

HR & Labour Laws

NEW LABOUR CODES
Made easy..

**WHAT EVERY BOSS AND
EMPLOYEE MUST KNOW**

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

Upcoming Book
“Decoding New Labour Codes”

ISSUE HIGHLIGHTS

- Code on Social Security: Beyond EPF & ESI
- AI, Automation & Labour Codes
- Building a Labour Code Compliance Dashboard
- Resignation, Absconding & Job Abandonment
- Attendance, Working Hours & Overtime



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CODE ON SOCIAL SECURITY: BEYOND EPF & ESI



A wider framework for employee protection and employer responsibility.

Social security compliance is no longer limited to EPF and ESI.

The Code on Social Security brings multiple employee-benefit laws within one framework and extends social-security recognition to newer categories of workers, including gig, platform and unorganised workers.

WHAT THE CODE COVERS

01

PROVIDENT FUND

Employee provident fund remains a core social-security component.

02

EMPLOYEE STATE INSURANCE

Health and sickness benefits and related insurance continue.

03

GRATUITY

Payment of gratuity to eligible employees as per the Code provisions.

04

MATERNITY BENEFIT

Maternity leave and benefits for women employees.

05

EMPLOYEE COMPENSATION

Compensation for employment-related injury, disability or death.

06

GIG & PLATFORM WORKERS

Recognition of gig and platform workers within the social-security framework.

BEYOND MONTHLY CONTRIBUTIONS

- Correct worker classification
- Accurate wage and benefit calculations
- Timely employee registrations
- Gratuity and benefit provisioning
- Contractor compliance verification
- Accident and injury reporting
- Complete digital records and audit trails

KEY EMPLOYER RISK AREAS

- **Incorrect wage structure**
May lead to under-payment of contributions and statutory benefits.
- **Unregistered employees**
Can result in retrospective liability, interest and penalties.
- **Wrong worker classification**
Classifying a worker incorrectly (employee/contractor) can trigger significant compliance risk.
- **Contractor defaults**
Principal employer can be held liable for contractors' non-compliance.

KEY TAKEAWAYS

- 01 Social security now includes more benefits and more categories of workers.
- 02 Employers should review gratuity, maternity, compensation and other obligations.
- 03 Worker classification and wage components drive compliance exposure.
- 04 Accurate records, payroll design and periodic review are essential.

*Social security compliance is no longer limited to EPF and ESI.
It requires a broader and more integrated workforce approach.*

AI, AUTOMATION & LABOUR CODES

AI and automation are reshaping HR practices from hiring to payroll and compliance. When aligned with the spirit of the Labour Codes, they drive efficiency and accuracy. When misused, they can create bias, errors and legal exposure. The key is responsible, human-centred use of technology.

1. WHAT AI IS BEING USED FOR

RECRUITMENT

- Resume screening
- Interview scheduling
- Skill matching

ATTENDANCE & PRODUCTIVITY

- Biometric tracking
- Shift allocation
- Productivity analytics

PAYROLL & BENEFITS

- Wage calculation
- Overtime
- Statutory contributions

PERFORMANCE MANAGEMENT

- Appraisals
- Productivity scoring
- Promotion support

COMPLIANCE MONITORING

- Record checks
- Alerts
- Policy tracking

2. KEY LEGAL & HR RISKS

ALGORITHMIC BIAS

Unfair outcomes in hiring or appraisal.

WAGE CALCULATIONS

Wrong overtime or contribution computation.

EXCESSIVE MONITORING

Over-surveillance affecting trust and dignity.

LACK OF HUMAN REVIEW

Automated decisions without managerial judgment.

DATA PRIVACY & SECURITY

Sensitive employee data must be protected.

3. RESPONSIBLE AI FRAMEWORK

1. IDENTIFY PURPOSE

Define the objective and use case.

2. VALIDATE

Test accuracy and fairness.

3. OVERSIGHT

Keep human review in key decisions.

4. AUDIT TRAILS

Preserve records and logs.

5. COMMUNICATE

Inform employees transparently.

6. VENDOR REVIEW

Check controls, security and accountability.

4. WHAT AUTOMATION SHOULD NEVER REPLACE

- Fair disciplinary process
- Independent managerial judgment
- Employee explanation and hearing
- Legal review of termination decisions

5. THE BUSINESS IMPACT

BETTER EFFICIENCY

Faster HR workflows and better visibility.

STRONGER COMPLIANCE

Improved record keeping and monitoring.

REDUCED DISPUTES

Fewer errors, better transparency and trust.

Use AI to strengthen compliance, not to automate unfairness, opacity or incorrect decisions.

for more details:

[Click Here](#)

BUILDING A LABOUR CODE COMPLIANCE DASHBOARD

What gets monitored gets managed

Labour compliance is often spread across HR files, payroll systems, contractor records and spreadsheets. A compliance dashboard brings critical obligations into one central monitoring system and helps management identify missed deadlines, documentation gaps and high-risk areas.

1. CORE DASHBOARD MODULES

EMPLOYEE RECORDS

- Appointment letters
- Employee category
- Wages structure
- Nominations and policy acknowledgements

WAGE COMPLIANCE

- Minimum wages
- Payment dates
- Deductions and overtime
- Bonus and gratuity

SOCIAL SECURITY

- EPF, ESI and gratuity
- Registrations
- Contributions
- Contractor challans

ATTENDANCE & WORKING HOURS

- Attendance
- Weekly offs
- Shifts and rest intervals
- Overtime alerts

CONTRACT LABOUR

- Contractor licences
- Deployed workers
- Wage proof
- EPF/ESI status and agreements

OCCUPATIONAL SAFETY

- Incidents
- Training
- Medical exams
- Welfare facilities and corrective actions

2. STATUS INDICATORS

COMPLIANT

- Requirement completed
- Supporting documents available

ACTION REQUIRED

- Deadline approaching
- Minor documentation gap

HIGH RISK

- Statutory default
- Expired licence or unpaid liability

UNDER REVIEW

- Matter referred to HR, payroll, legal or management

3. MONTHLY MANAGEMENT REPORT

- Overall compliance score
- Overdue actions
- Estimated financial exposure
- Contractor default summary
- Upcoming statutory deadlines

4. IMPLEMENTATION ROADMAP

1. ASSESS

Identify applicable laws, locations and worker categories

2. MAP

List registrations, returns, records, payments and procedures

3. DIGITISE

Centralise reliable documents and compliance evidence

4. ASSIGN

Allocate responsibility with clear deadlines

5. REVIEW

Conduct monthly review and periodic legal audits

A dashboard should convert labour compliance from scattered paperwork into measurable management accountability.

RESIGNATION, ABSCONDING & JOB ABANDONMENT

Managing exits with due process and proper documentation

Treat every separation with clarity, fairness and documentation to protect your organisation and maintain trust.

1. UNDERSTANDING THE DIFFERENCE

RESIGNATION

Employee voluntarily leaves after following notice and handover.

ABSCONDING

Employee is absent without approval or communication.

JOB ABANDONMENT

Employee shows no intent to return after repeated absence and no response.

2. RECOMMENDED EMPLOYER PROCEDURE

CONTACT

Reach out via phone, email and HR channels

NOTICE

Issue written notice asking employee to respond

FINAL NOTICE

Give a final opportunity to respond within a reasonable time

REVIEW

Review records, terms, policy and employee response (or lack)

RECORD & SETTLE

Document decision and process lawful final settlement.

3. COMMON EMPLOYER MISTAKES

- Treating absence as automatic termination
- Stopping salary without due process
- Issuing no notices or follow-up
- Ignoring medical or emergency explanations
- Failing to preserve communication records

4. KEY DOCUMENTATION

- Attendance and leave records
- Emails, notices and delivery proof
- Appointment letter and HR policy
- Handover, asset return and final settlement record

5. BUSINESS IMPACT

REDUCE DISPUTES

Clear process lowers legal and employee-relations risk.

ENSURE FAIRNESS

Employee gets opportunity to explain and respond.

BUILD DEFENSIBILITY

Proper documentation strengthens legal position.

RELEVANT LAW & PROVISIONS

- Industrial Disputes Act, 1947 – Section 2A (Workman), Section 25F (Conditions precedent for retrenchment)
- Payment of Wages Act, 1936 – Section 4 (Timely payment of wages)
- Shops and Establishments Act (State-specific) – Provisions relating to notice of termination

for more details:

[Click Here](#)

ATTENDANCE, WORKING HOURS & OVERTIME

Compliance essentials for accurate time and wage management

Accurate attendance and time records are key to fair pay, employee safety and dispute resolution. Employers must use reliable systems to capture actual hours and support lawful payroll practices.

1. WHAT EMPLOYERS MUST MONITOR

- **Daily Working Hours:** Track actual start and end time.
- **Rest Intervals:** Ensure breaks between work periods.
- **Weekly Offs:** Maintain weekly rest and public holiday records.
- **Overtime Records:** Capture approved extra hours and payments.

2. ATTENDANCE SYSTEMS

Use reliable systems that reflect actual working conditions, such as biometric devices, digital apps, muster rolls, registers and remote-work records.

3. OVERTIME RISK AREAS

- Working beyond scheduled hours without approval.
- Early login and late logout not captured.
- Remote work performed after hours.
- Gaps in payments due to worker-classification issues.

4. RECOMMENDED CONTROL FRAMEWORK

- ✓ **Authorise:** Get prior approval for overtime and extra work.
- ✓ **Record:** Track actual hours through reliable systems.
- ✓ **Verify:** Managers review and confirm recorded data.
- ✓ **Integrate:** Feed verified hours into payroll and wage systems.
- ✓ **Alert:** Identify unusual patterns and flag for review.
- ✓ **Reconcile:** Conduct monthly reconciliation and document findings.

5. THE BUSINESS IMPACT

- **Protect Entitlements:** Ensure employees receive correct wages and overtime.
- **Reduce Disputes:** Clear records support defensibility in disagreements.
- **Strengthen Compliance:** Better control over working hours and payroll obligations.

“

Accurate attendance protects both the employee's entitlement and the employer's compliance position.

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HR COMPLIANCE READINESS CHECKLIST

A PRACTICAL REVIEW TOOL FOR LABOUR LAW AND HR COMPLIANCE PREPAREDNESS

A structured checklist helps organisations close gaps in documentation, payroll, social security, working conditions and employee relations. It supports timely corrective action and stronger labour code compliance.

1. EMPLOYMENT DOCUMENTATION

- ☐ Updated appointment letters
- ☐ Employee categories verified
- ☐ Job roles & responsibilities recorded
- ☐ HR policies up to date

2. WAGE & PAYROLL

- ☐ Wage components reviewed
- ☐ Minimum wages verified
- ☐ Salary deductions compliant
- ☐ Payroll & attendance reconciled

3. SOCIAL SECURITY

- ☐ EPF & ESI compliance verified
- ☐ Employee registrations active
- ☐ Contribution records available
- ☐ Gratuity compliance ensured

4. WORKING CONDITIONS

- ☐ Working hours within limits
- ☐ Overtime approvals tracked
- ☐ Safety training conducted
- ☐ Incident reporting in place

5. EMPLOYEE RELATIONS

- ☐ Grievance mechanism active
- ☐ Disciplinary process followed
- ☐ Communication records kept
- ☐ Resignation & exits documented

6. TECHNOLOGY & RECORDS

- ☐ Access controls defined
- ☐ HR data protected
- ☐ Records backed up securely
- ☐ Compliance reports generated

FINAL TAKEAWAY

Compliance is strongest when it is visible, measurable
and owned by management.

for more details: [Click Here](#)

Editorial & Contributor Panel



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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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