

HR & Labour Laws



NEW LABOUR CODES
Made easy..

WHAT EVERY BOSS AND EMPLOYEE MUST KNOW

ISSUE HIGHLIGHTS

- **Compliance & Returns-SECTORWISE**
- **Fixed Term Employment - GRATUITY LESS THAN 5 YEARS**
- **Leave Encashment made - MANDATORY**
- **Appointment/Relieving letter - MANDATORY**
- **Employment Rules - IMPORTANCE UNDER NEW CODES**

EXCEPTIONAL

<https://www.dsblawgroup.com/new-labour-codes-compliance>

CODES
— MADE —
SIMPLE
PRACTICAL
POWERFUL
.....

Upcoming Book
“Decoding New Labour Codes”

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COMPLIANCES & RETURNS

UNDER VARIOUS SECTORS

MANUFACTURING

[Click Here](#)

TRADING

[Click Here](#)

SERVICE SECTOR

[Click Here](#)

LESS THAN 10 EMPLOYEES

[Click Here](#)

RETAIL SECTOR

[Click Here](#)

DID YOU KNOW EMPLOYEES MAY SOON GET BETTER LEAVE ENCASHMENT BENEFITS ACROSS INDIA?

Will India's New Labour Code Change Employee Leave & Encashment Benefits Forever?

India is moving towards a major transformation in workplace laws through the Occupational Safety, Health and Working Conditions (OSH&WC) Code, 2020. The proposed labour reforms aim to standardise leave policies, simplify HR compliance, and create uniform employee benefits across states. Once fully implemented, the new framework could impact millions of employees, contract workers, factories, offices, and businesses throughout India.

One Nation • One Leave Framework • Better Employee Protection • Transparent Benefits

KEY HIGHLIGHTS OF THE PROPOSED LABOUR CODE

- 1 earned leave for every 20 days worked
- Maximum 30-day earned leave carry-forward
- Annual encashment for leave accumulated beyond the limit
- Mandatory payment of unused leave during resignation, retirement, termination, or death
- Protection against arbitrary leave rejection by employers
- Uniform leave policy structure across India
- Potential simplification of HR and payroll compliance

WHAT EXACTLY IS CHANGING?

01

UNIFORM LEAVE ACCRUAL SYSTEM

The proposed labour code introduces a standard rule where employees earn 1 day of leave for every 20 days worked. This aims to reduce confusion created by different state-level labour laws and company-specific practices.

02

30-DAY CARRY FORWARD RULE

Employees may carry forward a maximum of 30 days of earned leave into the next year. Any leave accumulated above this threshold may become eligible for encashment.

03

ANNUAL LEAVE ENCASHMENT

One of the most discussed reforms is annual leave encashment. Employees may receive cash benefits for unused leave beyond the prescribed limit, improving financial flexibility.

04

PROTECTION AGAINST LEAVE DENIAL

If an employer denies a leave request, the denied leave may continue accumulating beyond the standard 30-day cap. This provision is expected to strengthen employee rights.

05

EXIT & RETIREMENT BENEFITS

Unused earned leave must be compensated during resignation, retirement, termination, or in case of an employee's death, ensuring fair treatment.

WHY THIS REFORM IS IMPORTANT

Currently, leave laws in India vary significantly from state to state under the Shops & Establishments Acts and the Factories Act, 1948. Some states allow higher leave accumulation while others impose stricter restrictions. The proposed labour code aims to create consistency, fairness, and clarity for both employees and employers.

WHO WILL BENEFIT UNDER THE NEW RULES?

- Factory workers
- Contract employees
- Fixed-term employees
- Workers in industrial establishments
- Employees covered under the labour code definition of 'worker'

Managerial, administrative, and certain supervisory employees may not fall under the definition of 'worker' depending on salary thresholds and state implementation rules.

CHALLENGES & CONCERNS

- 01 Some states currently allow higher leave accumulation limits of 45–60 days.
- 02 Certain employees may feel the new 30-day limit reduces existing benefits.
- 03 Implementation timelines differ because many states have not yet finalised rules.
- 04 Companies may need to redesign HR policies, payroll systems, and employee handbooks.

HOW BUSINESSES & HR TEAMS CAN PREPARE



HR departments and employers should begin reviewing leave policies, payroll practices, employee contracts, and compliance systems. Preparing early can help organisations smoothly transition once the labour codes become operational nationwide.

CURRENT STATUS OF LABOUR CODE IMPLEMENTATION

Although Parliament has already passed the labour codes, full implementation is still pending because several states are yet to notify their final rules. Until the rollout is completed, most organisations continue following existing labour laws and internal HR policies.



WHAT EMPLOYEES SHOULD WATCH FOR



Updates from state labour departments



Changes in company HR leave policies



Annual leave encashment procedures



Revised employee handbooks and payroll structures



New compliance announcements from employers

“ India’s new labour code framework could reshape workplace leave policies for millions of employees. Understanding these reforms today will help employees and organisations stay prepared for tomorrow. ”

FIXED TERM EMPLOYMENT

INTRODUCTION

Fixed-term employment (FTC) is an employment contract in which an organization recruits an employee for a limited time period. Generally, it is for a period of one year, however, depending on the necessity, the same can be renewed.

In FTC, the employee is not in the regular employment of the company and he/she is there only to perform explicit & short-term tasks. In such events, the contract automatically gets over on a specific date or at the conclusion of a particular assignment. They are used for various reasons to guarantee that the project has adequate staff members for a particular project to get completed.

KEY FEATURES OF FIXED TERM EMPLOYMENT

Employment for a limited duration

Written contractual agreement

Clearly defined start and end date

Applicable for seasonal or project-based work

Performance and productivity oriented

Renewable under organizational requirements

TYPES OF EMPLOYMENT CAN BE CATEGORIZED AS BELOW

Permanent or fixed-term employees

Temporary

Casual employees

Apprentices or trainees

Probationers

Contractors and sub-contractors

Badlis

Fixed term employment helps organizations maintain flexibility, reduce long-term liabilities, and recruit specialized talent for temporary projects. It also provides employees with valuable professional experience and industry exposure.

ADVANTAGES & DISADVANTAGE

ADVANTAGES OF FIXED TERM EMPLOYMENT



FOR EMPLOYERS

- ✓ Flexible workforce management
- ✓ Reduced operational costs
- ✓ Better project staffing
- ✓ Easier workforce expansion during peak demand
- ✓ Access to specialized professionals



FOR EMPLOYEES

- ✓ Opportunities for skill enhancement
- ✓ Professional networking exposure
- ✓ Experience across industries
- ✓ Easier entry into competitive organizations
- ✓ Flexible career options

DISADVANTAGES OF FIXED TERM EMPLOYMENT



FOR EMPLOYERS

- ✗ High employee turnover
- ✗ Continuous recruitment and training costs
- ✗ Reduced employee loyalty
- ✗ Knowledge retention challenges



FOR EMPLOYEES

- ✗ Limited job security
- ✗ Uncertain career stability
- ✗ Reduced long-term employee benefits
- ✗ Psychological stress regarding future employment

LEGAL AND ETHICAL CONSIDERATIONS



Equal treatment of employees



Transparent employment contracts



Compliance with labour laws



Fair wages and benefits



Safe working conditions

CONCERNS REGARDING FIXED-TERM CONTRACT

01

IMPACT ON MSMEs

One of the main concerns of fixed-term employment is Small & Medium size Enterprises (MSMEs) as they may not opt for fixed-term employment as they operate with less profit margin. Rather, their choice is to stick to contract workers to whom they can pay lower salaries. And this becomes one of the major issues as Small and Medium Enterprises form a large portion of the Industries in India.

02

EMPLOYER'S DISCRETION

In FTC, the employers get a free hand to hire & fire. Sometimes, this forces the employees to bear the malpractices of employers and the unskilled laborers become vulnerable to the unscrupulous actions of the employer.

03

UNFAIR WORKING CONDITIONS

Many times, fixed-term workers are not provided with the same working conditions as permanent workers. It certainly proves unfair on the part of fixed-term workers as they deliver for longer hours and still get paid lesser than permanent employees.

04

OTHER AREAS OF CONCERN

Few other areas of concern are allowances, termination of employment, wages, etc. Generally, the contract of employment specifies the notice period required to be served if the employee wants to resign and leave before the end of the contractual notice; in such cases, the employer hardly has any option.

05

UNFAIR DISMISSAL RISK

FTC's non-renewal or expiry is considered a dismissal in the eyes of the law, which means that any employee working under a fixed-term contract which has two or more years of uninterrupted service is eligible to lodge a claim for unfair dismissal.

FAIR TREATMENT. EQUAL OPPORTUNITY. STRONGER WORKPLACES.
Addressing these concerns is key to building a just and inclusive workforce.

ESIC PATIENT FEEDBACK SYSTEM

Government Notification

INTRODUCTION

The Employees' State Insurance Corporation (ESIC) has launched a Centralized Online Patient Feedback System across all ESIC Hospitals and Dispensaries to improve healthcare services and ensure patient-centric care.

The system enables Insured Persons (IPs) and beneficiaries to share feedback regarding:



Cleanliness of facilities



Behaviour of healthcare staff



Availability of medicines



Overall service experience

This initiative promotes transparency, accountability, and continuous service improvement.

KEY FEATURES OF THE SYSTEM

- ✓ Direct Patient Feedback
- ✓ OTP-Based Verification
- ✓ Multilingual Interface
- ✓ Duplicate Feedback Prevention
- ✓ Real-Time Monitoring
- ✓ Automated Alerts for Low Ratings
- ✓ Performance Ranking of Healthcare Facilities
- ✓ Faster Grievance Resolution

FEEDBACK CAN BE SUBMITTED THROUGH



SMS Feedback Link
Sent automatically after availing ESIC services



QR Code
Available at OPDs and Hospital Premises



ESIC Website
Online feedback submission portal

MONITORING LEVELS



Headquarters Level



Regional Office Level



Local ESI Health Facility Level

AUTOMATED ACTION SYSTEM



BENEFITS TO BENEFICIARIES



Improved Service Quality



Better Patient Experience



Faster Resolution of Issues



Increased Accountability



Transparent Healthcare Delivery



Continuous Facility Improvement



Click on Portal for more Details:

<https://portal.esic.gov.in/HISFeedback/PatientFeedbackPortal.aspx>

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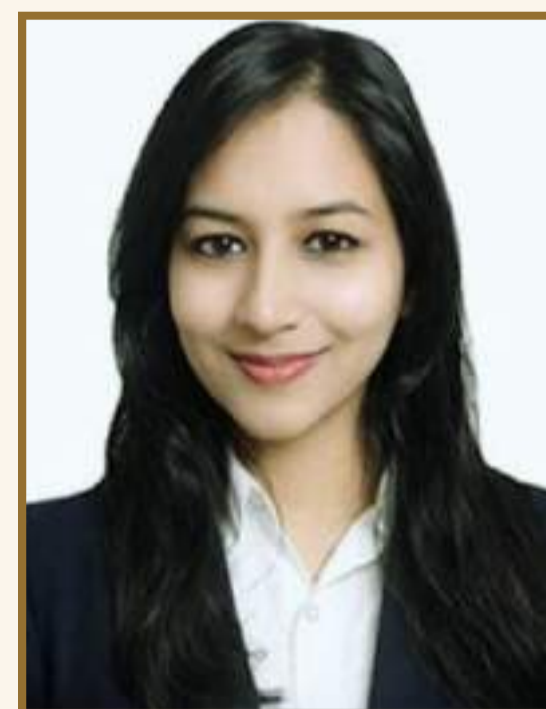
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A LEGACY OF GROWTH & EXPERTISE

Founded in **1967** by **Shri K.M. Gupta**, DSB Law Group has evolved from a specialized **Labour Laws** and taxation practice into a full service multidisciplinary legal and business advisory firm.

Under the leadership of **Shri Dinesh Gupta**, the firm has expanded into corporate law, banking, NBFC, tax and governance frameworks combining legal precision with strategic insight.

With decades of experience, DSB Law Group delivers forward-thinking, practical solutions tailored to evolving business environments. Our expertise spans regulatory compliance, operational strategy, and business expansion helping clients navigate complexity with clarity and confidence.

We partner with enterprises across sectors to build scalable, compliant, and sustainable growth strategies.

At DSB Law Group, we are committed to excellence, integrity, and building enduring partnerships.

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