



CLIENT ALERT

CRACKING THE CODE II: THE NEW CENTRAL LABOUR RULES AT A GLANCE

June 2026

CHAPTER 1: OVERVIEW OF THE NEW LABOUR RULES

In a significant stride towards operationalising India's consolidated labour law framework, the Ministry of Labour and Employment has formally notified the central rules under the four Labour Codes – namely, the Code on Wages (Central) Rules, 2026¹ (“**CoW Rules**”), the Social Security (Central) Rules, 2026² (“**CSS Rules**”), the Industrial Relations (Central) Rules, 2026³ (“**IR Rules**”) and the Occupational Safety, Health and Working Conditions (Central) Rules, 2026⁴ (“**OSH Rules**”), which were all formally published on May 8, 2026.

These newly issued rules are currently applicable to establishments for which "appropriate government" is the Central Government under the Codes, such as railways, mines, air transport service, telecommunications, banking and insurance companies. Furthermore, for the specific purposes of the Code on Social Security, the Central Government also functions as the *appropriate government qua* the organizations having establishments across more than one state. For all other establishments, where the respective State Government serves as the appropriate government, most of the final state-specific rules are currently awaited and employers will need to transition to and strictly adhere to those state-level compliances once they are officially notified.

Notably, certain provisions of the Central Rules that are made under the exclusive rule-making power of the Central Government (such as under Section 67(3) of the Code on Wages) operate nationwide and bind all establishments irrespective of whether the Central Government or a State Government is the "*appropriate government*". These include, among others, the floor wage provisions, the uniform methodology for computation of bonus set-on and set-off, the Employees' Provident Fund and Employees' State Insurance framework (including contribution rates and scheme administration), national occupational safety and health standards, all mines-specific rules, the building and other construction workers' cess rate, Aadhaar-based identification of beneficiaries, gig and platform worker registration and schemes, and the framework for recognition of Central Trade Unions.

This update focuses on the key regulatory changes introduced by the new labour rules *vis-à-vis* the corresponding erstwhile Central rules, and the practical and compliance implications thereof for employers. It supplements our earlier client update, “Cracking the Code: The New Labour Laws at a Glance” (January 2026), which dealt with the changes brought about by the Labour Codes themselves.

I. STREAMLINING OF STATUTORY COMPLIANCES AND RECORD-KEEPING FORMATS

The four central labour law rules introduce a significantly consolidated and modernized framework governing statutory compliances, specifically concerning the maintenance of registers, records, returns, and the issuance of wage slips. In an effort to rationalize administrative processes, these rules prescribe specific, unified formats for employee logs, production records, electronic monthly or annual returns, and itemized wage slips. These standardized templates are designed to simplify legal bookkeeping and reduce duplicity across various facets of workforce management and compensation administration. Please note that, for the purpose of this specific client update, we have not covered these detailed compliance obligations or the individual operational formats herein.

¹ G.S.R. 343 (E) dated May 8, 2026

² G.S.R. 344 (E) dated May 8, 2026

³ G.S.R. 342 (E) dated May 8, 2026

⁴ G.S.R. 345 (E) dated May 8, 2026

II. HIGHLIGHTS OF THE NEW LABOUR RULES

We have categorised the comparison of the rules under the new labour codes into two parts – the modifications from the erstwhile central rules, as identified in **Annexure A**, and the new concepts introduced under the central rules under the Labour Codes.

1. Code on Wages – Central Rules

Modifications from the erstwhile central rules:

- (a) Prescribes a normal working day of 8 (eight) hours (as against 9 (nine) hours under the erstwhile MW Rules), in sync with the OSH Rules, which further provide for a quarterly overtime cap of 144 (one hundred and forty-four) hours.
- (b) Overtime for employees is now payable at twice the ‘*normal rate of wages*’, departing from the erstwhile computation based on ‘*ordinary rate of wages*’. Even though the terminology remains similar, the base on which overtime is being calculated has changed.
- (c) Introduces a structured show-cause process for imposition of fines and deductions for damage or loss, replacing the erstwhile requirement of prior intimation to the Inspector.

New concepts introduced under the CoW Rules:

- (a) Additional liability on the principal employer to pay wages and bonus to contractual employees in case of failure by the contractor.
- (b) Prescribes a uniform methodology for computing minimum wages on an hourly, daily and monthly basis, which clarification was absent in the earlier rules.

2. Social Security (Central) Rules, 2026

Modifications from the erstwhile central rules:

- (a) Provides for payment of cess in advance, based on self-assessment duly certified by a Chartered Engineer, at the stage of approval or prior to commencement of work, unlike the erstwhile Cess Rules, which did not contemplate advance payment or self-assessment of cess.
- (b) Enhances ESI-linked benefits by expressly codifying the extended sickness benefit for specified diseases for up to 730 (seven hundred and thirty) days at 80% (eighty percent) of the standard benefit rate (subject to prescribed contribution conditions), doubling medical bonus from Rs. 7,500 (Rupees seven thousand five hundred) to Rs. 15,000 (Rupees fifteen thousand) and funeral expenses from Rs. 15,000 (Rupees fifteen thousand) to Rs. 20,000 (Rupees twenty thousand) and introducing an annual free medical examination for insured persons aged 40 (forty) years and above.
- (c) Requires Aadhaar details of the nominee to be furnished in the nomination form (Form III), a requirement not contemplated under the erstwhile PG Rules.

New concepts introduced under the CSS Rules:

- (a) Entitles an employee on fixed-term employment to gratuity upon rendering service for at least one year; any subsequent period in excess of six months (but less than a year) is rounded off to one additional year. The Rules introduce the gratuity provisions applicable

to fixed-term employees (FTEs) as contemplated under the Code on Social Security. Under these provisions, a fixed-term employee becomes entitled to gratuity upon completing at least one year of continuous service. Further, where an employee has completed one year of service along with a subsequent period exceeding six months (but less than one year), such additional period is deemed to be one full year for the purpose of calculating gratuity.

Note: While the Industrial Relations Code expressly provides for gratuity entitlement in cases involving fixed-term employment of at least one year, no corresponding qualification is prescribed under the Code on Social Security itself. This gives rise to an important legal question as to whether the Rules, being subordinate legislation, can validly introduce conditions or qualifications that are not contemplated under the parent statute.

- (b) Operationalises registration of gig workers, platform workers and unorganised workers, with registration and data-submission obligations on aggregators.

3. Industrial Relations (Central) Rules, 2026

Modifications from the erstwhile central rules:

- (a) Provides for adequate representation of women workers in the Works Committee, with such representation being not less than the proportion of women workers to the total workforce employed, a requirement not envisaged under the erstwhile ID Central Rules, 1957.
- (b) Notifies new model standing orders for three sectors – namely mining, manufacturing, and services sectors. There are three different standing order formats for the three sectors.

New concepts introduced under the IR Rules:

- (a) Introduces, for the first time at the Central level, a detailed framework for recognition of a negotiating union / negotiating council, including a 30% (thirty percent) membership threshold, secret-ballot verification at the employer's expense and a facilities mandate for larger establishments.
- (b) Operationalises the Worker Re-skilling Fund: 15 (fifteen) days' last drawn wages per retrenched worker to be transferred to the Labour Commissioner's designated account within 10 (ten) days of retrenchment.

4. Occupational Safety, Health and Working Conditions (Central) Rules, 2026

Modifications from the erstwhile central rules:

- (a) Recalibrates welfare thresholds (canteens, crèches, welfare officers, ambulance rooms, first-aid training) across mines and building and other construction workers, and mandates inclusive welfare infrastructure for transgender persons and persons with disabilities.
- (b) Shifts the primary responsibility for ensuring welfare facilities of contract labour to the principal employer, new requirement of constitution of a grievance redressal committee for the contract labour and introduces a single pan-India contractor licence.

New concepts introduced under the OSH Rules:

- (a) New rounding-off rule for overtime which provides that a fraction of an hour between 15 (fifteen) and 30 (thirty) minutes is counted as 30 (thirty) minutes, and any time beyond 30 (thirty) minutes is rounded off and counted as 1 (one) hour.
- (b) Prescribes a standardised format of appointment letters and a single, centralised electronic registration (with deemed registration in 7 (seven) days) on the Shram Suvidha Portal.
- (c) Provides conditions for deployment of women during night hours and in below-ground mining operations, supported by security and transport safeguards.

CHAPTER 2: CODE ON WAGES – CENTRAL RULES

1. *Recasting of the basis of overtime computation:*

Legal Position:

Under the erstwhile regime, overtime was calculated on the basis of the ‘*ordinary rate of wages*’ (Explanation to Rule 25(1) of the MW Rules), comprising basic wages plus allowances (including the cash equivalent of advantages, but excluding bonus). Overtime is now payable at twice the ‘*normal rate of wages*’ (Rule 6(4)(iii)), which is anchored to ‘wages’ as defined under Section 2(y) of the Code on Wages, 2019. Even though the terminology remains similar, the base on which overtime is computed has changed.

Notably, as per the jurisprudence developed under the erstwhile Minimum Wages Act, an employee earning more than the minimum wages would not be eligible for overtime, and the same position should apply under the CoW Rules as well. It may be noted that overtime under the CoW Rules is payable to ‘employees’, whereas overtime under the OSH Rules is payable to ‘workers’, with ‘employee’ being the broader term. Accordingly, while an employee earning in excess of the minimum wages may not be eligible for overtime under the CoW Rules, this would not prevent a worker from claiming overtime under the OSH Rules. It is also important to note that the concept of rounding-off of the time worked for the computation of overtime under the OSH Rules would not be applicable under the CoW Rules.

Practical Impact:

Overtime calculators would need to be reconfigured to compute overtime on the ‘*normal rate of wages*’.

2. *Reduction of the normal working day to 8 (eight) hours:*

Legal Position:

Working hours specified for non-factory establishments under the MW Rules were 9 (nine) hours in a day or 48 (forty-eight) hours in a week (Rule 24). Under the rules framed under the Code on Wages, the normal working day is 8 (eight) hours a day or 48 (forty-eight) hours a week. However, the CoW Rules do not contain a quarterly cap on overtime hours as laid down under the OSH Rules.

Practical Impact:

Shift schedules and rosters built around a 9 (nine)-hour normal working day would need to be restructured; hours worked beyond 8 (eight) hours in a day may now attract overtime.

3. *Clarification in computation of minimum wages:*

Legal Position:

The new rules prescribe a uniform method of calculating minimum wages by reference to the daily rate: the hourly rate is the daily rate divided by 8 (eight), and the monthly rate is the daily rate multiplied by 26 (twenty-six).

Practical Impact:

This standardised conversion removes ambiguity in deriving hourly and monthly minimum wages from notified daily rates and should be embedded in payroll and compliance systems.

4. Proprietor's liability for wages and bonus of contractual employees:

Legal Position:

Where the contractor fails to pay, the company, firm, association or person who is the proprietor of the establishment is liable to pay the wages and bonus to the contractual employees. In the case of the minimum bonus, the obligation is triggered upon written information of such failure being given by the employees or any registered trade union or unions of which the employees are members and on confirming such failure (Rules 11 and 21). Notably, as per the jurisprudence under the erstwhile regime, unlike gratuity (which qualified as 'wages' under the Payment of Wages Act, 1936) the principal employer had no obligation to pay bonus to employees engaged through a contractor, as bonus did not qualify as 'wages'.

Practical Impact:

The financial exposure of the establishment for contractor defaults now extends bonus; contractor agreements should incorporate adequate monitoring, indemnity and recovery mechanisms.

5. Show-cause process for fines and deductions for damage or loss:

Legal Position:

Employers may impose a fine, or make a deduction for damage or loss, only after first issuing a show-cause notice to the employee. The employee is to be provided 7 (seven) days to respond and, in the event of no response from the concerned employee, the incidence of the penalty must be communicated within 15 (fifteen) days of the deduction. Earlier, under the Payment of Wages Act regime, employers were required to give prior intimation to the Inspector before recovering damages or imposing fines.

Practical Impact:

- (a) The compliance burden shifts from an external intimation to an internal due-process requirement; disciplinary and payroll-deduction SOPs should be revised to build in the show-cause notice, the 7 (seven)-day response window and the 15 (fifteen)-day communication timeline.
- (b) Documentation of the show-cause process would be critical to defend any challenge to fines or deductions.

CHAPTER 3: SOCIAL SECURITY (CENTRAL) RULES, 2026

I. EMPLOYEES' STATE INSURANCE:

Enhanced benefits under the ESI framework:

Legal Position:

The CSS Rules effect a series of benefit enhancements: (i) the extended sickness benefit for specified diseases – qualifications and rates otherwise remain substantially unchanged.

Practical Impact:

- (a) The rule-level codification of the extended sickness benefit (maximum 730 (seven hundred and thirty) days) may affect salary administration and leave coordination for long-term sick employees covered under ESI.
- (b) These enhancements increase the attractiveness of ESI coverage for employees, with no direct additional employer contribution.

II. GRATUITY – CHAPTER V OF THE SS RULES:

1. *Requirement of Aadhaar details of the nominee:*

Legal Position:

By way of a proviso to Rule 32(1), the Aadhaar details of the nominee must be provided by the employee at the time of filling the nomination form (Form-III) – a requirement absent under the PG Rules. The timeline for new employees to submit nominations has also been extended from 30 (thirty) days to 90 (ninety) days of completing one year of service in the case of an employee who completes one year of service after the date of commencement of these rules.

Practical Impact:

- (a) Existing nominations may need to be obtained afresh, as Form III requires the Aadhaar details of the nominee. Accordingly, organisations that have already collected nominations under the earlier framework may be required to undertake a fresh nomination exercise to ensure compliance with the prescribed format.
- (b) Non-compliance may render nominations incomplete; employers should issue circulars requiring existing employees to update nominations in Form-III with nominee Aadhaar details, and update nomination workflows to capture and verify such details.

2. *Gratuity for fixed-term employees:*

Legal Position:

A new proviso under Rule 33(1)(a) expressly entitles an employee on fixed-term employment to gratuity upon rendering service for at least one year; any subsequent period in excess of six months (but less than a year) is rounded off to one additional year. While the Industrial Relations Code, 2020 expressly provides for gratuity entitlement in cases involving fixed-term employment of at least one year, no corresponding qualification is prescribed under the Code on Social Security, 2020 itself. This gives rise to an important legal question as to whether the Rules, being subordinate legislation, can validly introduce conditions or qualifications that are not contemplated under the parent statute.

Practical Impact:

Employers relying on fixed-term contracts must factor this entitlement (including the rounding-off provision) into cost provisioning and payroll systems – a material financial consideration for industries with a large fixed-term workforce.

III. BUILDER AND OTHER CONSTRUCTION WORKERS' CESS:

Advance payment of cess on certified self-assessment:

Legal Position:

Cess is now to be paid by the employer in advance, on the basis of self-assessment duly certified by a Chartered Engineer, at the time of approval or before commencement of work (Rule 41(2)(a)). The self-assessment (in Form-XVI) must be based on the uniform rate(s) of construction specified by the State PWD or CPWD or other applicable schedule of rates, or rates as per the return/document submitted to RERA (where applicable), for the year of commencement – replacing the erstwhile method of calculation of 'cost of construction'.

Practical Impact:

- (a) Advance payment at the commencement/approval stage (as against the erstwhile post-completion model) has a cash-flow impact on long-duration projects.
- (b) Chartered Engineer certification is a new mandatory process step and cost; employers can no longer adopt their own cost estimates without reference to the official schedule of rates.

CHAPTER 4: INDUSTRIAL RELATIONS (CENTRAL) RULES, 2026

1. *Works Committee – mandatory representation of women workers:*

Legal Position:

Rule 5(1) to 5(4) retains the basic framework for constitution of the Works Committee – a maximum of 20 (twenty) members, with workers’ representatives not less than the employer’s representatives – but newly mandates adequate representation of women workers, not less than the proportion of women workers to the total workers employed. An electronic platform is permitted for the election process.

Practical Impact:

Existing Works Committees would need to be reconstituted to ensure proportionate representation of women workers; the electronic election option simplifies the constitution process

2. *Recognition of negotiating union/negotiating council – a new Central framework:*

Legal Position:

Rule 9 introduces, for the first time at the Central level, a detailed framework for recognition of a negotiating union, a matter not regulated by the ID Central Rules. The rule specifies the matters for negotiation (grades, wages, hours of work, leave, promotions, transfers, safety and the like) and provides that a single registered trade union with a minimum 30% (thirty percent) membership is to be recognised as the sole negotiating union. Membership verification is conducted by an appointed verification officer through secret ballot, with the voters’ list prepared by the employer on the basis of the muster roll. Recognition is valid for 3 (three) years, extendable up to 5 (five) years by mutual agreement. The employer bears all expenses of the verification and, for establishments with 300 (three hundred) or more workers, must provide facilities to the negotiating union/council including office accommodation.

Practical Impact:

- (a) This creates significant new employer obligations when there is a registered trade union, including obligations relating to funding the verification exercise, preparing voters’ lists from the muster roll, operating a check-off system and providing meeting venues and office accommodation in larger establishments.
- (b) Employers should prepare internal protocols for the secret-ballot verification process and budget for the associated facilities mandate.

3. *Worker Re-skilling Fund – operational timelines:*

Legal Position:

The Worker Re-skilling Fund has now been operationalised with the employer being mandated to transfer an amount equal to 15 (fifteen) days’ last drawn wages of each retrenched worker to the Labour Commissioner’s designated account within 10 (ten) days of retrenchment; the amount is then transferred to the worker’s bank account within 45 (forty-five) days for re-skilling.

Practical Impact:

Retrenchment cost models and exit checklists must build in this contribution, in addition to statutory retrenchment compensation, and the tight 10 (ten)-day remittance timeline.

4. *New model standing orders – manufacturing, mining and services sectors:*

Legal Position:

Model standing orders for industrial establishments in the mining sector, manufacturing sector and the services sector have been notified. Establishments would need to adopt the model standing orders or take steps for certification of their own draft standing orders, as applicable.

Establishments in the mining, manufacturing and services sectors that were not previously required to have standing orders under the erstwhile framework will now need to adopt the relevant model standing orders or obtain certification of their own draft standing orders under the IR Code.

Establishments which have already adopted standing orders or had their own standing orders certified under the erstwhile Industrial Employment (Standing Orders) Act, 1946, will need to review and in the event of an inconsistency, align or modify their existing standing orders with these new model standing orders.

Practical Impact:

The establishments should identify the provisions that require modification and accordingly, review their employment contracts, HR policies, HR manuals and appointment letters for consistency with the newly adopted or revised standing orders, particularly with respect to probation periods, fixed-term employment terms, termination notice periods, subsistence allowance provisions and wage payment timelines.

CHAPTER 5: OCCUPATIONAL SAFETY, HEALTH AND WORKING CONDITIONS (CENTRAL) RULES, 2026

I. CROSS-CUTTING REQUIREMENTS NEWLY ADDRESSED UNDER THE OSH RULES:

Certain compliances were not covered under the erstwhile rules (such as the Mines Rules, 1955 and the rules applicable to building and other construction work) and have now been specifically addressed under the new framework, applying uniformly across establishments.

1. *Appointment Letters:*

Legal Position:

As per Rule 6 of the OSH Rules, every employer must issue appointment letters in a standardised statutory format, capturing specific details including the ‘type of employment’ (Regular, Fixed-term, Contractual), category of skill and the Universal Account Number (UAN).

Practical Impact:

All existing HR onboarding templates and contractor agreements should be updated to include the details sought in the prescribed format.

2. *Facilities to women for night-shift and overtime work:*

Legal Position:

Rule 83 of the OSH Rules mandates that women employed during night shifts must be provided with pick-up and drop-off transportation to and from their residence; well-lit passages throughout the workplace; toilet, washroom and drinking water facilities in proximity to the workplace; and display of dedicated helpline/telephone numbers at conspicuous places in the establishment and inside transport vehicles.

Practical Impact:

Employers deploying women on night shifts must audit existing transport arrangements, workplace lighting, washroom proximity and emergency contact displays and remedy any deficiencies before deploying women on night shifts.

3. *Overtime computation and rounding:*

Legal Position:

Working beyond 48 (forty-eight) hours a week triggers overtime payable at twice the regular wage rate. A new rounding-off rule provides that a fraction of an hour between 15 (fifteen) and 30 (thirty) minutes is counted as 30 (thirty) minutes, and any time beyond 30 (thirty) minutes is rounded off and counted as 1 (one) hour. This rounding-off rule applies to ‘workers’ under the OSH Rules and does not apply to ‘employees’ for the purpose of overtime computation under the CoW Rules.

Practical Impact:

Payroll and time-tracking systems for workers must be updated to apply the new rounding-off rule when computing overtime; rosters and shift-schedule SOPs should be revised to capture and record partial-hour working accurately.

4. **Constitution of the Safety Committee:**

Legal Position:

The Safety Committee, to be constituted by establishments employing 500 (five hundred) or more workers, is capped at 20 (twenty) members, with an equal number of members representing the employer and the workers, representation of women workers proportionate to the number of women workers employed, and an option to deploy an electronic process for choosing worker representatives.

Practical Impact:

Existing Safety Committees must be reconstituted to satisfy the 20 (twenty)-member cap, employer-worker parity and proportionate women’s representation requirements.

II. **MINES – KEY CHANGES VIS-À-VIS THE MINES RULES, 1955:**

1. **Safety organisation – Safety Officers and the Safety Committee:**

Legal Position:

Rule 20 mandates the appointment of a Safety Officer at every mine ordinarily employing 100 (one hundred) or more workers – one safety officer for up to 500 (five hundred) workers, and an additional safety officer for every additional 500 (five hundred) workers or part thereof. Under the erstwhile framework, the safety officer was treated as a role within the safety committee and was not mandatory. The Safety Committee itself must be restructured to meet the 20 (twenty)-member cap, employer-worker parity and mandatory representation of women workers (Rule 16(1)).

Practical Impact:

Mines crossing the 100 (one hundred)-worker threshold must create dedicated Safety Officer positions scaled to headcount, and reconstitute Safety Committees to satisfy the cap, parity and women’s representation requirements.

2. **Recalibrated welfare thresholds:**

Legal Position:

The applicability thresholds for key welfare facilities have been recalibrated as summarised below:

Facility	Erstwhile framework (Mines Rules, 1955 / Mines Act, 1952)	OSH Rules, 2026
Canteen	Required where 250 (two hundred and fifty) or more persons were employed. A Canteen Managing Committee had to include directly elected worker representatives with a fixed two-year term. (Rules 64–69)	Required where 100 (one hundred) or more workers (including contract labour) are employed. A common canteen near the establishment is allowed. Separate dining areas and service counters must be provided for women and persons with disabilities. Worker representatives are nominated by the negotiating union/council,

Facility	Erstwhile framework (Mines Rules, 1955 / Mines Act, 1952)	OSH Rules, 2026
		with one-third of them rotated every two years (Rule 53).
First-aid training	No such provision on minimum number of workers to be trained in first aid and training of woman worker	Minimum 33% (thirty-three percent) of the workers to be trained in first-aid; at least one woman worker to be trained where women are employed; refresher training every three years (Rule 54(iv))
Ambulance room	Required where more than 150 (one hundred and fifty) persons were employed. (Rule 43)	Required only where more than 500 (five hundred) workers are ordinarily employed. (Rule 55)
Welfare Officer	Required where 500 (five hundred) or more persons were employed. One Welfare Officer was required for 500 (five hundred)–2,000 (two thousand) persons, with additional officers thereafter. (Rule 72)	Required where 250 (two hundred and fifty) or more workers are employed. An additional Welfare Officer is required for every additional 500 (five hundred) workers. Women Welfare Officers must be appointed in proportion to the number of women workers, with an additional woman Welfare Officer where the female workforce exceeds 100 (Rule 57).

Practical Impact:

- (a) The reduction of the canteen threshold from 250 (two hundred and fifty) to 100 (one hundred) workers will require a significant number of mid-sized mining operations to construct and operate canteens for the first time, and existing canteens must be modified for inclusive seating and washing infrastructure; committee protocols must be revised for union nomination and staggered rotation.
- (b) The escalation from no prescribed minimum to a 33% (thirty-three percent) trained-workforce mandate represents a substantial increase in training obligations, with a recurring three-yearly refresher cycle.
- (c) The lowering of the Welfare Officer threshold to 250 (two hundred and fifty) workers expands welfare infrastructure obligations for mid-sized mines, while the ambulance room threshold is relaxed to 500 (five hundred) workers.

3. New workplace standards – hazard signage, waste, seating, changing rooms and protective gear:

Legal Position:

The OSH Rules introduce several requirements not defined under the erstwhile framework: design and use of bilingual/local language signage indicating overcrowding hazards and maximum capacity, with physical separation of vehicle and pedestrian pathways using distinctive colours (Rule 45); proper arrangements for the discharge and effective treatment of liquid effluents, gaseous emissions and solid waste, with risk-assessed PPE provided free of charge and safety training for employees handling waste (Rule 48); separate changing rooms for all male, female, transgender and persons-with-disabilities employees (Rule 51), reasonable sitting

arrangements for employees obliged to work standing (Rule 52); and provision of anti-skid footwear and other protective gear free of expense to employees (Rule 26).

Practical Impact:

These additions require fresh spatial risk assessments, capital expenditure on signage, waste treatment, seating and changing-room infrastructure, and recurring PPE costs – integrating environmental hazard control directly into occupational safety protocols.

4. Inclusive welfare facilities:

Legal Position:

Whereas the erstwhile Rule 33 mandated surface latrines and urinals separately only for males and females, the OSH Rules require separate, clearly designated washrooms and urinals for transgender persons and persons with disabilities (Rule 47), separate private bathing cubicles for transgender persons and structurally adapted washing areas for persons with disabilities (Rules 49 and 50), and separate changing spaces or secure locker rooms for transgender persons with barrier-free, universally accessible locker pathways and heights (Rule 50).

Practical Impact:

Employers should audit existing welfare facilities and construct or designate dedicated washrooms, bathing cubicles and lockers to ensure inclusivity compliance.

5. Annual medical examinations and parity for contract labour:

Legal Position:

Rule 60 requires a medical examination of every employee employed or to be employed in a mine, including contract labour, before commencement of employment and subsequently every year – as against the erstwhile initial medical examination and periodic examination once every five years (Rule 29B of the Mines Rules, 1955). Rules 60(i) and (ii) specifically mandate that contract workers be provided medical facilities on par with regular workers, including pre-employment and annual medical examinations. Rule 61 further provides that where residential facilities are provided by the mine employer, they must include accommodation for contract workers and be situated at a safe distance from active working areas such as pits, shafts and dump yards.

Practical Impact:

- (a) The shift from five-yearly to annual examinations, extended to the entire contractual workforce, materially increases occupational-health costs and administration; contractual clauses should require contractors to furnish up-to-date annual medical certificates before workers enter active mining zones.
- (b) Existing mine housing and townships should be evaluated to factor in the contractual workforce where accommodation is provided.

6. Deployment of women in mines:

Legal Position:

Section 46 of the Mines Act, 1952 strictly prohibited the employment of women below ground and restricted above-ground employment to between 6:00 A.M. and 7:00 P.M. Rule 83 now permits women to work during night hours and in below-ground mining operations, subject to conditions:

in below-ground mines, not less than three women employees must be on duty at any place; written consent of the female employee is required; and the employer must provide adequate residence pick-up and drop-off transportation, well-lit passages to facilities and CCTV surveillance on the way to restrooms and drinking water stations.

Practical Impact:

Night and underground deployment of women is legalised, expanding the available workforce, but is contingent on significant security and logistical investments – consent documentation, transport arrangements, lighting and surveillance infrastructure.

7. Annual medical examinations and parity for contract labour:

Legal Position:

Rule 59 explicitly mandates the quarterly conduct of mock drills by the employer to check emergency preparedness – there was no specific statutory mandate for periodic mock drills earlier.

Practical Impact:

Employers should institute a quarterly mock-drill calendar across all mine sites and maintain verifiable records and reports of the drills.

III. BUILDING AND OTHER CONSTRUCTION WORK – KEY CHANGES

Legal Position:

In relation to establishments where building and other construction workers are employed, the OSH Rules introduce the following key changes vis-à-vis the erstwhile framework, as summarized below:

Facility / Subject	Erstwhile framework (BOCW (Central) Rules, 1998)	OSH Rules, 2026
Medical examination for workers aged 40 (forty) years and above	No such provision.	The employer must conduct, free of cost, a medical examination by a qualified medical practitioner for employees who have completed 40 (forty) years of age, with the certificate to be provided in the prescribed form (Rule 5(1)).
Latrines, washing facilities, bathing places, lockers and changing rooms	Latrines were required separately only for male and female workers; washing facilities for transgender employees and persons with disabilities were not specified.	Latrines must now also be provided for transgender employees; suitable and sufficient washing facilities at easily accessible places must be provided for transgender employees and persons with disabilities; separate and sufficient bathing places and locker facilities, with regular and adequate water supply including soap and towels,

Facility / Subject	Erstwhile framework (BOCW (Central) Rules, 1998)	OSH Rules, 2026
		must be provided separately for male, female, transgender and persons-with-disabilities employees; and separate installations for keeping and drying clothes not worn during working hours, along with separate changing rooms, must be provided for all such categories (Rules 47, 49, 50 and 51).
Canteen	Required where 250 (two hundred and fifty) or more workers were ordinarily employed (erstwhile Rule 244).	Required where 100 (one hundred) or more workers, including contract labour, are employed (Rule 53).
First-aid	No requirement for first-aid training.	Where there are more than 200 (two hundred) employees, the number of first-aid boxes must increase; first-aid training to 33% of the workers is required (Rules 54(ii) and 54(iv)).
Ambulance room	Required even where 500 (five hundred) or fewer workers were employed at the construction site (erstwhile Rule 226), there needed to be an ambulance room or an arrangement with a nearby hospital. There was an additional requirement of an ambulance van as well (Rule 227).	Required only where 500 (five hundred) or more workers are ordinarily employed by the employer (Rule 55).
Crèche	Section 35 of the Building and Other Construction Workers (BOCW) Act, 1996 (“ BOCW Act ”) provides that crèche facilities are required where more than 50 (fifty) <u>female</u> building workers are ordinarily employed.	Required where more than 50 (fifty) workers are ordinarily employed (Rule 58).
Mock drills	No specific statutory mandate for periodic mock drills.	Mock drills to check emergency preparedness must be conducted quarterly for building and construction sites as well (Rule 59).
Temporary living accommodation	Section 34 of the BOCW Act provides that the	Suitable temporary living accommodation free of charge is

Facility / Subject	Erstwhile framework (BOCW (Central) Rules, 1998)	OSH Rules, 2026
	<p>employer shall provide temporary living accommodation to all building workers employed by him for such period. No specific provision to pay for the contractor for such expenses.</p>	<p>required to be made available for <u>workers at construction sites remote from their homes where adequate transportation is not available</u>; where the work is done through a contractor, the principal employer must pay the contractor the expenses incurred on providing such accommodation (Rule 62).</p>

Practical Impact:

- (a) Construction employers face an expanded welfare capex profile – canteens at the 100 (one hundred)-worker threshold, crèches at 50 (fifty) workers, inclusive sanitation and locker infrastructure, and remote-site accommodation funded ultimately by the principal employer – partially offset by the relaxation of the ambulance room requirement.
- (b) Occupational-health processes must provide for the 40+ medical examination and the enhanced first-aid infrastructure and training.

IV. CONTRACT LABOUR – KEY CHANGES:

1. Welfare responsibility shifted to the principal employer:

Legal Position:

Under Rule 76(iii) of the OSH Rules, the primary responsibility for providing welfare facilities to contract labour working at the premises of the principal employer – toilets, washrooms, drinking water, bathing facilities (where required), changing rooms, first-aid boxes, canteen and crèche has shifted from the contractor to the principal employer. Earlier, the liability of the principal employer was limited to cases where the amenities were not provided by the contractor, and in such cases, all expenses incurred by the principal employer may be recovered from the contractor.

The canteen requirement, triggered by 100 (one hundred) or more contract labour, is now triggered under Rule 53(i) where 100 (one hundred) or more workers, including contract labour, are ordinarily employed in the organisation.

Practical Impact:

Principal employers must directly provide and maintain these facilities and re-negotiate commercial terms with contractors accordingly; headcount for the canteen trigger must now aggregate direct and contract workers.

2. Single pan-India contractor licence:

Legal Position:

Under Rule 78, a single licence is now required by a contractor even if it operates in more than one State or for the whole of India, obtained by applying electronically on the Shram Suvidha

Portal. Notably, this would only apply to contractors for the establishments for which "appropriate government" is the Central Government.

Practical Impact:

Multi-State contractors benefit from a substantially simplified, single-window licensing process.

3. *Principal employer's liability for timely wage payment:*

Legal Position:

Rule 98(8) specifies the timeline of 15 (fifteen) days within which the principal employer is required to pay the wages to the contract labour upon failure of the contractor to do so within 7 (seven) days of completion of the wage period.

The principal employer is now additionally entitled to recover any amounts paid on behalf of the contractor to contract workers also by appropriating the same from the security deposit lying with the principal employer.

Practical Impact:

Principal employers will need to monitor contractors' wage payments closely and be prepared to step in within the prescribed timelines, while also ensuring that their contracts and security deposits are structured to allow swift recovery of any such amounts paid to contract labour.

4. *Grievance redressal committee for contract labour:*

Legal Position:

Rule 184 newly requires the constitution of a grievance redressal committee by the principal employer, which must dispose of grievances of contract labour relating to health, working conditions and wages within a period of 30 (thirty) days. In the event such grievance is not redressed within such 30 (thirty) day timeline, principal employer shall forward the grievance electronically to the concerned inspector-cum-facilitator.

Practical Impact:

A duly constituted and documented grievance redressal committee must be put in place by the principal employer, along with a mechanism to monitor and record disposal timelines, and to ensure that any grievance not resolved within 30 (thirty) days is promptly escalated to the inspector-cum-facilitator.

CHAPTER 6: CHANGES AND ACTION POINTS FOR EMPLOYERS

Based on the changes discussed above, employers should treat the notification of the New Labour Rules as an opportunity to modernise their compliance architecture. The key structural themes underlying the New Labour Rules, together with the practical steps that employers should take, are summarised below:

Focus Area	Key Changes and Action Points for Employers
Digital-first compliance	Compliance has moved decisively online: registrations, returns, nominations, applications, notices and even service of summons may now be effected electronically, with most of the Labour Rules expressly recognising e-mail, uploads on the designated portal and digital payments. Employers should onboard the Shram Suvidha and other designated portals for registrations, register their official e-mail addresses, and actively monitor electronic channels for notices, summons and directions.
Consolidated forms, registers and returns	Multiple legacy forms have been merged into fewer unified formats – for example, three gratuity nomination forms are now a single Form-III, and a single Unified Annual Return replaces multiple enactment-specific returns. Employers should replace all legacy forms with the new forms prescribed under the New Labour Rules (such as gratuity Forms III to IX, cess Forms XV to XIX and the standardised appointment letter format), and update all notices, and SOPs.
Aadhaar-linked benefits and gratuity administration	Employers should: (i) issue circulars requiring all existing employees to update their gratuity nominations in Form-III with the Aadhaar details of nominees, and update nomination workflows to capture and verify such details for new employees; and (ii) provision for fixed-term employee gratuity in payroll and cost models, including the rounding-off rule (service of one year plus any period exceeding six months rounded up to one full year).
Standing orders and industrial relations	Employers having existing standing orders should review and in the event of an inconsistency, modify their existing standing orders with the new model standing orders. The establishments not previously required to have standing orders will need to adopt the relevant model standing orders or obtain certification of their own draft standing orders. Works Committees should be reconstituted to ensure proportionate representation of women workers, internal protocols should be prepared for negotiating union verification (voters' lists, expenses and facilities), and the Worker Re-skilling Fund remittance (within 10 (ten) days of retrenchment) should be built into retrenchment checklists.
Inclusive welfare infrastructure	The welfare infrastructure must now cater separately to transgender persons and persons with disabilities. Employers should audit canteens, crèches, washrooms, lockers, lighting, signage and seating against the recalibrated thresholds and inclusivity mandates, appoint Safety Officers and Welfare Officers in line with the revised headcount triggers, institute the 33% (thirty-three percent) first-aid training and quarterly mock-drill calendars, and implement annual medical examinations, including for contract labour.
Women's workforce participation	The conditions for night work and below-ground mining work by women have now been prescribed, proportionate representation of women

Focus Area	Key Changes and Action Points for Employers
	<p>mandated on Works Committees, Safety Committees and amongst welfare officers and first-aiders are also mandated. Employers should implement written-consent protocols for night work and ensure prescribed safeguards are complied with, in the case of mines, put in place the minimum of 3 (three) women employees for below-ground deployment together with the transport, lighting and CCTV safeguards.</p>
<p>Contractor compliance</p>	<p>Principal employers should incorporate indemnity and recovery mechanisms in the contractor agreements for payment of wages and bonus.</p> <p>It should also verify the single pan-India contractor licences, monitor contractor wage payment within 7 (seven) days of the wage period (bearing in mind the principal employer’s 15 (fifteen)-day backstop), constitute the grievance redressal committee with its 30 (thirty)-day disposal discipline, and re-paper contractor agreements to reflect the shifted welfare responsibilities.</p>
<p>Payroll and HR systems</p>	<p>Payroll and HR systems should be reconfigured for the 8 (eight)-hour normal working day for both employees and workers, calculation of overtime at twice the normal rate of the new wages for employees, and the implementation of the rounding rules for the workers along with the quarterly cap , and implementation of the show-cause process for fines and deductions.</p>
<p>Training</p>	<p>HR, payroll, EHS, legal, finance and plant teams should be trained on the New Labour Rules, the revised forms and the digital compliance obligations.</p>

HOW CAN WE HELP

The new Labour Rules have been notified, and compliance timelines are now active. Our firm can support you across the following areas:

Service Area	Scope
Compliance gap assessment	Entity-wise mapping of obligations under the New Labour Rules against current practices; prioritised remediation roadmaps across wages, social security, IR and OSH compliances.
Policy and document updates	HR policies, employment contracts, appointment letter formats, standing orders adoption/certification, nomination and gratuity process documents, and contractor agreements.
Gratuity and social security transition	Form migration (Forms III to IX), nominee Aadhaar drives, fixed-term gratuity provisioning, Unified Annual Return readiness and representation before the competent and appellate authorities.
Construction process advisory	Advance self-assessment workflows, Chartered Engineer certification coordination, assessment and refund support, and appeals (including pre-deposit waiver applications).
Contractor compliance	Contractor licensing verification, wage-payment monitoring frameworks, welfare facility transition planning and principal employer liability reviews.
Training and workshops	Customised sessions for HR, payroll, legal, finance, EHS and plant teams on the new compliance requirements under the New Labour Rules.

ANNEXURE A: ERSTWHILE RULES REPEALED

Code on Wages (Central) Rules, 2026	Social Security (Central) Rules, 2026	Industrial Relations (Central) Rules, 2026	Occupational Safety, Health and Working Conditions (Central) Rules, 2026
<ul style="list-style-type: none"> ➤ the Payment of Wages (Procedure) Rules, 1937; ➤ the Payment of Wages (Railways) Rules, 1938; ➤ the Minimum Wages (Central) Rules, 1950; (“MW Rules”) ➤ the Payment of Wages (Mines) Rules, 1956; ➤ the Payment of Wages (Procedure) Application to Scheduled employments Rules, 1962; ➤ the Payment of Wages (Manner of Recovery of excess Deductions) Rules, 1966; ➤ the Payment of Wages (Air Transport Services) Rules, 1968; ➤ the Payment of Wages (Deductions for National Defence Fund and Defence Savings Scheme) Rules, 1972; ➤ the Payment of Bonus Rules, 1975; ➤ the Equal Remuneration Rules, 1976; ➤ the Payment of Undisbursed Wages (Air Transport Services) Rules, 1988; ➤ the Payment of Undisbursed Wages (Mines) Rules, 1989; ➤ the Central Advisory Committee on Equal Remuneration Rules, 1991; ➤ the Payment of Wages (Nomination) Rules, 2009; ➤ the Minimum Wages (Central Advisory Board) Rules, 2011; 	<ul style="list-style-type: none"> ➤ Employee’s Compensation Rules, 1924; ➤ Employee’s Compensation (Transfer of Money) Rules, 1935; ➤ Employees’ State Insurance (Central) Rules, 1950; ➤ Employment Exchanges (Compulsory Notification of Vacancies) Rules, 1960; ➤ Maternity Benefit (Mines and Circus) Rules, 1963; ➤ Payment of Gratuity (Central) Rules, 1972 (“PG Rules”); ➤ Cine-Workers Welfare Fund Rules, 1984; ➤ Employee’s Compensation (Venue of Proceedings) Rules, 1996; ➤ Tribunal (Procedure) Rules, 1997; ➤ Employees’ Provident Funds Appellate Tribunal (Conditions of Service) Rules, 1997; ➤ Building and Other 	<ul style="list-style-type: none"> ➤ Industrial Disputes (Central) Rules, 1957, in so far as they relate to Part II and Parts V to VIII; (“ID Central Rules”) and ➤ the Industrial Employment (Standing Orders) Central Rules, 1946 	<ul style="list-style-type: none"> ➤ Dock Workers (Safety, Health and Welfare) Rules, 1990; ➤ Building and Other Construction Workers (Regulation of Employment and Condition of Services) (Central) Rules, 1998; ➤ Mines Rules, 1955; ➤ Mines Rescue Rules, 1985; ➤ Mines Vocational Training Rules, 1966; ➤ Pithead Bath Rules, 1959; ➤ Mines Crèche Rules, 1966; ➤ Contract Labour (Regulation and Abolition) Central Rules, 1971; ➤ Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Central Rules, 1979. ➤ Working Journalists (Conditions of Service) and Miscellaneous Provisions Rules, 1957; ➤ Cine-Workers and Cinema Theatre Workers (Regulation of Employment) Rules, 1984;

Code on Wages (Central) Rules, 2026	Social Security (Central) Rules, 2026	Industrial Relations (Central) Rules, 2026	Occupational Safety, Health and Working Conditions (Central) Rules, 2026
<ul style="list-style-type: none"> ➤ the Code on Wages (Central Advisory Board) Rules, 2021; ➤ the Ease of Compliance to Maintain Register under Equal Remuneration Act, 1976 (25 of 1976), Minimum Wages Act, 1948 (11 of 1948) and the Payment of Wages Act, 1936 (4 of 1936), 	<ul style="list-style-type: none"> Construction Workers' Welfare Cess Rules, 1998 ("Cess Rules"); and ➤ Unorganised Workers' Social Security Rules, 2009; 		<ul style="list-style-type: none"> ➤ Sales Promotion Employees (Conditions of Service) Rules, 1976; ➤ Ease of Compliance to Maintain Register under various Labour Laws Rules, 2017 to the extent these rules are made in exercise of the powers conferred by section 62 of the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996 (27 of 1996); section 35 of the Contract Labour (Regulation and Abolition) Act, 1970 (37 of 1970); section 35 of the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 (30 of 1979); section 58 read with section 59 of the Mines Act, 1952 (35 of 1952); section 12 of the Sales Promotion Employees (Conditions of Service) Act, 1976 (11 of 1976); section 20 of the Working Journalists and

Code on Wages (Central) Rules, 2026	Social Security (Central) Rules, 2026	Industrial Relations (Central) Rules, 2026	Occupational Safety, Health and Working Conditions (Central) Rules, 2026
			<p>Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 (45 of 1955) and applicable accordingly;</p> <ul style="list-style-type: none"> ➤ Working Journalist (Fixation of Rates of Wages) Rules, 1958; and ➤ Working Journalists and Other Newspaper Employees Tribunal Rules, 1979

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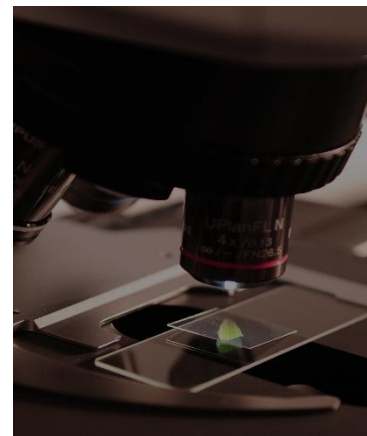
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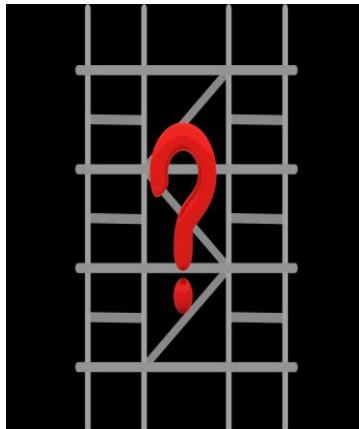
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