



The LexSphere

Consolidated Premium Edition

Labour Law Compliance *Toolkit*

Central labour laws and Uttar Pradesh compliance: entity guidance, payroll, POSH, contractor controls and operational audit checklists.

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Core Compliance Reference	Operational Guidance	October 2026 Additions
Entities, thresholds, penalties, POSH	Payroll, contractors, inspections	Gig workers, wages, action plan

Revised

5 October 2026

Jurisdiction

Central Laws + Uttar Pradesh

Classification

Confidential, Internal Advisory
Use

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Sections marked **Updated** or **New** carry the October 2026 guidance, which supersedes conflicting statements elsewhere in this toolkit. All remaining legacy material requires current-law verification.

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I



Part One

Core Compliance Reference

Thresholds, entity-by-entity obligations, registration, deadlines, penalties, definitions, POSH, the operative Labour Codes and a self-audit checklist.

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Read First

About This Revision & Disclaimer

01

The five update topics in the supplied corrected edition have been integrated into this master toolkit. Official-source checks were used to resolve inaccurate or unsupported claims in that edition.

How to Use This Revision

The four Labour Codes took effect on **21 November 2025**. Read retained legacy Act names and forms with the current Codes, applicable rules, schemes, notifications and saving provisions. The updated guidance in **Sections 13–14 and 30–33** governs the five revised topics.

Review Boundary

This is a targeted integration, not a fresh legal audit of every legacy threshold, filing date, penalty or case reference. Establishment-specific state requirements and October 2026 wage notifications must be checked before client use.

Disclaimer & Document Notice

i 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.

i 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

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.

★ Confidentiality

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One-Page Briefing

Executive Snapshot

02

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.

**21 Nov
2025**

Date the four Labour Codes took effect

7th

Day of the next month by which monthly wages are due

15th

Ordinary monthly deadline for EPF and ESI deposits

₹21,000

Monthly ESI wage coverage ceiling (MoLE FAQs, March 2026)

◆ 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.

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 ★	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

Central Law	Key Threshold	Pvt Ltd	LLP	OPC / Startup	Partnership / Sole Prop.
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	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
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 the Shram Suvidha Portal saves you ₹10,000 in fines and months of paperwork.

★ Bonus Act & OPC / Startups

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.

i Four Labour Codes: Operative From 21 November 2025

The commencement position is corrected: these are no longer awaiting commencement. Apply current Codes together with relevant notifications, rules, schemes and saving provisions. Legacy Act references in retained sections require mapping to the operative framework. See **Sections 13–14 and 30–33**.



Law × Entity × Threshold

Applicability Matrix

03

Legacy Act References · Map to the Labour Codes

The matrix 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.

i How to Read This Matrix

Yes law applies **No** 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 Ltd 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 law	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.

Central / State Law	Private Ltd Co.	LLP	OPC & Startup	Partnership / Sole Prop.	Threshold Trigger
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. 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 Companies

04

Legacy Act References · Map to the Labour Codes

i 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

Law	Threshold	Key Obligation	Due Date
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 monthly wages by the 7th day of the succeeding month	7th day, monthly
Minimum Wages Act, 1948	Scheduled employment	Pay at least the 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; crèche 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 licence; 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

- 1 **Day 1**
Register under the UP Shops & Establishments Act (Nivesh Mitra Portal).
- 2 **Day 1**
Ensure the Equal Remuneration Act register is maintained from the first hire.
- 3 **Within 15 Days of Crossing 20 Employees**
Register on Shram Suvidha for EPF & ESI.
- 4 **Before Deploying Contract Workers**
Verify the contractor holds a valid CLRA licence.
- 5 **Every Month**
File ECR before the 15th; pay wages by the 7th day.

◆ Chapter A: Quick Compliance Checklist

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 Partnerships (LLP)

05

Legacy Act References · Map to the Labour Codes

i 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

✓ October 2026 Update: ESI and Gig Workers

The Social Security Code is operative. MoLE FAQs of 16 March 2026 retain the **₹21,000** monthly ESI coverage ceiling pending further applicable notification. Do not rely on a speculative ₹30,000 figure. Gig/platform worker protection is scheme-based, not automatic employee EPF/ESI coverage. See **Section 30**.

★ 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

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 by the 7th; EPF/ESI contributions remitted by the 15th	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 31 December each year	Annually: 31 December



Chapter C

One Person Company (OPC) & Startup India

06

Legacy Act References · Map to the Labour Codes

i 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 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.

The 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
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

- 1 Get your DPIIT Recognition Number via startupindia.gov.in.
- 2 Log into the Shram Suvidha Portal and complete the 'Startup Self-Certification' wizard.
- 3 Self-certify under the 6 applicable labour Acts to opt out of routine inspections.
- 4 Still pay EPF, ESI and gratuity as due; self-certification only covers inspections.
- 5 Register under the UP Shops Act through Nivesh Mitra within 30 days of starting operations.

◆ Chapter C: Quick Compliance Checklist

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

07

Legacy Act References · Map to the Labour Codes

i 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 monthly wages by 7th day; make deductions only for reasons 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

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
☐ Monthly wages paid by 7th day of following month	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



Portal-by-Portal

Registration Guide

08

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

Portal A · Central Labour Laws

Shram Suvidha Portal

shramsuvudha.gov.in · EPF, ESI, Contract Labour registration

- ☐ Click 'Sign Up' and create a user ID using your Aadhaar/PAN.
- ☐ Log in and navigate to the 'Registration for EPFO-ESIC' tab.
- ☐ Fill the unified registration form: 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: go to 'CLRA Registration' and upload the list of contractors and workmen engaged.
- ☐ For Startup India self-certification: use the 'Startup India, Self-Certification' wizard after DPIIT recognition.

Portal B · UP Shops & Establishments Act

Nivesh Mitra Portal

niveshmitra.up.nic.in · UP Shops & Commercial Establishments 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 and business hours; 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 the Form L return by 31 December each year through the same portal.

Portal C · Monthly Filings**EPFO Unified Portal & ESIC Portal**

unifiedportal-emp.epfindia.gov.in · esic.gov.in

- ☐ Use the login credentials received via the Shram Suvidha setup.
- ☐ EPF: upload the monthly Electronic Challan-cum-Return (ECR) text file mapping employee wages before the 15th.
- ☐ ESI: generate a Temporary Registration Number (TRN) and 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 · DPIIT Recognition**Startup India Portal**

startupindia.gov.in · DPIIT recognition & startup self-certification

- ☐ Register your entity and apply for DPIIT Recognition under the definition of 'Startup' (up to 10 years, turnover ≤ ₹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

Registration	Deadline
UP Shops Act	Within 30 days of commencing operations
EPF registration	Within 15 days of crossing the 20-employee threshold
ESI registration	Within 15 days of crossing the 10-employee threshold
CLRA (Principal Employer)	Before engaging contractors with ≥20 workmen
DPIIT Startup Recognition	Before claiming self-certification benefits

Updated · October 2026



Compliance Calendar & Monthly Rhythm

09

October 2026 Guidance · Supersedes Conflicting Statements

Obligation	Updated Position
Monthly wages	Pay monthly wages before expiry of the seventh day of the succeeding month under section 17(1)(iv), Code on Wages, 2019. Do not retain the former 1,000-worker split between the 7th and 10th. Check any applicable alternative statutory or notified deadline.
Separation wages	Section 17(2) requires wages payable on removal, dismissal, retrenchment, resignation or qualifying closure to be paid within two working days . This does not set a universal two-day deadline for every full-and-final component.
EPF and ESI	Maintain the applicable monthly contribution cycle and portal deadlines, ordinarily the 15th of the succeeding month . Apply current notified coverage, wage ceilings, contribution bases and scheme provisions. Do not automatically enrol genuine gig workers under employee schemes.
Minimum wages	Before payroll, match each worker to the current notification by appropriate government, employment, district or zone, skill and effective date. Reconcile April 2026 revisions and any October 2026 update. The uniform daily figures in the second PDF are not an approved UP-wide rate schedule.
Annual and periodic returns	Carry forward a return only after checking the applicable state rules, saved forms and portal requirements. Verify bonus payment and return deadlines separately. Check contractor, factory, maternity, UP Shops Act and POSH reporting requirements for the specific establishment.

Monthly Compliance Rhythm

1

Close and Validate Payroll

Reconcile attendance, leave, joining and separation dates. Verify minimum wages and the statutory definition of wages. Complete salary-component mapping before calculating contributions.

2

Pay Within the Applicable Wage Deadline

Monthly payroll: before expiry of the seventh day of the succeeding month. Separation wages: within two working days under section 17(2). Daily, weekly and fortnightly wage periods have distinct section 17 deadlines.

3

Reconcile Statutory Deposits

Reconcile ECR and ESIC challans with payroll and worker records. Remit on the applicable portal deadline. Retain payment evidence and contractor contribution records.

4

Record Exceptions

Maintain an exception register with worker, period, legal requirement, shortfall, corrective action, owner and closure date. Assess arrears, interest, damages and prosecution separately under the correct enactment; they are not automatic fixed multipliers.



Statutory Citations

Penalty & Fine Table

10

Legacy Act Penalties · Verify Against the Labour Codes

The consequences of non-compliance, by statute and section. Review these with clients to drive home the cost of cutting corners.

Penalty Severity Scale

Critical

A minimum term of imprisonment or very large financial liability

Serious

A significant fine, with imprisonment possible

Moderate

A financial penalty, with no imprisonment on a 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
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 10× underpayment See corrected position in Section 31	Up to 6 months

Severity	Act & Section	Violation	Fine (₹)	Imprisonment
Moderate	Payment of Wages Act, 1936, Sec. 20	Wilful withholding of wages; unauthorised deductions from employee wages	Compensation: 10× 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 (separate compensation order can be issued)	Up to 6 months
Critical	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 for deliberate non-payment (Sec. 9(3))
Serious	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 (repeat offence)
Moderate	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 on repeat offence
Serious	Contract Labour Act, 1970, Sec. 23	Operating as contractor without valid CLRA licence; hiring unlicensed contractors	Fine up to ₹1,000 per day of default	Up to 3 months
Moderate	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 10–100× the original savings from cutting corners.



Statute + Plain English

Key Definitions

11

Every legal term is defined two ways: the statutory definition, and a plain-English translation any business owner can act on.

✓ Current Wage and Equal-Remuneration Framework

The Code on Wages, 2019 is operative. Section 3 prohibits gender-based discrimination in wages for the same or similar work. For wages, use **section 2(y)**: basic pay, DA and retaining allowance plus the statutory add-back where specified exclusions exceed half of relevant remuneration. It is not a blanket cap of 50% of CTC. Apply Social Security Code section 2(88) and scheme rules separately for contributions. See **Section 20**.

◆ A. 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.

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

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

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

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.



Workplace Sexual Harassment

POSH Act, 2013 Compliance

12

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, yet 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 four 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 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.
Members (minimum 2)	Employees committed to the cause of women, or with social work / legal experience	Recommended: include employees from HR, legal or operations

ICC Role	Who Qualifies?	Key Rule
External Member (mandatory: 1)	A person from an NGO, association, or individual committed to the cause of women, 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 a 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 the complainant wishes to file a criminal complaint, the 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 an 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

Report Field	Required Content
Number of cases pending	Complaints filed but not yet concluded as on 31 December
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. Listed companies must include the ICC report in their Board's Annual Report.

◆ Penalties Under the 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

- 1 Count your employees. 10 or more? Constitute the ICC immediately.
- 2 Appoint a senior woman employee as Presiding Officer; add 2 internal members; appoint 1 external member from an NGO or legal background.
- 3 Draft and display a POSH Policy at the workplace in English and the local language (Hindi in UP).
- 4 Conduct a POSH awareness session. Document attendance.
- 5 Every January: prepare the ICC annual report and submit it to the employer and District Officer by 31 January.



Updated · October 2026

Labour Codes: Operative Framework

13

October 2026 Guidance · Supersedes Conflicting Statements

✓ Commencement Corrected

The Government implemented the four Labour Codes with effect from **21 November 2025**. Statements in the June edition that no commencement date had been notified, or that commencement was expected in 2026–2027, are superseded.

Code 1

Code on Wages, 2019

Covers minimum wages beyond the former scheduled-employment restriction, timely payment, authorised deductions, bonus and gender-based wage discrimination. Use section 2(y) for the wage definition and section 17 for payment timelines.

Code 2

Code on Social Security, 2020

Consolidates the social-security framework, including employee schemes and provisions for gig/platform worker schemes. It does not make every gig worker an EPF/ESI employee or grant universal gratuity from the first working day.

Code 3

Industrial Relations Code, 2020

Review industrial-relations duties, standing orders, fixed-term employment and termination procedures against the applicable Code provisions and notifications. The standing-orders chapter generally uses a 300-worker threshold.

Code 4

OSH and Working Conditions Code, 2020

Review workplace safety, factory coverage, contractor licensing and migrant-worker duties under the operative framework. Do not assume every old threshold or form is unchanged.

i Implementation Method

Retain registration and compliance records. Map each legacy obligation to the current Code and saved rules or schemes. Verify central and UP notifications instead of treating every draft rule as final.



Updated · October 2026

Payroll & Social Security: Key Updates

14

Topic	Updated Position
Minimum wages	Use an official, establishment-specific rate schedule. The second PDF supplies ₹614, ₹697, ₹763 and ₹787 per day, but no controlling UP notification was provided or verified for those figures. They must not be adopted as statewide legal minima.
Wage definition and the 50% add-back	Basic pay, dearness allowance and retaining allowance are included. Where the specified exclusions under section 2(y)(a)–(i) exceed 50% of the relevant remuneration, add the excess back to wages. This is an add-back mechanism, not a ban on all allowances exceeding 50% of CTC.
Gig and platform workers	The Social Security Code provides a framework for notified schemes and aggregator contributions. Verify the scheme, effective date, registration route and contribution notification. Genuine gig status does not by itself trigger employee EPF/ESI deductions.
Gratuity	Do not use a blanket day-one gratuity rule. Ordinary employee eligibility and statutory exceptions continue to matter. MoLE FAQs state that a fixed-term employee becomes eligible after one year of service under the contract.
Practical control	Update payroll policy, worker classification and salary-component mapping. Identify actual shortfalls from the applicable effective date and obtain a documented calculation before making repayments or disclosures.

I

II

III



Monthly · Quarterly · Annual

Self-Audit Compliance Checklist

15

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 it, tick off each item, and sign it with your team lead's signature.

i 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 that your team didn't just write about compliance, you can also do it.

◆ Part I: Registration Validity

Verify Quarterly

	Compliance Item	Applicable to	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 licences 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	Applicable to	Due
☐	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 day 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
☐	New joiners earning ≤ ₹21,000/month added to ESI portal as Insured Persons	≥10 employees	Within 10 days of joining

Monthly Action	Applicable to	Due
☐ 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	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, casual and 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 the 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 12)	≥ 10 employees	31 January
☐ DPIIT self-certification renewed if approaching expiry (3-year or 5-year window)	OPC / Startup only	Before expiry

◆ Compliance Score Card

Part I	Part II	Part III	Part IV	Total
___ / 6	___ / 7	___ / 5	___ / 8	___ / 26

24–26 · Excellent
Minimal legal risk.

18–23 · Acceptable
Review gaps immediately.

Below 18 · Red flag
Engage legal counsel now.

Last audited by

Date

Designation



Plain-English Reference

Glossary of Abbreviations & Terms

16

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

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 department 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 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 1 April to 31 March. Bonus returns and many compliance deadlines are tied to the FY
ICC	Internal Complaints Committee	The mandatory committee under the POSH Act, 2013 constituted by every employer with ≥10 employees to receive and investigate sexual harassment complaints
IP	Insured Person	An ESI-enrolled employee for whom ESI contributions are being remitted and who is entitled to ESI benefits
LIN	Labour Identification Number	A unique identification number generated on the Shram Suvidha Portal upon completing unified labour registration

Term	Full Form	Plain-English Meaning
LLP	Limited Liability Partnership	A hybrid business entity combining the 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 the 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 with the Consumer Price Index (CPI). UP revises VDA rates bi-annually (April and October)
WC Act	Workmen's Compensation Act, 1923 (now Employee's Compensation Act)	Provides compensation to employees injured or killed in the course of employment; being subsumed into the Code on Social Security



Research Standard

Source List: Official References

17

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

i 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	labour.gov.in · India Code: indiacode.nic.in
Employees' State Insurance Act	Act No. 34 of 1948	esic.gov.in · India Code
Payment of Wages Act	Act No. 4 of 1936	Ministry of Labour & Employment: labour.gov.in
Minimum Wages Act	Act No. 11 of 1948	labour.gov.in · India Code
Payment of Bonus Act	Act No. 21 of 1965	India Code: 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)	labour.gov.in
Equal Remuneration Act	Act No. 25 of 1976	India Code: indiacode.nic.in
Contract Labour (Regulation & Abolition) Act	Act No. 37 of 1970	shramsuvidha.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	labour.gov.in/code-on-wages
Code on Social Security, 2020	Act No. 36 of 2020	labour.gov.in
Occupational Safety, Health & Working Conditions Code, 2020	Act No. 37 of 2020	labour.gov.in
Industrial Relations Code, 2020	Act No. 35 of 2020	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)	niveshmitra.up.nic.in · UP Labour Department: uplabour.gov.in

II

Part Two

Operational Guidance

Additional material from the supplied premium edition: multi-state operations, wage structuring, contractor exposure, inspections, budgeting and a 90-day overhaul plan.

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At a Glance

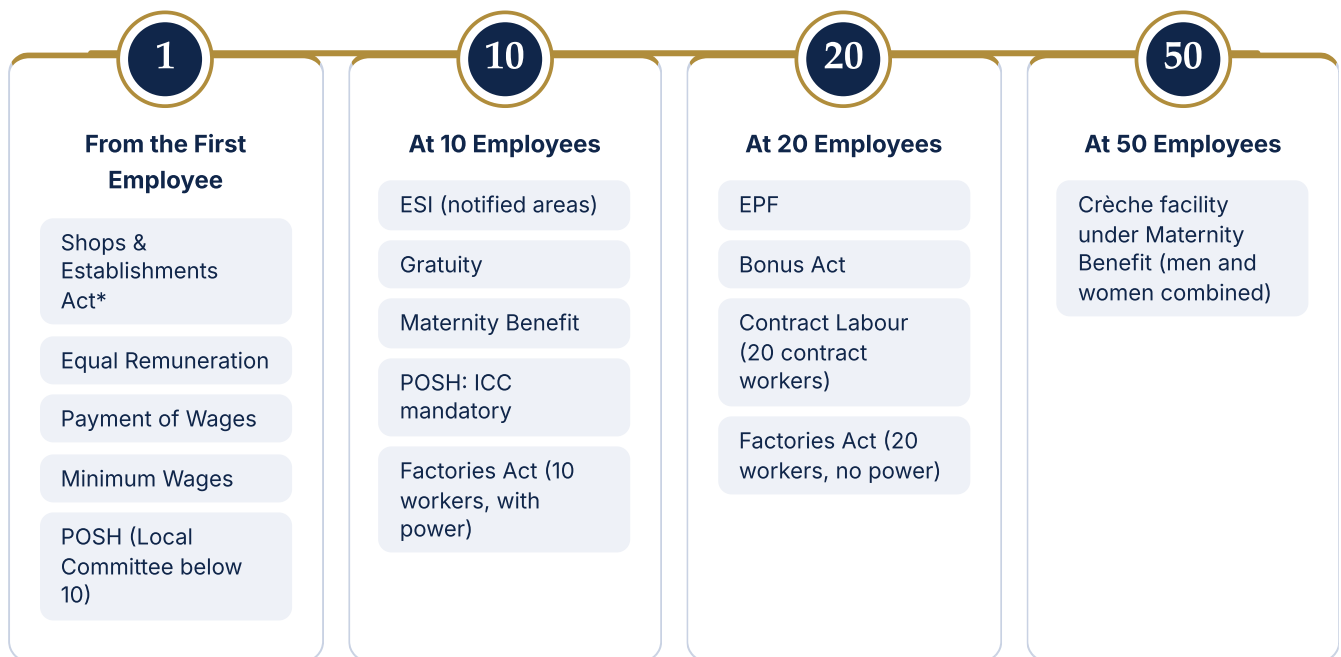
Threshold Snapshot

18

What labour law compliance means for each entity type. Thresholds trigger registration, and most penalties are for late compliance, not ignorance. Entity-by-entity applicability is set out in Sections 02 and 03.

Headcount Ladder

What Switches on, and When



✓ The Golden Rule

Register before hiring, not after notice. A 10-minute Shram Suvidha registration saves ₹10,000 in fines.



Multi-State

Interstate Operations & Multi-State Compliance

19

If you operate in multiple states, you are subject to both central laws and each state's labour laws. Professional Tax alone varies by state (2–5% of payroll). Failure to comply is prosecutable.

Professional Tax by State

As of June 2026

State	Tax Rate	Wage Cap	Impact
Maharashtra	0.5%–2.5%	₹4,500–30,000+	High
Karnataka	0.5%–2%	Up to ₹20,000	Medium
West Bengal	0.5%–2.5%	₹10,500–40,000	Medium
Tamil Nadu	0.5%–2%	₹15,000–30,000	Medium
Telangana	0.5%–1.5%	₹10,000–40,000	Low
Uttar Pradesh	None	N/A	Zero

State Minimum Wage: Non-Negotiable

State	Current Rate / Day	Last Revision	Next Due
Uttar Pradesh	Current district / employment / skill-specific notification required; see Section 31 .		
Maharashtra	₹690–850	May 2026	October 2026
Karnataka	₹675–800	May 2026	October 2026
Tamil Nadu	₹680–820	May 2026	October 2026

! Critical: Location of Work Decides

If you have 1 employee in Maharashtra and 9 in UP, you must register and pay Maharashtra Professional Tax for that 1 employee. Location of work determines tax applicability.

Updated · October 2026



Wage Structure: The 50% Add-Back Rule

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October 2026 Guidance · Supersedes Conflicting Statements

Statutory Approach

Identify the included wage components and each excluded item. Apply the 50% test to the statutory remuneration base. Do not use the CTC label as a substitute for component-level analysis.

Corrected Numerical Illustration

Assume total relevant monthly remuneration is ₹50,000, included wages are ₹20,000 and qualifying exclusions are ₹30,000.

Total Remuneration	50% Threshold	Excess Exclusions	Deemed Wages
₹50,000	₹25,000	₹5,000	₹25,000
Included ₹20,000 + exclusions ₹30,000	Half of remuneration	₹30,000 – ₹25,000, added back	₹20,000 + ₹5,000, not ₹35,000 or ₹45,000

Contribution Calculation Comes Next

The deemed-wage figure is not automatically the PF amount on which every worker must contribute. Apply the relevant scheme, ceiling, membership history and higher-wage arrangements. Determine ESI eligibility and contributions separately; do not combine EPF and ESI into a single assumed 24% rate.

Liability Review

For each affected period, compare lawful contributions with actual deposits. Quantify principal shortfall first, then any applicable interest and damages under the correct law. Do not assume a 12-month lookback or automatic 100% damages from an allowance percentage alone.

Approval Record

Keep the salary-component worksheet, applicable notification, employee communication, payroll approval and deposit reconciliation. Any prospective salary restructuring must respect contracts and statutory minimum entitlements.



Liability Cascade

Contractor Liability & Joint Employer Doctrine

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Legacy Act References · Map to the Labour Codes

! Blind Spot

Many principals believe contractor misclassification is the contractor's problem. Courts treat principals as jointly and severally liable. You can be prosecuted even if the contractor is the one cutting corners.

◆ Principal Employer Liability: Full Exposure

Contractor Default	Your Exposure	Criminal Liability
Fails CLRA registration	Fine up to ₹1,000/day	Yes Section 23
PF not deposited	100% damages + 12% p.a. interest	Yes Sec. 14(1A), 3 years
Below minimum wage	10× compensation + fine	Yes Both liable
No wage register	Recovery of underpaid wages	Yes Prosecution
Accident without insurance	Employer liability under WC Act	Yes Criminal negligence

Real Scenario: Your Actual Liability

ABC Ltd hires contractor **XYZ** to deploy 25 cleaners in its Mumbai office. XYZ fails to register under ESI and hasn't deposited ₹5 lakh in employer ESI contributions over 18 months.

What Happens

1. Inspector discovers the breach at ABC Ltd's premises.
2. Inspector issues notice to ABC Ltd as Principal Employer.
3. ABC Ltd receives the demand shown alongside.
4. If ABC Ltd cannot pay, a director faces personal imprisonment under Section 14(1A).
5. The contractor is also prosecuted, but this **does not relieve ABC Ltd of liability**.

Demand on ABC Ltd

ESI arrears	₹5,00,000
Interest (12% p.a. for 18 months)	₹90,000
Damages (100% under Sec. 14B)	₹5,00,000
Total	₹10,90,000



Updated · October 2026

Labour Codes: Implementation Roadmap

22

October 2026 Guidance · Supersedes Conflicting Statements

1

This Week

Confirm the Framework

Confirm the applicable Codes, state rules, saved scheme provisions and current notifications. Assign an HR or payroll owner for each obligation. Brief management that the Codes commenced on 21 November 2025.

2

Payroll Review

Validate Wages and Deadlines

Validate current minimum wages, monthly wage deadlines and separation wage deadlines. Audit the remuneration base and 50% add-back, then determine contributions under the relevant scheme. Do not assume a universal ₹18,000 monthly minimum-wage floor.

3

Worker and Contractor Review

Classify Every Worker Correctly

Distinguish employees, contractor employees, fixed-term employees and genuine gig/platform workers. Check actual employment relationships and scheme coverage. Review contractor registrations and contribution evidence.

4

Corrective Action

Quantify and Approve

Calculate proven shortfalls with the correct effective dates. Obtain legal and finance approval for arrears, disclosures and employee communications. The second PDF's November/December 2026 dates are planning targets, not verified statutory deadlines.

5

Monitor and Retain Evidence

Keep the System Running

Maintain the notification register, responsibility matrix and exception log. Review changes before each payroll run and after any significant headcount or business change.

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Dispute Examples

Wage Dispute Resolution & Court Precedents

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Case References Retained From Source · Verify Citations Before Reliance

What happens when inspectors issue demands you believe are wrong? You have legal remedies, but timelines are critical. These examples and their implications are retained from the source edition.

Case 1: EPFO vs. Tech Services Ltd

Delhi High Court, 2023 · EPF Act

Ruling: Misclassifying employees as contractors is fraud. EPF Act Section 14B damages (100% of arrears) are mandatory, not discretionary. Courts will not reduce damages.

Implication If caught, budget for 2× the original arrears as damages.

Case 2: Palwankar vs. State of Maharashtra

Supreme Court, 2021 · Minimum Wages Act

Ruling: Underpayment of minimum wages is absolute liability. An employer cannot claim the 'employee agreed to a lower wage.'

Implication The statutory minimum is the floor, period.

Case 3: Daimler India vs. Employees

Supreme Court, 2021 · Gratuity Act

Ruling: Continuous service is preserved even during maternity leave, sick leave, or lay-off for business reasons.

Implication You cannot lay off an employee before 5 years to avoid gratuity.

Case 4: Vishaka Judgment

POSH

Ruling: The ICC must be proactively constituted, not reactively.

Implication Lack of an ICC is itself a violation. Constitution only after a complaint is filed is not a defence.

Case 5: Labour Dept. vs. Contractor

UP High Court, 2022 · Contract Labour

Ruling: The Principal Employer is jointly and severally liable for contractor violations.

Implication Do not expect the contractor to bear liability. Budget for contractor defaults.



Field Checks

Field Compliance Reality Check

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Inspectors don't spend hours. They arrive unannounced and look for red flags suggesting systemic non-compliance. Here's what they check in 10 minutes.

◆ The Labour Inspector's 10-Minute Audit

First 2 Minutes

Document Check

- ☐ UP Shops Act Registration Certificate: displayed? Valid? (absent = ₹5,000–10,000 fine)
- ☐ Factories Act licence (if manufacturing): visible? Current?
- ☐ POSH Policy & ICC list: posted in English & Hindi?
- ☐ Contractor CLRA licence copies: on file?

Minutes 3–5

Wage Register & ECR Check

- ☐ Picks 5–10 random employees.
- ☐ Cross-checks payslips vs. wage register.
- ☐ Verifies: (1) wage paid by the 7th? (2) no unauthorised deductions? (3) minimum wage met?

◆ Red Flags That Guarantee Violations

What the Inspector Finds	Conclusion
Payslip date shows the 10th, but register says the 7th	Falsification
Employee earning ₹450/day: below UP minimum wage	Underpayment
ECR shows 50 employees, register shows 30	Under-reporting
Contractor worker unknown to the Principal Employer	Illegal contractor
Worker claims no PF account despite ₹7,000/month	Non-registration



Startup Self-Certification

Startup India Self-Certification: The Fine Print

25

! Critical Clarification

Self-certification is widely misunderstood. This has cost startups ₹50+ lakh in penalties.

What It Covers: Only 6 Acts

1. Building & Other Construction Workers Act, 1996
2. Contract Labour (Regulation & Abolition) Act, 1970
3. EPF & Misc. Provisions Act, 1952
4. Employees' State Insurance Act, 1948
5. Inter-State Migrant Workmen Act, 1979
6. Payment of Gratuity Act, 1972

What It Means

- ☐ No routine government inspection for 3–5 years.
- ☐ You still must pay EPF, ESI and gratuity.
- ☐ If a complaint is filed, full penalties apply.

◆ What Self-Certification Does not Cover

Always Applies

Law	Always Applies?	Why No Exemption
Equal Remuneration Act, 1976	Yes	Non-negotiable from Day 1
Payment of Wages Act, 1936	Yes	No salary, no exemption
Minimum Wages Act, 1948	Yes	State minimum wage is the floor
UP Shops Act, 1962	Yes	State exemption doesn't exist
POSH Act, 2013	Yes ≥10 emp	Mandatory sexual harassment safeguards
Bonus Act	Yes ≥20 emp	No exemption mechanism

Real Startup Failure Case Study: XYZ Startup (2023–2024)**The Facts**

- DPIIT-recognised; 18 months old
- 35 employees; manufacturing 3D printer parts
- CEO believed self-certification exempted them from bonus payment

Why They Lost

Self-certification does not exempt from the Bonus Act. This is explicitly stated in Section 4C. The CEO ignored it.

What Happened

1. An employee filed a wage theft complaint.
2. Inspection ordered (complaint-based, not routine).
3. Inspector found 35 employees $\geq$ 20 threshold $\rightarrow$ Bonus Act applies.
4. No bonus paid in 2 years despite ₹80 lakh profit.
5. Demand: ₹17.5 lakh bonus + penalties + legal costs.

Total liability**₹18+ lakh**

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Consolidated Calendar

Compliance Cadence

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◆ The Year at a Glance

Fixed Annual Dates

Every month Wages by the 7th · EPF and ESI deposits by the 15th · Internal payroll audit by the 30th					
Jan 31 Jan · ICC annual report (POSH)	Feb 1 Feb · Factories Act annual return	Mar 31 Mar · Gratuity fund review Quarter-end review	Apr UP minimum wage and VDA check	May 11 May · CLRA half-yearly return	Jun Quarter-end review
Jul Monthly cycle only	Aug Monthly cycle only	Sep Quarter-end review	Oct UP minimum wage and VDA check	Nov 11 Nov · CLRA half-yearly return Bonus and Form D within 8 months of FY end (30 Nov for a 31 Mar year-end)	Dec 31 Dec · Form L (UP Shops Act) Quarter-end review

Quarter-end review covers contractor compliance and attendance registers.

◆ Monthly

Absolute Must-Dos

Task	Due	Penalty / Risk
EPF ECR file + remit	15th of every month	12% p.a. interest + Section 14B damages
ESI challan remit	15th of every month	12% p.a. interest + fines
Wage payment	7th day of month	Compensation on delayed wages / deduction amount
Payroll audit (internal)	By 30th of month	Non-compliance discovery by inspectors

◆ Quarterly

Task	When	Risk
UP minimum wage check	April & October	Underpayment liability
Contractor compliance	End of quarter	Backdated arrears

Task	When	Risk
Attendance register review	Quarter-end	Wage dispute escalation

◆ Annual

Don't Procrastinate

Task	Due Date	Penalty if Missed
Form L (UP Shops Act)	31 December	₹5,000–50,000 fine + suspension
Form D (Bonus return)	8 months after FY end	₹1,000–10,000 + backdated bonus demand
Form XXIV (CLRA)	11 May & 11 November	₹1,000/day fine
ICC Annual Report (POSH)	31 January	₹50,000–1,00,000 fine
Gratuity fund review	31 March	Shortfall liability

Monthly wage and separation-wage deadlines are governed by the updated position in Section 09.

Budgeting



Compliance Cost Budgeting Template

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Compliance has real costs. Budget roughly **1% of payroll** for compliance overhead.

Item	Small (10–50)	Medium (50–200)	Large (200+)
Payroll software	₹12,000–24,000	₹36,000–60,000	₹1,00,000+
Annual compliance audit	₹10,000–15,000	₹30,000–50,000	₹1,50,000+
POSH training	₹5,000–10,000	₹15,000–25,000	₹50,000+
Legal retainer	₹6,000–12,000	₹24,000–36,000	₹60,000+
Total annual	₹33,000–61,000	₹1,05,000–1,71,000	₹3,60,000+

Budget Example: 100-Employee IT Company (UP)**Fixed Costs**

Payroll software	₹48,000
Compliance audit	₹40,000
POSH training	₹20,000
Legal retainer	₹30,000
Subtotal	₹1,38,000

Total Annual Compliance Cost**₹5,58,000****Per Employee****₹5,580****Variable Costs (100 Employees)**

EPF/ESI per employee: ₹2,200 × 100	₹2,20,000
Gratuity insurance: ₹2,000 × 100	₹2,00,000
Subtotal	₹4,20,000

As % of Payroll**0.93%**

Average salary ₹50,000/month

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Inspection Triggers

Red Flags That Trigger Inspections

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Most surprise inspections aren't random. Know what triggers them.

Trigger	Why It Happens	Your Defence
Anonymous complaint	Disgruntled employee tips off the labour department	Keep a complaint log; resolve proactively
Wage theft complaint	Any employee claims underpayment	Maintain contemporaneous pay records
Contractor injury	Worker injured; contractor won't file	Ensure the contractor has valid insurance
GST / IT audit cross-check	Headcount inconsistency discovered	Consistent employee data across all filings
Gender disparity	Significantly more men than women	Equal Remuneration Act audit
Supplier / investor inquiry	Labour due diligence during audit	Pre-audit yourself before visits

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Week-by-Week Plan



90-Day Compliance Overhaul Checklist

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If your organisation has never had a compliance review, use this week-by-week plan.

Weeks 1–2

Audit

- ☐ Pull all registration certificates; check validity
- ☐ Review 6 months of payslips vs. wage register
- ☐ Log into EPFO/ESIC; verify last filings
- ☐ Check ICC constitution; confirm female Presiding Officer
- ☐ List all contractors; request CLRA licences

Weeks 3–4

Gap Analysis

- ☐ Compare payroll headcount to official registrations
- ☐ Verify minimum wage; check lowest-paid employee
- ☐ Bonus audit: ≥20 employees? Bonus calculated for FY?
- ☐ Gratuity check: ≥10 employees? Fund/insurance active?

Weeks 5–6

Corrections

- ☐ Back-file missing registrations (POSH ICC)
- ☐ Correct wage underpayment: prepare recovery plan
- ☐ Submit missed returns: Form D, L, XXIV with late fees
- ☐ Update payroll software to flag deadlines

Weeks 7–8

Systems & Training

- ☐ Brief HR on monthly tasks
- ☐ Create a laminated payroll checklist
- ☐ Conduct a POSH awareness session
- ☐ Schedule a quarterly compliance review with counsel

Weeks 9–12

Monitoring

- | | |
|--|--|
| ☐ Set calendar reminders for all due dates | ☐ Quarterly: verify registrations are current |
| ☐ Monthly: spot-check payslips vs. register | ☐ Annually: external compliance audit |

III

Part Three

October 2026 Additions

New guidance on gig and platform workers, minimum wage verification, immediate actions, and the revision record. Revised guidance supersedes conflicting statements on the five update topics.

📄	30	Gig and Platform Workers	54
🕒	31	Minimum Wage Schedule: Verification Control	55
⚡	32	Immediate Action Checklist	56
🕒	33	Revision Record & Official References	57





New · October 2026

Gig and Platform Workers

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Added Guidance

Coverage Assessment

Map services and contracts to the Code definitions. A freelancer label does not decide status. If the actual arrangement is employment, assess employee scheme coverage on that basis.

Scheme-Based Protection

Section 114 of the Social Security Code enables schemes for gig and platform workers. Benefits, registration, eligibility and funding depend on applicable notified provisions. MoLE's March 2026 FAQs confirm that aggregator contribution arrangements are to be notified by the Central Government.

! Claims Excluded From the Supplied Correction

Do not apply any of the following without legal authority:

- An automatic ₹18,000 EPF earnings trigger
- Automatic EPF/ESI coverage for all gig workers
- Universal day-one gratuity
- A flat ₹10,000-per-worker penalty
- A December 2026 Shram Suvidha registration deadline

◆ Platform Checklist

- ☐ Worker-status review completed.
- ☐ Relevant central and state scheme notifications identified.
- ☐ Registration and beneficiary requirements verified.
- ☐ Contribution basis, rate, cap and effective date documented.
- ☐ Contracts, earnings and benefit records maintained.

New · October 2026



Minimum Wage Schedule: Verification Control

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Added Guidance

◆ Rates From the Second PDF

Unverified

Unskilled

₹614

per day

Semi-Skilled

₹697

per day

Skilled

₹763

per day

Highly Skilled

₹787

per day

! Supplied Figures Only

These are not verified legal rates for all UP establishments. The former ₹507–₹650 table has been removed from current operational guidance.

◆ Complete Before Using a Rate

- ☐ Appropriate government and establishment activity.
- ☐ Employment classification and skill category.
- ☐ District, zone or geographical tier.
- ☐ Notification number and publication date.
- ☐ Effective period, including October 2026 changes.
- ☐ Basic rate, VDA and daily/monthly conversion.
- ☐ Payroll implementation date and arrears, if any.

✓ Compensation Corrected

Under section 45 of the Code on Wages, the claims authority may award compensation **up to** ten times the determined claim. A ten-times award is not automatic for every underpaid worker. Section 22 of the former Minimum Wages Act is not the correct basis for the second PDF's blanket entitlement statement.

◆ Record for Each Location

Establishment

District

Notification

Effective date

Category

Rate and unit

Verified by

Verification date



New · October 2026

Immediate Action Checklist

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Updated

This Week

- ☐ Brief management on commencement of the four Codes.
- ☐ Obtain the applicable official wage notifications.
- ☐ Correct monthly payroll and separation-wage deadlines.
- ☐ Map wage components and test the statutory 50% add-back.
- ☐ Review actual status of gig and contractor workers.

This Month

- ☐ Implement approved payroll corrections.
- ☐ Reconcile affected deposits and quantify genuine shortfalls.
- ☐ Update policies and employee communications.
- ☐ Verify POSH committee constitution where applicable.
- ☐ Check state returns, forms and registration requirements.

Follow-Up and Ownership

Owner

Internal target

Evidence required

Approval by

Closure date



Dates and Penalties

Use internal targets appropriate to the business. No automatic legal deadline of 30 November or 15 December 2026, blanket 40% penalty saving, compulsory re-registration, or fixed damages amount is adopted from the second PDF. Verify the authority for any such action.



New · October 2026

Revision Record & Official References

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Integration Record

Change	Where It Now Appears
Code commencement guidance updated	Sections 02, 05, 11, 13–14 and 22
Wage timing updated	Entity guidance (Sections 04–07), calendar (09), self-audit (15) and cadence (26)
Wage-structure guidance replaced	Section 20
Obsolete UP minimum-wage rate row replaced	Section 19
Gig coverage, wage-rate verification and action controls added	Sections 30–32

Official References

- 1 Ministry of Labour and Employment / PIB: four Labour Codes effective from 21 November 2025.
- 2 Code on Wages, 2019: sections 2(y), 17 and 45, official Ministry text.
- 3 MoLE, Additional FAQs on Labour Codes, 16 March 2026: wage components, commencement of wage definition, ESI, fixed-term gratuity and gig-worker funding.

★ Scope and Next Review

This revision integrates the five topics from the attached correction sheet with legal qualification. Other retained source material remains subject to current-law verification. Review after a relevant wage, rule, scheme or coverage notification rather than assuming the next update is April 2027.