up to 10 years, turnover $\leq$ ₹100 crore, innovative product/service).
 - Receive your DPIIT Certificate of Recognition with a unique Startup Recognition Number.
 - Log into Shram Suvidha and use the Startup Number to activate the self-certification wizard.
 - Self-certify compliance under 6 specified labour acts, this replaces routine inspection for 3–5 years.

Registration Timeline Summary

UP Shops Act: Within 30 days of commencing operations.

EPF Registration: Within 15 days of crossing 20-employee threshold.

ESI Registration: Within 15 days of crossing 10-employee threshold.

CLRA (Principal Employer): Before engaging contractors with $\geq$ 20 workmen.

DPIIT Startup Recognition: Before claiming self-certification benefits.

Compliance Calendar

This calendar gives you the complete annual view of every due date. Missing a deadline doesn't just cost you a fine, it can mean criminal liability for directors and partners. Mark these dates in your HR system today.

Reading the Calendar

 Critical — heavy fine or criminal liability if missed |  Important — financial penalty |  Routine — administrative return

Note: January is shown as the start of the calendar year. India's financial year runs April–March. Returns based on the financial year are accordingly noted.

Priority	Due Date	Applicable Law	Form / Return	Action Required
	15th of EVERY Month	EPF & Misc. Provisions Act, 1952	ECR Challan (Electronic)	Upload ECR file on EPFO portal; pay 12% employee + 12% employer contribution
	15th of EVERY Month	ESI Act, 1948	ESI Challan (Electronic)	Pay 0.75% employee + 3.25% employer ESI contribution on ESIC portal
	7th of Every Month (≤1000 workers); 10th (>1000 workers)	Payment of Wages Act, 1936	No specific form	Disburse all employee wages; maintain payment register
	11th May (Annual)	Contract Labour (R&A) Act, 1970	Form XXIV	Half-yearly return by Principal Employer to Licensing Officer (contractor counts)
	11th November (Annual)	Contract Labour (R&A) Act, 1970	Form XXIV	Second half-yearly CLRA return
	1st February (Annual)	Factories Act, 1948	Form 22 / Form 21	Annual return: safety meetings, accident rates, health data, welfare amenities
	30th April (Annual)	Maternity Benefit Act, 1961	Form L-1	Annual return of women employees; maternity leave data
	Within 8 months of financial year close	Payment of Bonus Act, 1965	Form D	Annual return showing bonus paid out of allocable surplus
	31st December (Annual)	UP Shops & Comm. Estab. Act, 1962	Form L	Annual operational return: hours worked, leaves, wage payments
	Ongoing — April & October	Minimum Wages Act, 1948	No form — internal payroll update	Check UP state bi-annual VDA revision; update payroll to reflect new rates
	Within 30 days of new hire	ESI Act, 1948	IP Declaration Form	Register newly eligible employees (earning ≤₹21,000/month) on ESIC portal
	Within 30 days of triggering threshold	EPF / ESI Acts	Registration Form	Register on Shram Suvidha if crossing 20 (EPF) or 10 (ESI) employee mark

📅 Monthly Compliance Rhythm — 3 Things Every Month

15th: File EPF ECR and pay both contributions. If you miss this, interest accumulates at 12% p.a. under Section 7Q.

15th: Pay ESI contributions. Even one day late triggers damages.

7th or 10th: Clear all employee wages. Delayed wages attract penalty under the Payment of Wages Act.

Penalty & Fine Table — Statutory Citations

This table cites the exact sections and penalty provisions from each central statute. These are the consequences of non-compliance. Review these with your clients to drive home the cost of cutting corners.

Penalty Severity Scale

CRITICAL — Mandatory imprisonment / massive financial liability

SERIOUS — Significant fine + possible imprisonment

MODERATE — Financial penalty; no imprisonment on first offence

Severity	Act & Section	Violation	Fine (₹)	Imprisonment
CRITICAL	EPF Act, 1952 — Sec. 14(1A)	Wilful default in depositing deducted employee PF contribution to EPFO trust	Up to ₹10,000 + damages (up to 100% of arrears under Sec. 14B) + interest at 12% p.a. (Sec. 7Q)	Minimum 1 year; up to 3 years. Minimum 3 years if default > 6 months.
CRITICAL	EPF Act, 1952 — Sec. 14(2)	Deducting employee's PF share but not remitting it to EPFO	Up to ₹10,000	Minimum 1 year imprisonment. No exception allowed.
SERIOUS	ESI Act, 1948 — Sec. 96	Falsification of records; presenting forged ESI receipts; failing to register eligible employees	Up to ₹10,000 or property attachment order	Up to 1 year imprisonment
SERIOUS	Factories Act, 1948 — Sec. 92	General contravention of health, safety, or welfare provisions (e.g., no first-aid, no safety guards on machinery)	Up to ₹1,00,000 + ₹1,000 per day for continuing violation	Up to 2 years for factory manager and occupier
SERIOUS	Factories Act, 1948 — Sec. 92 (proviso)	Violation causing death or grievous bodily injury to a worker	Enhanced fine: up to ₹4,00,000 (state may further enhance)	Up to 3 years for occupier
SERIOUS	Minimum Wages Act, 1948 — Sec. 22	Paying any worker below the UP state scheduled minimum wage rate	Up to ₹500 per worker + compensation order equal to 10x underpayment	Up to 6 months imprisonment
SERIOUS	Payment of Wages Act, 1936 — Sec. 20	Willful withholding of wages; unauthorised deductions from employee wages	Compensation: 10x the deducted amount. Court may impose additional fine.	Fine up to ₹7,500 per offence (no imprisonment on first offence)
SERIOUS	Payment of Bonus Act, 1965 — Sec. 28	Failure to pay statutory bonus to eligible employees after financial year closure	Fine up to ₹1,000 (note: separate compensation order can be issued)	Imprisonment up to 6 months

Severity	Act & Section	Violation	Fine (₹)	Imprisonment
⚠	Payment of Gratuity Act, 1972 — Sec. 9(1)	Failure to pay gratuity within 30 days of it becoming payable	Fine ₹10,000 to ₹1,00,000. Simple interest at 10% p.a. on delayed amount.	Minimum 6 months imprisonment for deliberate non-payment (Sec. 9(3))
⚠	Maternity Benefit Act, 1961 — Sec. 21	Dismissing a woman employee during maternity leave; denying maternity benefit	Fine ₹5,000 to ₹20,000	Up to 1 year imprisonment (repeat offence)
⚠	Equal Remuneration Act, 1976 — Sec. 10	Gender-based wage discrimination for same or similar work (first offence)	Fine ₹10,000 to ₹20,000	3 months to 1 year imprisonment on repeat offence
⚠	Contract Labour Act, 1970 — Sec. 23	Operating as contractor without valid CLRA license; hiring unlicensed contractors	Fine up to ₹1,000 per day of default	Up to 3 months imprisonment
⚠	UP Shops & Estab. Act, 1962 — Sec. 32	Operating without registration or failing to renew registration certificate	Fine from ₹5,000 up to ₹50,000 for repeat violations	No direct imprisonment on first offence; compounding prosecution for repeat

⚠ Beyond the Fine — Hidden Costs of Non-Compliance

Criminal prosecution means personal liability for directors, partners, and managing trustees — not just the entity. A Section 14(1A) EPF violation can lead to a company director being personally arrested. Reputational damage, blacklisting from government contracts, and retrospective compliance demands with compounding interest often cost 10–100x the original savings from cutting corners.

Key Definitions

Every legal term in this toolkit is defined below in two ways: (1) the exact statutory definition, and (2) a plain-English translation that any business owner can act on. A minimum of 8 definitions are provided per entity context.

A. Definitions Common to All Entities (Central Laws)

Employee — EPF Act, 1952 — Sec. 2(f)

Legal Definition: Any person who is employed for wages in any kind of work, manual or otherwise, in or in connection with the work of an establishment, and who gets his wages directly or indirectly from the employer.

In Plain English: *Anyone on your payroll drawing wages — whether full-time, part-time, or on probation. If you pay them wages, they're an employee under EPF.*

Wages — Payment of Wages Act, 1936 — Sec. 2(vi)

Legal Definition: All remuneration (including allowances) payable to a person employed in respect of his employment, but does not include employer's PF contributions, gratuity payable, or travelling allowances.

In Plain English: *Your employee's take-home salary including DA and commissions, but not the EPF you deposit into their retirement fund.*

Basic Wages — EPF Act, 1952 — Sec. 2(b)

Legal Definition: All emoluments which are earned by an employee while on duty or on leave or on holidays with wages in either case in accordance with the terms of the contract of employment — excluding overtime, HRA, or bonuses.

In Plain English: *The fixed part of salary on which PF is calculated. Your 'basic' salary column in the payslip.*

Employer — ESI Act, 1948 — Sec. 2(17)

Legal Definition: The owner or occupier of a factory, the managing agent, manager, or person responsible for the supervision and control of the establishment.

In Plain English: *The person legally responsible for running the establishment and paying contributions — the promoter, director, or managing partner.*

Equal Remuneration — Upcoming Change — Code on Wages, 2019 (once notified)

Legal Definition: The Equal Remuneration Act, 1976 will be subsumed into the Code on Wages, 2019 once the Code is notified. The Code reproduces the equal remuneration obligation (Sec. 3 & 4) but also widens the definition of wages and prohibits gender-based discrimination in recruitment. Until the Code is notified, the standalone 1976 Act remains fully operative. Compliance with the current Act automatically transitions to Code compliance.

In Plain English: *Until further notice, maintain your Form A and Form D registers under the Equal Remuneration Act, 1976. When the Code on Wages is notified, update registers per the new Code format. No business action required today — just monitor.*

Wages (for EPF) — Code on Wages, 2019 — Sec. 2(y)

Legal Definition: Basic pay + DA + retaining allowance. Allowances cannot exceed 50% of total remuneration. Any excess is deemed wages for EPF calculation.

In Plain English: *If you pay more than 50% of CTC as 'allowances' to reduce EPF liability, the excess is now added back into wages — your EPF calculation base will be higher.*

Maternity Benefit — Maternity Benefit Act, 1961 — Sec. 3(h)

Legal Definition: The payment to which a woman is entitled during the period of her actual absence from work during and immediately following confinement.

In Plain English: *Paid leave at full salary for 26 weeks for a new mother (for her first two children).*

Gratuity — Payment of Gratuity Act, 1972 — Sec. 4

Legal Definition: A payment made as a lump sum to an employee on termination of employment after 5 years of continuous service, calculated as 15 days' wages per year of service.

In Plain English: *A thank-you payment to long-serving employees: 15 days of last-drawn salary for every year they worked, capped at ₹20 lakh.*

Continuous Service — Payment of Gratuity Act, 1972 — Sec. 2A

Legal Definition: A period of uninterrupted service including absences due to sickness, maternity, accident, lay-off, or authorised leave, but not periods of wilful absence.

In Plain English: *Employees don't lose gratuity eligibility if they take sick leave, maternity leave, or go on a company-approved holiday.*

B. Manufacturing & Factory-Specific Definitions

Factory — Factories Act, 1948 — Sec. 2(m)

Legal Definition: Any premises including the precincts thereof whereon 10 or more workers are working with aid of power, or 20 or more workers are working without the aid of power.

In Plain English: *Your manufacturing unit becomes a 'factory' the moment 10 workers use electrical machinery (or 20 work by hand). This triggers safety inspectors.*

Worker — Factories Act, 1948 — Sec. 2(l)

Legal Definition: A person employed, directly or by or through any agency (including a contractor), with or without knowledge of the principal employer, whether for remuneration or not, in any manufacturing process, or in cleaning any part of the machinery used in a manufacturing process.

In Plain English: *Any person working in your factory — even if hired through a contractor who you don't directly pay. You are responsible for them.*

Manufacturing Process — Factories Act, 1948 — Sec. 2(k)

Legal Definition: Making, altering, repairing, ornamenting, finishing, packing, oiling, washing, cleaning, breaking up, demolishing, or otherwise treating or adapting any article for use, sale, transport, delivery or disposal.

In Plain English: *Almost any production activity qualifies. Washing, packaging, and repairing are all manufacturing processes for the purposes of this Act.*

Principal Employer — Contract Labour (R&A) Act, 1970 — Sec. 2(g)

Legal Definition: The owner, occupier, manager, or person responsible for the management and control of an establishment in or under which contract labour is employed.

In Plain English: *The company or person at the top of the chain — the one ultimately responsible when a contractor's workers are exploited. You can't wash your hands of the contractor's violations.*

C. OPC & Startup-Specific Definitions

One Person Company — Companies Act, 2013 — Sec. 2(62)

Legal Definition: A company which has only one person as a member.

In Plain English: *A private company with just one founder-shareholder. Think of it as a Pvt Ltd for solo entrepreneurs.*

DPIIT-Recognised Startup — Startup India Notification, 2016 (as amended 2023)

Legal Definition: An entity incorporated as a private limited company, LLP, or registered partnership, up to 10 years old, with annual turnover not exceeding ₹100 crore in any financial year, working towards innovation, development, or improvement of products or processes.

In Plain English: *A young, innovative company that has received official government recognition — unlocking tax benefits, funding access, and labour law self-certification.*

Insured Person (IP) — ESI Act, 1948 — Sec. 2(19)

Legal Definition: A person in respect of whom contributions are or were payable under the Act and who is, by reason thereof, entitled to any of the benefits provided by the Act.

In Plain English: *An employee enrolled in ESI, paying their 0.75% share and entitled to ESI medical care, sickness pay, and maternity benefits.*

Allocable Surplus — Payment of Bonus Act, 1965 — Sec. 2(4)

Legal Definition: 67% of the available surplus in an accounting year in respect of an employer being a company (other than a banking company) and 60% in any other case.

In Plain English: *The pool of profit from which you must pay bonuses. Take the net profit, deduct 6% return on net worth, and 67% of what remains is allocable for bonuses.*

D. Partnership & Sole Proprietorship-Specific Definitions

Scheduled Employment — Minimum Wages Act, 1948 — Sec. 2(g) & Schedule

Legal Definition: An employment specified in the Schedule to the Act, which includes agriculture, construction, commercial establishments, bidi making, carpet weaving, and many others.

In Plain English: *If your business type is listed in the Schedule, minimum wages apply. Most commercial establishments, shops, and small industries are scheduled.*

Commercial Establishment — UP Shops & Comm. Estab. Act, 1962 — Sec. 2(4)

Legal Definition: An establishment in which the business of banking, insurance, stocks and shares, brokerage or produce exchange is carried on, or which is a commercial or trading or banking or insurance establishment, or an establishment of a lawyer, architect, engineer, or accountant.

In Plain English: *Any office, shop, or professional practice open for business — including lawyers, accountants, and consultants' offices. Your workplace is a commercial establishment if you don't make physical goods.*

Wage Period — Payment of Wages Act, 1936 — Sec. 4

Legal Definition: The period in respect of which wages are payable to a person employed which shall not exceed one month.

In Plain English: *You must pay wages at least once a month. You cannot tell an employee 'I'll pay you every quarter.' Monthly is the maximum gap.*

Inspector — Minimum Wages Act, 1948 — Sec. 19

Legal Definition: An Inspector appointed by the appropriate Government for the purposes of the Act, who may enter any premises or place where employment under a scheduled employment is carried on, examine any person, and require the production of wage registers.

In Plain English: *The government official who can walk into your business, check your wage registers, and prosecute you if your payslips show sub-minimum wages.*

POSH Act, 2013 — Workplace Sexual Harassment Compliance

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is a mandatory compliance obligation for all employers with 10 or more employees. It is absent from most standard labour law toolkits, but it is one of the most heavily scrutinised laws in regulatory audits and investor due diligence.

Why This Matters to Every Entity

A POSH non-compliance notice can block government tenders, affect investor sign-offs, and expose directors to personal liability. The ICC must be constituted before any complaint arises, reactive constitution is not a defence. All 4 entity types in this toolkit are covered once the 10-employee threshold is crossed.

Applicability — Who Must Comply?

Entity	Threshold	What Is Required?
Private Limited Company	≥10 employees	Constitute ICC; display consequences of harassment; include ICC report in annual report
LLP	≥10 employees	Constitute ICC; train employees; file annual report with employer and District Officer
OPC / Startup India	≥10 employees	POSH Act is NOT covered by Startup India self-certification — full compliance required
Partnership / Sole Prop.	≥10 employees	Constitute ICC; display at workplace; report to District Officer annually
All entities < 10 employees	Fewer than 10	No ICC required, but a Local Committee (LC) at the district level handles complaints

Internal Complaints Committee (ICC) — Composition Rules

Under Section 4 of the Act, every employer with ≥10 employees must constitute an ICC at each office or administrative unit. The ICC composition rules are strict:

ICC Role	Who Qualifies?	Key Rule
Presiding Officer	A senior woman employee at the workplace	Must be a woman. Cannot be a junior employee. Nominated by employer.
Member (minimum 2)	Employees committed to women's cause, or with social work / legal experience	Recommended: include employees from HR, legal, or operations
External Member (mandatory — 1)	A person from an NGO, association, or individual committed to women's cause OR a legal professional	Must be external — not an employee. Brings independent accountability.
Composition Requirement	Minimum 4 members total	At least 50% of all ICC members must be women. 3-year term for all members.

📌 Critical Rule — Half Must Be Women

If fewer than 50% of ICC members are women, the ICC is improperly constituted. An improperly constituted ICC does not provide a valid defence to the employer. Review your ICC composition annually.

Employer's Mandatory Obligations (Section 19)

Obligation	What It Requires	Who Is At Risk If Not Done?
Constitute ICC	Set up the committee before any complaint arises. Notify employees of ICC existence and contact details.	Employer directly liable. Fine up to ₹50,000 on first offence.
Display Penal Consequences	Post a notice at the workplace stating that sexual harassment is prohibited and the consequences under the Act.	Non-display treated as non-compliance.
Provide Safe Working Environment	Ensure premises do not foster harassment. Address hostile situations proactively.	Employer liable if inaction is proved.
Assist in Filing Police Complaint	If complainant wishes to file a criminal complaint, employer must facilitate access.	Refusal is an independent offence.
Organise POSH Awareness Workshops	At regular intervals, minimum once per year. Employees, managers, and ICC members must be trained.	Lack of training is cited as aggravating factor in enforcement.
Submit Annual Report to District Officer	ICC prepares report; employer submits it to the District Officer with summary data by 31 January each year.	Non-submission is separately penalised.

ICC Annual Report — What Must It Cover? (Section 21)

Report Field	Required Content
Number of complaints received	Total count for the calendar year
Number of complaints disposed of	Cases where inquiry was completed and report submitted to employer
Number of cases pending	Complaints filed but not yet concluded as on December 31
Workshops/awareness programmes conducted	Dates, participant counts, and nature of programmes
Number of cases referred for conciliation	If any cases were resolved through conciliation (Sec. 10 process)

The annual report must be submitted to the employer AND to the District Officer by 31 January of the following year. Employers with listed companies must include the ICC report in their Board's Annual Report.

Penalties Under POSH Act (Section 26)

Violation	Penalty	Additional Consequence
Failure to constitute ICC (first offence)	Fine up to ₹50,000	Mandatory direction to constitute ICC within 30 days
Repeat violation / subsequent offences	Fine doubled — up to ₹1,00,000	Cancellation / non-renewal of business registration or licence
ICC member disclosing confidential information (Section 16)	Fine up to ₹5,000	Removal from ICC
Employer failing to act on ICC recommendations (Section 13)	Treated as disciplinary breach; employer can face civil suit	Compensation to aggrieved woman plus interest
Filing false or malicious complaint	Action against complainant (but benefit of doubt always given to complainant)	ICC can recommend disciplinary action

✓ POSH Compliance Quick-Start for All Entities

Step 1: Count your employees. 10 or more? Constitute ICC immediately.

Step 2: Appoint a senior woman employee as Presiding Officer; add 2 internal members; appoint 1 external member from an NGO or legal background.

Step 3: Draft and display a POSH Policy at the workplace, in English and the local language (Hindi in UP).

Step 4: Conduct a POSH awareness session. Document attendance.

Step 5: Every January: prepare the ICC annual report and submit to employer and District Officer by January 31.

Labour Codes 2020 — Transition Advisory

Parliament has passed 4 Labour Codes that will eventually replace 29 existing central labour laws, including the EPF Act, ESI Act, Minimum Wages Act, Factories Act, and Bonus Act that form the backbone of this toolkit. This section tells you what is coming, what stays the same for now, and what your clients should watch for.

Status as of June 2026

All 4 Labour Codes have been passed by Parliament and received Presidential Assent. Draft rules have been published under each Code. However, most states are yet to publish their own rules, and no commencement date has been notified for the Codes to come into force. Until a commencement date is officially notified by the Central Government, all existing labour laws cited in this toolkit remain fully operative and enforceable.

Action for clients today: Continue complying with all existing Acts. Monitor the Ministry of Labour & Employment (<https://labour.gov.in>) for commencement notifications.

The 4 Labour Codes — At a Glance

Code	Year	Acts It Replaces (Selected)	Key Changes for Clients
Code on Wages, 2019	Passed Aug 2019	Payment of Wages Act, 1936 / Minimum Wages Act, 1948 / Payment of Bonus Act, 1965 / Equal Remuneration Act, 1976	Universal minimum wage floor for all workers (not just scheduled employment). Uniform definition of wages — allowances capped at 50% of CTC for PF/ESI calculation. Equal remuneration obligation preserved.
Code on Social Security, 2020	Passed Sept 2020	EPF Act, 1952 / ESI Act, 1948 / Maternity Benefit Act, 1961 / Payment of Gratuity Act, 1972 / Employee Compensation Act, 1923 / and 4 others	Gig workers and platform workers to be covered. ESI wage ceiling revision proposed. EPFO and ESIC to be unified under a single social security framework. Gratuity to be pro-rated (5-year continuous service rule may change to pro-rata eligibility).
Industrial Relations Code, 2020	Passed Sept 2020	Industrial Disputes Act, 1947 / Trade Unions Act, 1926 / Industrial Employment (Standing Orders) Act, 1946	Fixed-term employment contracts to be formalised. Standing orders threshold raised to 300 employees (from 100). Retrenchment/lay-off conditions eased for larger units.
OSH&WC Code, 2020	Passed Sept 2020	Factories Act, 1948 / Contract Labour Act, 1970 / Inter-State Migrant Workmen Act, 1979 / and 10 others	Unified licence for contractors (replaces separate CLRA license). Working hours standardised. Daily wage workers to receive appointment letters. Establishments with ≥10 employees covered (removing some existing thresholds).

What Changes (Once Codes Are Notified)?

Current Position	Under Labour Codes
Minimum Wages apply only to 'scheduled employment'	Code on Wages sets a national floor wage for ALL employment — no schedule required
EPF/ESI calculated on all wage components	Code on Wages limits allowances to 50% of CTC — anything above is deemed wages for PF/ESI
Equal Remuneration Act is a standalone statute	Subsumed into Code on Wages; obligation preserved but in a new legal framework
Gig workers not covered under EPF/ESI	Code on Social Security explicitly includes gig/platform workers in social security net
Gratuity requires 5 continuous years of service	Code on Social Security proposes pro-rata gratuity — accrual may begin from day 1
Contractor needs separate CLRA license per establishment	OSH&WC Code proposes a single unified licence valid across establishments
Factories Act covers manufacturing; CLRA is separate	OSH&WC Code merges them — one law for safety, health, welfare, and contract labour
Payment of Bonus Act has specific eligibility salary ceiling of ₹21,000/month	Code on Wages will revise the eligibility ceiling — new amount to be notified

✔ What Your Clients Should Do Right Now

1. Continue complying with all existing Acts, the Codes are not yet in force.
2. Begin internal 'Code Readiness' review: check if your CTC structure has allowances exceeding 50% of gross (will increase EPF/ESI if unchanged once Code is notified).
3. If you use fixed-term contract workers, understand how the Industrial Relations Code's fixed-term employment provisions will affect your contracts.
4. Subscribe to Ministry of Labour & Employment notifications at <https://labour.gov.in> to know the moment a commencement date is announced.
5. Update compliance calendars and registers as soon as the Codes come into force, the formats and thresholds will change.

Self-Audit Compliance Checklist

This is your practical self-assessment tool. Use it at the end of every month, quarter, and year to verify that your entity is fully compliant. Print this page, tick off each item, and sign it with your team lead's signature. Outstanding toolkits present this with actual ticks not blank boxes.

How to Use This Checklist

☐= Action item not yet completed | ☒= Verified and completed | N/A = Not applicable to your entity

Hand a signed copy to your Coordinator by Day 3 along with your final toolkit. Show the marker that your team didn't just write about compliance, you can also do it.

PART I — Registration Validity (Verify Quarterly)

	Compliance Item	Applicable To	Check Frequency
☐	UP Shops Act Registration Certificate is valid, displayed at premises, and reflects current employee headcount	All entities	Quarterly
☐	EPF Registration (LIN on Shram Suvidha) is active; employer code is current	≥20 employees	Quarterly
☐	ESI Registration is active; all eligible employees (wage ≤₹21,000/month) are enrolled as Insured Persons	≥10 employees	Quarterly
☐	CLRA Principal Employer Registration is valid; all contractor licenses have been verified	Entities with contractors	Quarterly
☐	DPIIT Recognition Certificate is valid; Startup self-certification filed for 6 specified acts	OPC / Startup only	Annually
☐	Equal Remuneration Act Registers (Form A & Form D) are maintained and up to date	All entities	Quarterly

PART II — Monthly Routine Controls

	Monthly Action	Due Date	Portal / Method
☐	EPF ECR filed and 12% (employee) + 12% (employer) contribution remitted	≥20 employees	By 15th of month
☐	ESI challan generated and 0.75% (employee) + 3.25% (employer) contribution remitted	≥10 employees	By 15th of month
☐	All employee wages disbursed in full; no unauthorised deductions made	All entities	By 7th / 10th of month
☐	Payroll cross-checked against current UP minimum wage scheduled rates	All scheduled employment	Before salary run
☐	Attendance muster roll reviewed for completeness; overtime hours correctly recorded	All entities	End of month

	Monthly Action	Due Date	Portal / Method
☐	New joiners earning ≤₹21,000/month added to ESI portal as Insured Persons	≥10 employees	Within 10 days of joining
☐	Contract workers attendance verified; contractor ECR copy obtained for records	Entities with contractors	By 15th of month

PART III — Quarterly Controls

	Quarterly Action	Applicable To	Key Deadline
☐	Welfare audit: first-aid kit stocked, clean drinking water, adequate lighting, separate washrooms verified	All entities with ≥10 workers	Every quarter
☐	Contractor compliance review: confirm PF/ESI deposited for contract workers; obtain challans	Entities with contractors	Every 3 months
☐	UP minimum wage check: review state notification for VDA revision (major: April and October)	All entities	April & October
☐	Leave records updated: earned leave, casual leave, sick leave balances reconciled with muster roll	All entities	End of quarter
☐	Maternity leave tracker updated; no pregnant employee reassigned to hazardous work	≥10 employees	Ongoing

PART IV — Annual Controls

	Annual Action	Applicable To	Deadline
☐	Form L (Annual Return) filed under UP Shops & Commercial Establishments Act	All commercial establishments	31 December
☐	Form D (Bonus Return) filed; bonus paid at 8.33% to 20% to all eligible employees	≥20 employees	Within 8 months of FY end
☐	Form 22 / Form 21 filed under Factories Act (health, safety, welfare, accident data)	Manufacturing units	1 February
☐	Form XXIV filed under Contract Labour Act (half-yearly — filed twice per year)	Entities with contractors	11 May & 11 November
☐	Gratuity fund/insurance verified; employee nominations updated for those nearing 5-year mark	≥10 employees	Annually
☐	Gender pay audit conducted; Form D and Form E registers under Equal Remuneration Act reviewed	All entities	Annually
☐	POSH Act, 2013: ICC Annual Report filed with employer and District Officer (see Section 9 of this toolkit)	≥10 employees	31 January

	Annual Action	Applicable To	Deadline
☐	DPIIT self-certification renewed if approaching expiry (3-year or 5-year window)	OPC / Startup only	Before expiry

Compliance Score Card

Part I: ____ / 6 | Part II: ____ / 7 | Part III: ____ / 5 | Part IV: ____ / 8 | TOTAL: ____ / 26

Score 24-26: Excellent — minimal legal risk. | Score 18-23: Acceptable — review gaps immediately. | Below 18: Red flag — engage legal counsel now.

Last Audited By: _____ Date: _____ Designation: _____

Glossary of Abbreviations & Technical Terms

Every acronym and technical term used in this toolkit is defined here in plain English. Refer to this glossary when reviewing the toolkit with clients unfamiliar with labour law terminology.

Abbreviation / Term	Full Form	Plain English Meaning
BOCW	Building and Other Construction Workers Act, 1996	Covers safety, health, and welfare of construction workers; one of 6 acts covered by Startup India self-certification
CLRA	Contract Labour (Regulation and Abolition) Act, 1970	The law governing use of contractual workers, requires Principal Employer registration and Contractor licensing
Col	Certificate of Incorporation	The document that legally creates a company or LLP under the Companies Act
CTC	Cost to Company	Total annual salary cost to the employer, includes basic, DA, HRA, allowances, and employer PF/ESI contributions
DA	Dearness Allowance	An inflation-adjustment component of salary. Part of 'basic wages' for PF calculation
DIN	Director Identification Number	A unique 8-digit number issued by MCA to every company director; required for compliance filings
DPIIT	Department for Promotion of Industry and Internal Trade	The ministry under which Startup India recognition and self-certification are administered
DSC	Digital Signature Certificate	A legally recognised electronic signature used for submitting compliance filings on government portals
ECR	Electronic Challan-cum-Return	The monthly PF filing document uploaded to the EPFO unified portal containing employee-wise wage and contribution data
EPFO	Employees' Provident Fund Organisation	The statutory body under the Ministry of Labour that administers EPF (PF) accounts and remittances
ESI / ESIC	Employees' State Insurance / Employees' State Insurance Corporation	Health and social insurance scheme for employees earning ≤₹21,000/month; ESIC is the administering body
FY	Financial Year	India's financial year runs April 1 to March 31. Bonus returns and many compliance deadlines are tied to FY
ICC	Internal Complaints Committee	The mandatory committee under POSH Act, 2013 constituted by every employer with ≥10 employees to receive and investigate sexual harassment complaints
IP	Insured Person	An ESI-enrolled employee, one for whom ESI contributions are being remitted and who is entitled to ESI benefits

Abbreviation / Term	Full Form	Plain English Meaning
LIN	Labour Identification Number	A unique identification number generated on the Shram Suvidha Portal upon completing unified labour registration
LLP	Limited Liability Partnership	A hybrid business entity combining limited liability of a company with the flexibility of a partnership
MCA	Ministry of Corporate Affairs	The ministry that administers company and LLP registrations in India
OPC	One Person Company	A private limited company with only one natural person as member and shareholder
PAN	Permanent Account Number	A 10-digit alphanumeric tax identity issued by the Income Tax Department to individuals and entities
POSH	Prevention of Sexual Harassment (at Workplace)	Refers to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
TAN	Tax Deduction Account Number	A 10-digit alphanumeric number required by entities that deduct TDS (Tax Deducted at Source) from employee salaries
TRN	Temporary Registration Number	An interim number generated during ESI registration before permanent Employer Code is assigned
UAN	Universal Account Number	A 12-digit number assigned to each EPF member — portable across employers throughout the employee's career
VDA	Variable Dearness Allowance	A component of minimum wages that varies based on the Consumer Price Index (CPI). UP revises VDA rates bi-annually (April and October)
WC Act	Workmen's Compensation Act, 1923 (now Employee Compensation Act)	Provides compensation to employees injured or killed in the course of employment; being subsumed into Code on Social Security

Source List — Official References

All legal information in this toolkit is drawn exclusively from official sources. Every statute can be accessed on the portals listed below.

Our Research Standard

We followed a strict source hierarchy: (1) Bare Acts from the official Legislative Department, (2) Official EPFO/ESIC/Labour Ministry circulars, (3) UP State Government Gazette notifications. All thresholds and penalty amounts are from the central statute text unless a state amendment is specifically noted.

Central Statutes — Bare Act Sources

Statute	Citation	Official Source
Employees' Provident Funds & Misc. Provisions Act	Act No. 19 of 1952	https://labour.gov.in / India Code: https://www.indiacode.nic.in
Employees' State Insurance Act	Act No. 34 of 1948	https://esic.gov.in / India Code
Payment of Wages Act	Act No. 4 of 1936	Ministry of Labour & Employment: https://labour.gov.in
Minimum Wages Act	Act No. 11 of 1948	https://labour.gov.in / India Code
Payment of Bonus Act	Act No. 21 of 1965	India Code: https://www.indiacode.nic.in
Payment of Gratuity Act	Act No. 39 of 1972	India Code / Ministry of Labour
Maternity Benefit Act	Act No. 53 of 1961 (as amended 2017)	https://labour.gov.in
Equal Remuneration Act	Act No. 25 of 1976	India Code: https://www.indiacode.nic.in
Contract Labour (Regulation & Abolition) Act	Act No. 37 of 1970	https://shramsuvudha.gov.in / India Code
Factories Act	Act No. 63 of 1948	India Code / Ministry of Labour
Code on Wages, 2019	Act No. 29 of 2019	https://labour.gov.in/code-on-wages
Code on Social Security, 2020	Act No. 36 of 2020	https://labour.gov.in
Occupational Safety, Health & Working Conditions Code, 2020	Act No. 37 of 2020	https://labour.gov.in
Industrial Relations Code, 2020	Act No. 35 of 2020	https://labour.gov.in

State Statutes — UP Specific

Statute	Citation	Official Source
UP Shops and Commercial Establishments Act	UP Act No. 13 of 1962 (as amended)	https://niveshmitra.up.nic.in / UP Labour Department: https://uplabour.gov.in

Statute	Citation	Official Source
UP Minimum Wage Schedule & VDA Notifications	Issued bi-annually by UP Labour Department	https://uplabour.gov.in — 'Minimum Wages' section

Official Government Portals

Portal	Purpose	URL
Shram Suvidha Portal	Unified EPF, ESI, CLRA registration & filings	https://shramsuvudha.gov.in
EPFO Unified Portal	Monthly ECR filing, challan payment, account management	https://unifiedportal-emp.epfindia.gov.in
ESIC Portal	ESI registration, IP enrolment, challan payment	https://esic.gov.in
Nivesh Mitra Portal (UP)	UP Shops Act registration, fee payment, annual return	https://niveshmitra.up.nic.in
Startup India Portal	DPIIT Recognition, self-certification	https://www.startupindia.gov.in
Ministry of Labour & Employment	Bare Acts, notifications, policy updates	https://labour.gov.in
India Code — Official Laws Repository	Full text of all central bare acts	https://www.indiacode.nic.in
UP Labour Department	UP-specific notifications, minimum wages, enforcement	https://uplabour.gov.in

END OF DOCUMENT

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Prepared by: Swastika Banik, Mandar Patil.

SELF-CERTIFICATION

I, Mandar Patil and Swastika Banik, hereby certify that the “The LexSphere Labour Law Compliance Toolkit” has been prepared by our team for submission under the June Internship Batch 2026 programme. I further certify that, to the best of our knowledge and belief, the contents have been compiled in good faith from official and verified legal sources and are original to this submission. Any errors or omissions, if any, are inadvertent. We understand that this document is intended for academic and advisory use and should be verified against current law and notifications before professional reliance.