RICAGO
RE-DEFINE TOMORROW

JANUARY- 2026

RICK

REGULATORY INSIGHTS & COMPLIANCE KNOWLEDGE

DPDP ACT

Understanding India's DPDP framework and what it means for organisations

LABOUR CODES

From multiple laws to four codes—what changes for organisations

Case Summaries

Compliance Articles

Regulatory Information

250+

Regulatory updates of December

MONTHLY NEWSLETTER BY
RICAGO

Inside This Edition

CEO Speak

ADAPTING TO THE NEW COMPLIANCE LANDSCAPE

As we step into a new year, organisations across India find themselves at a defining moment. The regulatory landscape in India is evolving faster than ever, with two major developments reshaping corporate governance: the Digital Personal Data Protection (DPDP) Rules 2025 and the long-awaited Labour Codes. Together, they mark some of the most significant shifts in recent years, raising expectations around how organizations manage data, people, processes, and governance.

As businesses expand their digital and workforce footprints, staying compliant has become increasingly challenging. DPDP introduces a new era of data accountability, while the Labour Codes demand disciplined documentation and transparent HR practices—requirements far too complex for manual processes. Spreadsheets and scattered communication simply cannot meet the clarity and evidence regulators expect today.

In just the last two months (November and December), there were 600+ regulatory updates—more than 10 updates every day.

Over the past few months, we have also seen a steady surge in regulatory activity across sectors—from financial services and environmental norms to digital governance and sweeping workforce reforms—making compliance an ongoing operational priority. The Labour Codes, in particular, bring structural changes to wages, social security, industrial relations, and occupational safety, all of which require careful interpretation and expert guidance for seamless adoption.

Technology has become the foundation of modern compliance, enabling accuracy, consistency, and trust.

Amid this evolving environment, the need for a reliable compliance partner has never been greater. Organizations require not just tools, but expertise that can simplify complexity and bring clarity to decision-making.

At Ricago, we see every regulation as an opportunity to strengthen governance. With the right tools and expert support, compliance becomes a strategic advantage. Our platform keeps businesses informed and prepared, while our specialist team ensures smooth, confident implementation of Labour Codes and other regulatory requirements.

Wishing all our stakeholders a year of resilience, responsible growth, and success. This issue brings key updates and expert insights to help you stay ahead of regulatory change and strengthen compliance.

DIGITAL PERSONAL DATA PROTECTION (DPDP) RULES, 2025:

A Simple and Complete Guide

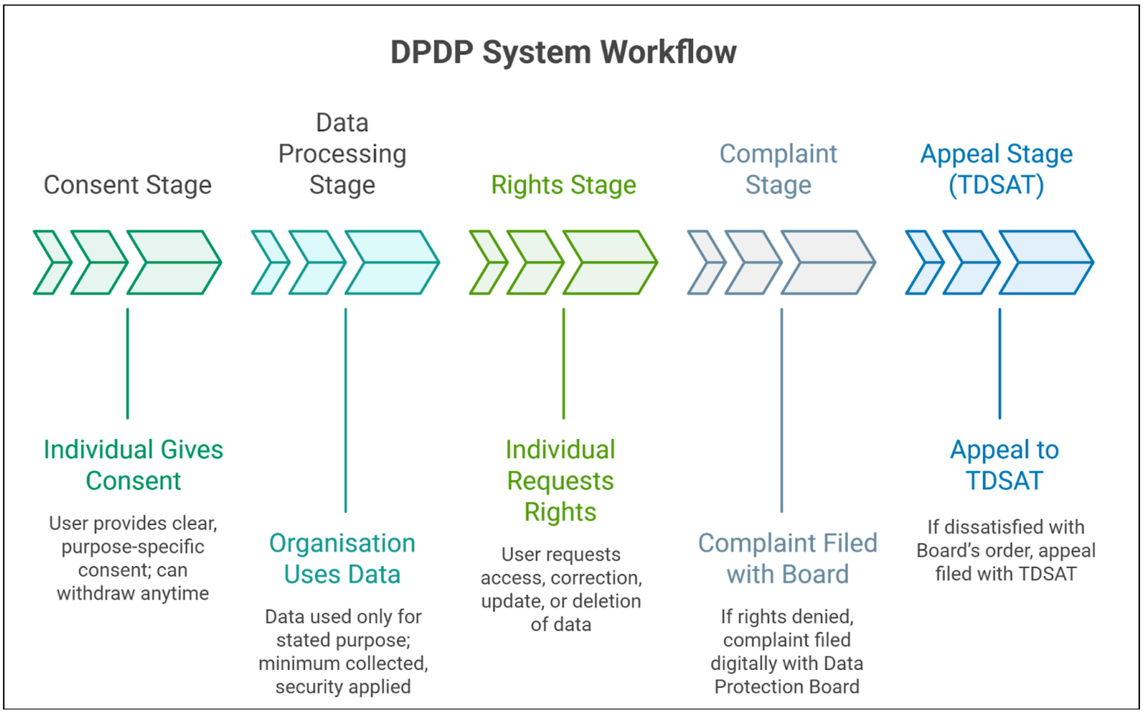
India's digital growth has brought incredible opportunities but also major concerns about how personal data is collected, stored, shared, and sometimes misused. To give citizens strong control over their digital information, the government introduced the Digital Personal Data Protection (DPDP) Act, 2023.

Now, with the DPDP Rules, 2025, the entire framework becomes fully operational. These Rules explain HOW the Act will work in practical terms. Together, they create a transparent, secure, and citizen-friendly system for handling personal data.

What Are the DPDP Rules, 2025?

The DPDP Rules are detailed instructions that operationalise the Act. They translate the law into day-to-day obligations for organisations, government departments, apps, websites and any entity that uses personal data.

- Give individuals better control over their information
- Ensure companies use data responsibly
- Reduce digital harms
- Support safe innovation in India's growing digital economy



Key Features of DPDP Rules, 2025

18-Month Compliance Window

Organisations get a realistic 18-month period to update their systems, revise consent forms, improve security, and train staff.

Clear and Purpose-Specific Consent

Data Fiduciaries (organisations handling data) must provide:

- Simple language
- Specific purpose
- Easy withdrawal option
- Contact details for assistance

All Consent Managers must be India-registered companies, ensuring local accountability.

Immediate Data Breach Alerts

If a breach occurs:

- Individuals must be informed quickly
- The communication must be in plain language
- The notice must mention the impact, steps taken, and helpdesk information

Transparency Requirements

Every organisation must display:

- Email/contact of the Data Protection Officer (DPO) or grievance officer
- How individuals can raise concerns

Strict Obligations for Significant Data Fiduciaries

These include:

- Independent audits
- Data Protection Impact Assessments
- Stricter security controls

Following government directions on sensitive data storage

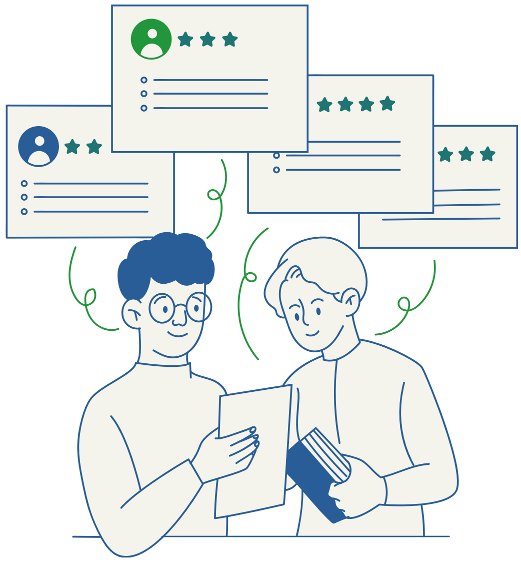
Fully Digital Data Protection Board The Data Protection Board (DPB):

- Works completely online
- Allows filing and tracking of complaints through a portal/app
- Has four members
- Issue digital orders

Appeals go to the Telecom Disputes Settlement and Appellate Tribunal (TDSAT).

Rights of Citizens Under the DPDP Framework

Citizens (called Data Principals) now enjoy strong rights:



- Right to give or refuse consent
- Right to know how their data is used
- Right to access their personal data
- Right to correct wrong or incomplete information
- Right to update changes (address, phone number etc.)
- Right to erase personal data (in approved situations)
- Right to nominate someone to act on their behalf
- Mandatory 90-day response time for all requests
- Right to be informed about data breaches

Children receive extra protection through verifiable parental or guardian consent.

Responsibilities of Companies and Organisations

- Use data only for clear, lawful, and specific purposes
- Collect minimum data
- Keep data accurate
- Delete data when it is no longer needed
- Provide user-friendly consent options
- Maintain strong cybersecurity safeguards
- Enable fast response to data access/correction requests

Penalties for Violations

- The DPDP Act allows significant financial penalties:
- Up to ₹250 crore for weak security or failing to prevent a breach
- Up to ₹200 crore for failing to report breaches or violating child-related rules
- Up to ₹150 crore for Breach of obligations by Significant Data Fiduciary (SDF)
- Up to ₹50 crore for other general violations

DPDP and RTI Act: Balancing Privacy & Transparency

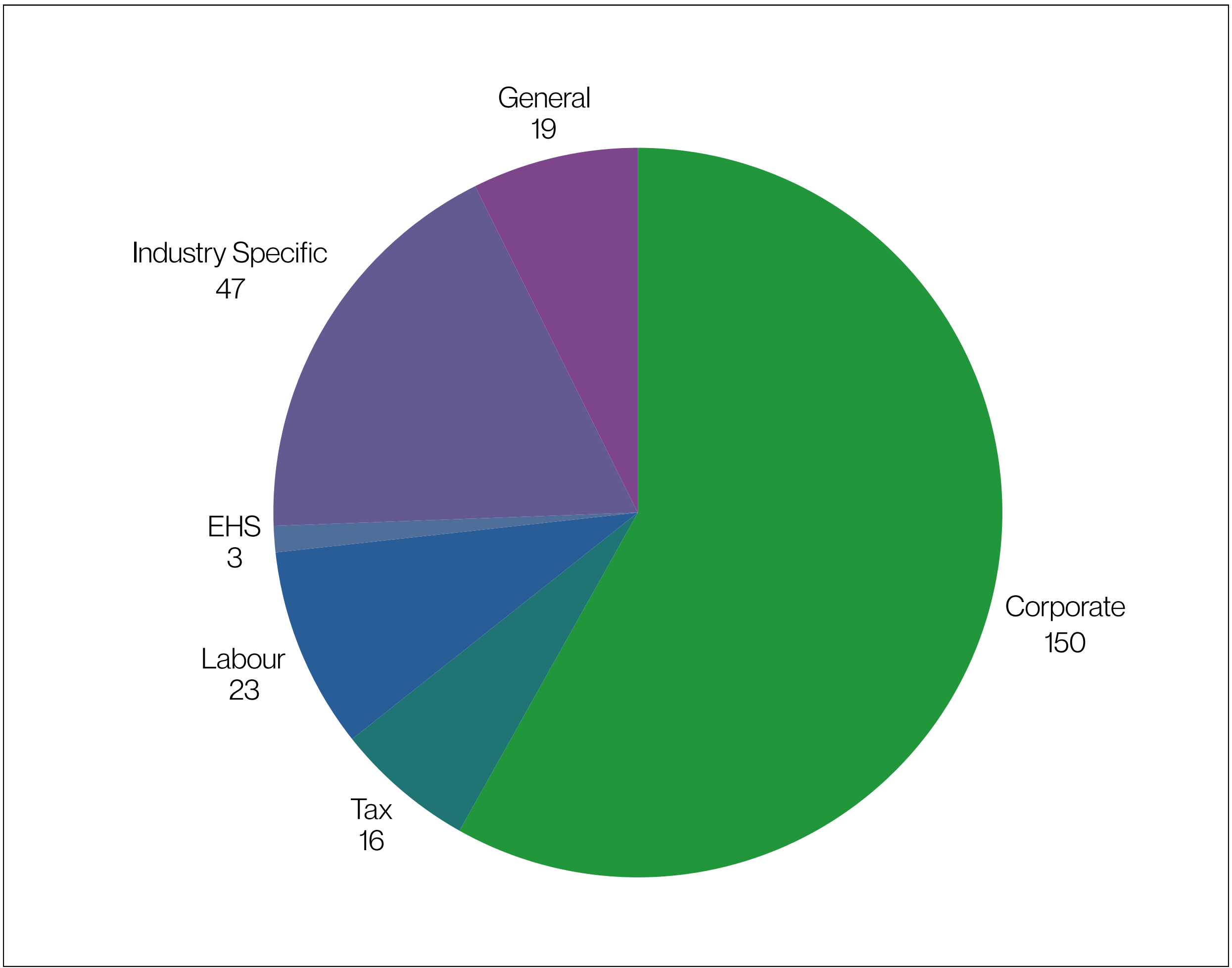
The DPDP law amends Section 8(1)(j) of the RTI Act to protect privacy.

However, Section 8(2) still allows disclosure when public interest outweighs privacy harm.

- Privacy is protected
- Government transparency continues
- RTI's purpose remains intact
- No conflict between the two laws

The DPDP Act, 2023, and DPDP Rules, 202,5, together form a modern, practical, and citizen-focused data protection system. They give people control over their digital identity, raise accountability for companies, and promote a safe innovation ecosystem.

Regulatory Updates Summary
December - 2025



Regulatory Activity Was Largely Concentrated Around Corporate and Sectoral Frameworks

Most regulatory activity focused on corporate governance and sector-specific rules, requiring organisations to adapt compliance structures and reporting expectations more than day-to-day operational processes.

Labour and Taxation Domains Received Moderate but Significant Updates

Labour law and taxation (including GST) updates formed a notable share of changes and had a direct operational impact on HR compliance, payroll processes, statutory filings, and tax-related controls.

Central Government Was the Major Source of Changes

Most notifications were issued by Central authorities, reflecting a continued push toward uniform, nationwide compliance requirements and centralised regulatory oversight, while state-level updates remained limited and sporadic.

Regulatory Updates >>

KEY UPDATES - SUMMARY

SEBI Merchant Bankers Amendment Regulations, 2025

The Securities and Exchange Board of India has notified amendments to the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, exercising its powers under Section 30 of the SEBI Act, 1992 with prior approval of the Central Government.

The amendment updates the regulatory framework governing merchant bankers, reinforcing SEBI's oversight on registration, compliance standards, and regulatory obligations applicable to intermediaries engaged in issue management and advisory services. The revised regulations aim to strengthen market integrity, improve regulatory clarity, and ensure merchant bankers operate in alignment with evolving capital market practices.

Draft Industrial Relations (Central) Rules, 2025

The Ministry of Labour and Employment has released the draft Industrial Relations (Central) Rules, 2025 to operationalise the Industrial Relations Code, 2020. These draft rules propose to replace the Industrial Disputes (Central) Rules, 1957 and the Industrial Employment (Standing Orders) Central Rules, 1946.

The framework consolidates provisions relating to trade unions, standing orders, dispute resolution mechanisms, strikes, and layoffs under a single code-based structure. Stakeholders have been invited to submit comments before the rules are finalised, signalling progress toward full implementation of labour code reforms.

Draft Industrial Relations (Central) Rules, 2025

The Employees' Provident Fund Organisation has issued a clarification circular regarding the processing of claims under Para 22(3) of the Employees' Deposit Linked Insurance Scheme, 1976. The circular explains how weekends and closed holidays should be treated while computing continuous service for determining eligibility of EDLI benefits. This clarification follows earlier amendments made in 2021 and 2025 to rationalise minimum assurance benefits and address interpretational challenges. The circular provides operational clarity for field offices and ensures uniform handling of EDLI claims.

Draft Surrogacy (Regulation) Amendment Rules, 2025

The Ministry of Health and Family Welfare has published the draft Surrogacy (Regulation) Amendment Rules, 2025 under the Surrogacy (Regulation) Act, 2021. The draft proposes modifications to existing procedural and regulatory requirements governing surrogacy arrangements, registration of clinics, and eligibility conditions.

The government has invited public comments within thirty days before finalising the amendments. The initiative reflects an ongoing effort to fine-tune the regulatory framework balancing ethical safeguards with practical implementation.

RBI Master Direction on Rupee Interest Rate Derivatives, 2025

The Reserve Bank of India has issued the Rupee Interest Rate Derivatives Directions, 2025, consolidating and updating the regulatory framework governing interest rate derivative instruments in India. Issued under Section 45W of the RBI Act, 1934, the Directions set out eligibility norms, product structures, risk management requirements, and reporting obligations for market participants. The framework aims to deepen the derivatives market while ensuring prudent risk controls and regulatory oversight.

Bill on Protection of Healthcare Workers and Medical Establishments, 2025

The Central Government has introduced the Protection of Healthcare Workers and Medical Establishment from Violence Bill, 2025, aimed at addressing rising incidents of violence against healthcare professionals. The Bill applies to all medical establishments registered under the Clinical Establishments Act, 2010 or corresponding State laws.

It proposes penal provisions for acts of violence, damage to property, and obstruction of medical services, while also providing for speedy investigation and compensation mechanisms. The Bill reflects a policy focus on ensuring safety and dignity of healthcare workers nationwide.

‘AI’ CAN ENABLE BUSINESS. COMPLIANCE MUST ENABLE AI.

Building the right controls is important as AI moves into core processes

Artificial Intelligence has steadily moved from being an emerging concept to becoming a routine part of business operations. Today, it supports automation, analytics, customer engagement, and even internal compliance monitoring. In practice, AI is no longer something organisations are experimenting with. It is already embedded in everyday processes. This makes the question of compliance unavoidable. The focus has shifted from whether AI can be used to whether it is being used responsibly and within existing legal and regulatory boundaries.

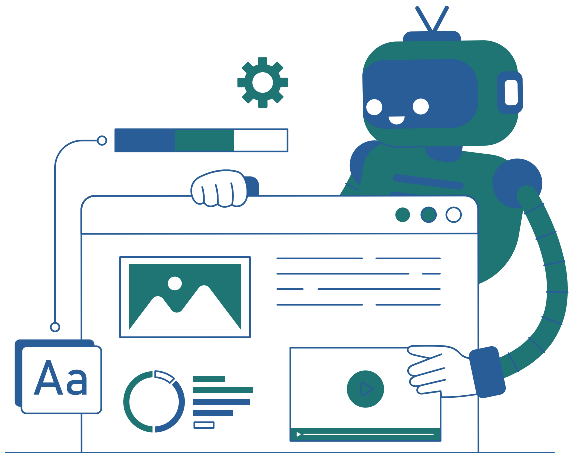
AI enables efficiency and scale — compliance ensures that this efficiency is lawful, fair, and accountable.

In practical terms, once AI becomes part of regular business operations, compliance is no longer optional. Even without a standalone AI law in India, organisations remain fully governed by existing data protection, information technology, cybersecurity, and sector-specific regulations. Regulators focus on the impact of a process, not the technology behind it. If AI is processing data, supporting decisions, or affecting individuals, it is expected to meet the same standards of legality, accountability, and transparency as any other business activity.

Key Compliance Risks

One of the biggest challenges with AI is that it often works quietly in the background, making its impact easy to miss.

In compliance operations, AI supports the review and monitoring of data to identify potential risks, while in HR it may help screen resumes or analyze employee data. AI itself is not the problem. Issues arise when it is used without clear rules on how data is handled and how decisions are made. Without proper governance, this can lead to data being used beyond its intended purpose, biased outcomes, limited transparency, and compliance gaps.



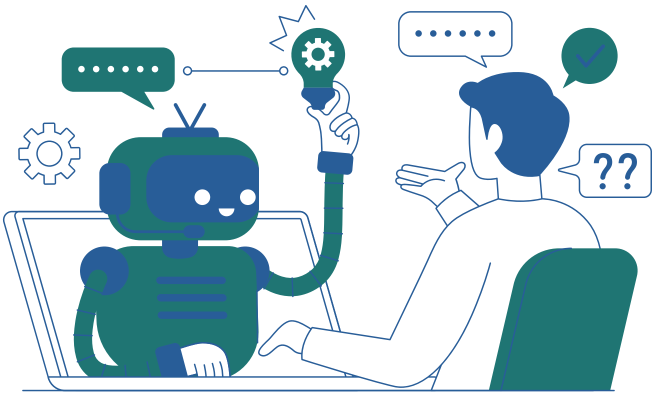
AI Compliance Checklist

As AI becomes part of routine business operations, the key compliance challenge is ensuring it is used with visibility and control. A small set of well-defined governance measures can significantly reduce regulatory exposure while allowing organisations to continue benefiting from AI-enabled efficiency.

Organisations should ensure that:

- There is clear visibility on where AI is being used and for what purpose across the organisation.
- Data used by AI systems is collected, stored, and used lawfully and only for defined business needs.

- AI driven outcomes are periodically reviewed to check for bias, unfair treatment, or unintended impact.
- Human judgment remains part of critical or high impact decisions rather than relying entirely on automation.
- Roles, responsibilities, and documentation around AI use and oversight are clearly defined.
- External AI tools are evaluated to ensure they meet regulatory, contractual, and data protection expectations.



Individual Responsibility in AI

As an individual, responsible use of AI begins with awareness. Understand where AI is supporting your work and treat it as an assistive tool, not a final authority. Reviewing outputs, applying judgment, and questioning results helps avoid errors, bias, or misleading conclusions.

At the same time, be cautious with data. Avoid sharing sensitive or confidential information with AI tools unless their use is approved, and follow organisational guidelines. Used within clear boundaries, AI can enhance productivity without creating compliance or ethical risks. Ultimately, accountability for AI-assisted work always rests with the individual using it.

Conclusion

AI has already become part of most business functions in one way or another. With its growing use across everyday operations, it is important that compliance evolves alongside AI and is treated as a necessity rather than an option.

Going forward, the focus should be on understanding where and how AI is being used, putting basic governance controls in place, and ensuring that human oversight remains part of important decisions. Clear documentation, accountability, and regular review of AI driven processes will be essential for responsible use.

At the same time, organisations should avoid treating AI as a black box or assuming that responsibility rests entirely with technology providers. Using AI without clarity on data usage, decision logic, or regulatory impact can create avoidable compliance risks.

A balanced approach, where innovation is supported by strong governance, is key to using AI safely and in a compliant manner.

On a personal note, I see AI as a powerful enabler for businesses - but only when it operates within clear rules and responsible boundaries. Used thoughtfully, it can support better decisions; used carelessly, it can just as easily create risk and confusion.

Ananya Choudhury
B.A (English Hons), LL.B, LL.M
Compliance Executive
Ricago

PROMINENT CASE JUDGEMENTS (DEC)

Case Name	Krishna Enterprises Vs ITO (ITAT Bangalore)
Judgment Date	Dec 10, 2025
Summary	Procedural safeguard reaffirmed, reassessment notices without proper sanction are invalid. Enhances procedural compliance for tax authorities. The Supreme Court held that reassessment proceedings under the Income Tax Act, 1961, are invalid where the sanction for reopening was obtained from an authority not empowered under Section 151.
Importance/ Relevance	Protects taxpayer rights by enforcing strict statutory sanction requirements, which are crucial for effective tax litigation strategy and compliance.
Source	Click Here

Case Name	M K Ranjitsinh v Union of India
Judgment Date	Dec 19, 2025
Summary	In a landmark ruling, the Supreme Court expanded the scope of Corporate Social Responsibility by introducing the concept of Corporate Environmental Responsibility (CER). While addressing protection of the Great Indian Bustard, the Court balanced biodiversity conservation with India's renewable energy and climate commitments, emphasising scientifically informed and ecologically sensitive development.
Importance/ Relevance	The judgment links CSR obligations under the Companies Act with constitutional environmental duties, significantly impacting ESG frameworks, infrastructure projects, and renewable energy compliance. Corporates are now recognised as active constitutional stakeholders in environmental protection.
Source	Click Here

PROMINENT CASE JUDGEMENTS (DEC)

Case Name	Devendra Kumar Tripathi v. The Oriental Insurance Company Ltd. & Anr. 2025 INSC 1429
Judgment Date	Dec 15, 2025
Summary	The Supreme Court examined whether an insurer can avoid liability in a motor accident claim by raising technical objections relating to policy terms or statutory compliance. Emphasising the welfare objective of the Motor Vehicles Act, the Court held that where statutory insurance coverage exists, insurers cannot defeat third-party compensation claims on hyper-technical grounds.
Importance/ Relevance	The ruling reinforces a victim-centric approach to motor accident compensation, limits technical defences by insurers, and strengthens compliance expectations in claims handling by prioritising statutory obligations toward third-party victims.
Source	Click Here

Case Name	Director of Income Tax vs American Express Bank Ltd
Judgment Date	Dec 15, 2025
Summary	The Supreme Court clarified that all head-office expenses incurred by a foreign bank, including those exclusively related to Indian operations, are subject to the deduction ceiling under Section 44C. Such expenses cannot be fully deducted under Section 37.
Importance/ Relevance	This decision has significant implications for multinational banks and foreign companies operating through branches in India, affecting tax planning, branch profitability, and compliance with statutory deduction limits.
Source	Click Here

PROMINENT CASE JUDGEMENTS (DEC)

Case Name	Directive to NCLT Bengaluru on time-stamp system
Judgment Date	Dec 15, 2025
Summary	The Karnataka High Court directed the NCLT Bengaluru to clarify whether its system provides visible date-time stamping of uploaded orders. The Court highlighted concerns over transparency and procedural certainty, especially where limitation periods and compliance timelines are involved.
Importance/ Relevance	The direction strengthens procedural transparency in corporate adjudication, particularly for insolvency and restructuring matters, and underscores the importance of robust digital governance in tribunals.
Source	Click Here

Case Name	IProcess Clinical Marketing Pvt. Ltd. v. Asst. Commissioner
Judgment Date	Dec 08, 2025
Summary	The Karnataka High Court quashed GST demands on clinical trial and R&D services provided by an Indian pharmaceutical company to foreign clients. It held that such services qualify as export of services, and that Notification No. 04/2019–IGST is clarificatory and retrospective, rendering Section 13(3)(a)
Importance/ Relevance	This ruling offers long-awaited clarity to the pharma and contract research sectors, limits retrospective GST exposure, and reinforces India's competitiveness as a global R&D services hub.
Source	Click Here

ENVIRONMENTAL PROTECTION AS A CONSTITUTIONAL OBLIGATION

Supreme Court's Expanding Approach to Corporate Responsibility

The case arose from a 2019 writ petition under Article 32 seeking urgent protection for the critically endangered Great Indian Bustard and Lesser Florican, whose habitats in Rajasthan and Gujarat were threatened by overhead power transmission lines and infrastructure expansion. Earlier directions to underground power lines raised concerns from the renewable energy sector over feasibility, costs, and climate commitments.

In its 2025 judgment, the Supreme Court revisited the matter to balance biodiversity conservation with renewable energy expansion and climate goals, transforming the case from a wildlife protection issue into a broader examination of environmental responsibility amid economic and corporate development.

Issue:

- Whether environmental protection obligations can be extended beyond the State to include the corporate sector.
- How to reconcile wildlife conservation with India's renewable energy and climate change commitments.
- Whether Corporate Social Responsibility (CSR) under the Companies Act, 2013, implicitly includes environmental and ecological duties.

Judgement:

The Supreme Court held that environmental protection and climate action are complementary constitutional goals, noting that renewable energy projects must be implemented through scientifically informed and ecologically sensitive measures.

It further expanded the scope of CSR by introducing Corporate Environmental Responsibility (CER), holding that corporations have an inherent constitutional duty to protect the environment and biodiversity beyond statutory CSR obligations.

This landmark judgment links CSR with constitutional environmental duties, positioning corporations as active custodians of sustainability. It reshapes ESG compliance and corporate governance, ensuring that economic growth, clean energy transition, and biodiversity protection advance together.

Source: Click Here

File Your Returns in GST Portal-via **API Connection**

Compliance Data Auto-Updated in **Ricago CMS**

File Returns in GST Portal

Updated in Ricago CMS

KYC FAILURES & PENALTIES IN FIU-IND

What Every Business Should Know

In today's regulatory environment, Know Your Customer (KYC) and Anti-Money Laundering (AML) compliance are not optional; they are critical for all reporting businesses. The Financial Intelligence Unit–India (FIU-IND) is increasingly active in enforcement, and companies that slip on KYC obligations face steep penalties. This blog unpacks recent FIU-IND actions, the common pitfalls, and how businesses should respond.

What is FIU-IND & Why It Matters

The Financial Intelligence Unit – India (FIU-IND) is India's central national agency responsible for receiving, processing, analyzing, and disseminating information relating to suspicious financial transactions.

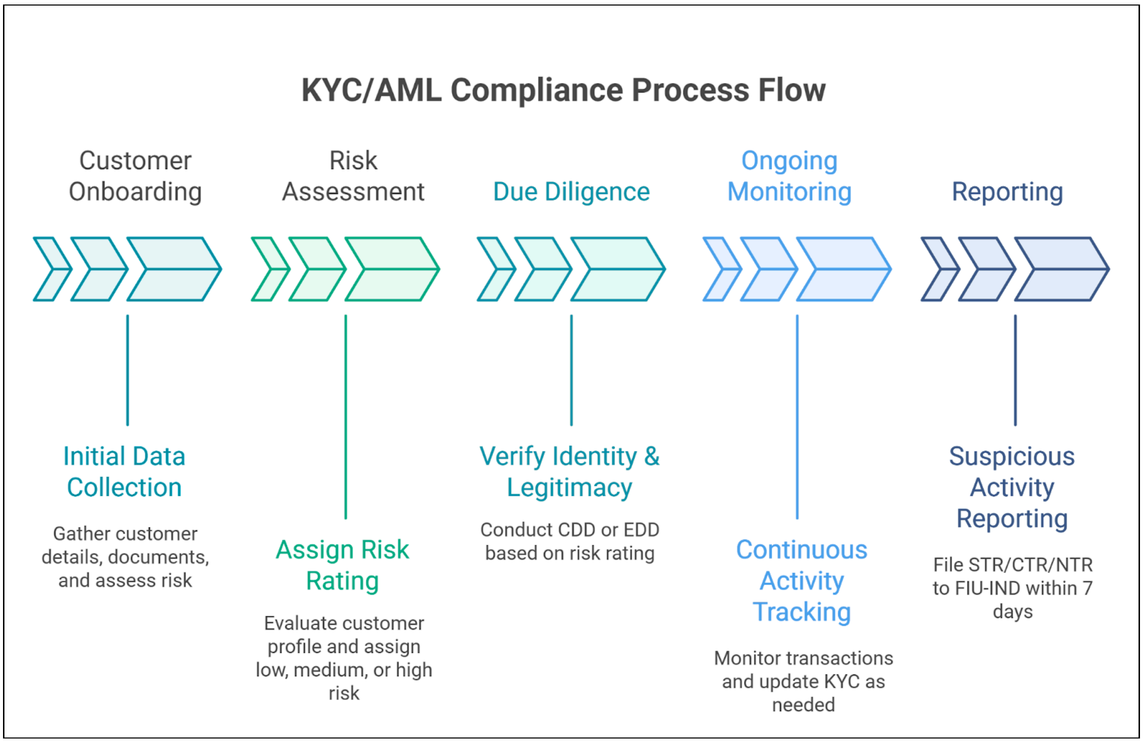
Its powers stem from the Prevention of Money Laundering Act (PMLA), 2002, which mandates certain entities to maintain records, perform KYC, and report suspicious or large transactions.

Non-compliance isn't just a regulatory failure can lead to serious fines, operational restrictions, and reputational risk.

Key KYC / AML Compliance Requirements

Here are some of the core obligations that regulated entities must follow:

- Customer Due Diligence (CDD): Businesses need to verify customer identity using valid documents (PAN, ID, address, etc.).
- Ongoing Monitoring: Even after customer onboarding, there must be periodic reviews (re-KYC), especially for higher-risk customers.
- Enhanced Due Diligence (EDD): For high-risk customers (e.g., politically exposed persons), more stringent checks are required, including source-of-funds verification.
- Suspicious Transaction Reporting (STR): Regulated entities must file STRs with FIU-IND when a transaction (or series) raises reasonable grounds for suspicion.
- Record-Keeping: Entities must keep transaction records and KYC documentation for a minimum period (generally five years).
- Timely Reporting: According to FIU-IND rules, an STR should be submitted within 7 days of forming a suspicion.
- Registration: Entities that fall under reporting obligations (banks, VDA / crypto service providers, real estate agents, etc.) must register with FIU-IND and obtain a Reporting Entity ID.



Recent Enforcement by FIU-IND

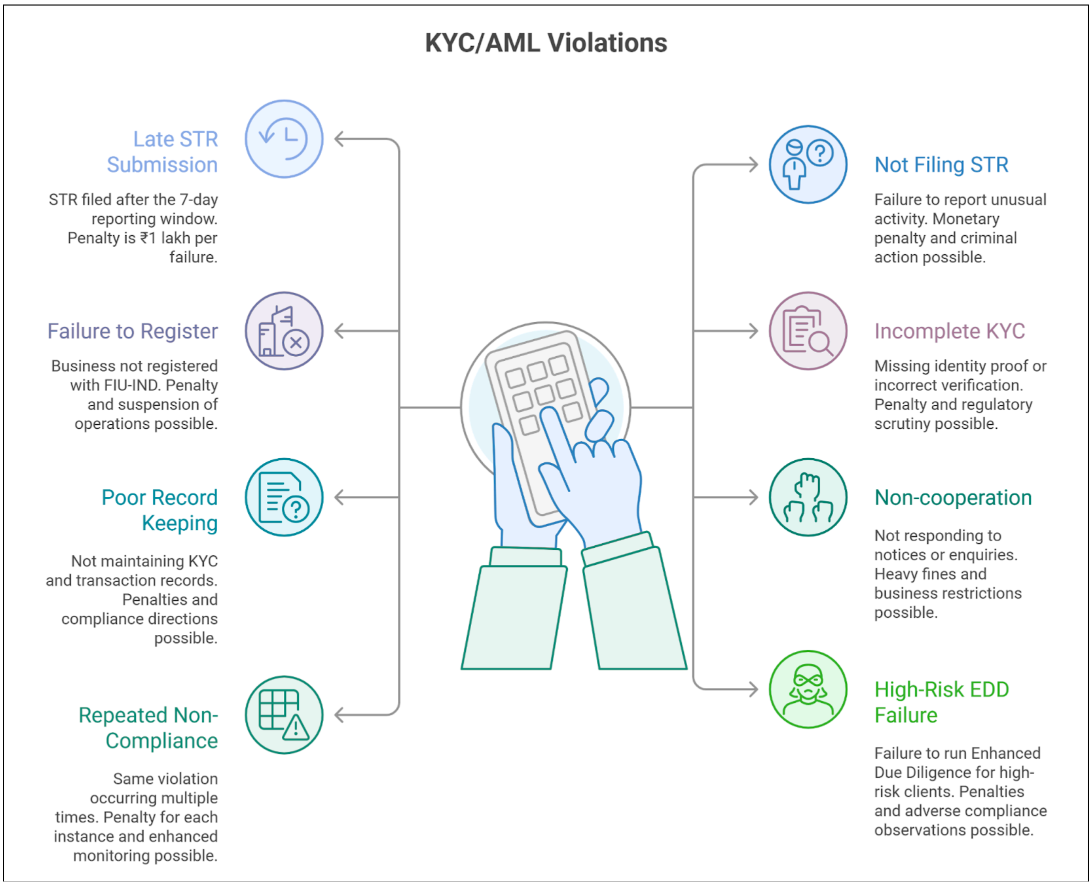
FIU-IND has stepped up its enforcement in recent years, especially in the virtual/digital assets (VDA) domain:

- In October 2025, FIU-IND issued show-cause notices to 25 offshore VDA service providers for non-compliance with PMLA obligations.
- Earlier, in 2024, Binance (a major crypto exchange) was fined ₹ 188.2 million (~$2.25 million) by FIU-IND for violation of AML regulations.
- According to a FIG (Financial Institutions Group) paper, penalties are assessed per non-compliance event, e.g., each unreported transaction or missed report counts separately.
- Historically, FIU-IND has used show-cause notices, advisories, and orders, as in FY 2019-20, FIU-IND issued 82 show-cause notices and imposed penalties totalling Rs 19.46 crore.

Penalties for KYC Failures

- Monetary Fines: FIU-IND can impose fines. For example, 25 offshore VDA firms were warned of penalties up to ₹ 1 lakh per breach.
- Criminal Liability: Under the PMLA, serious non-compliance can even lead to imprisonment (for instance, deliberate non-reporting could lead to up to 7 years).
- Business Restrictions: Authorities may suspend business operations, restrict new registrations, or even revoke licenses in extreme cases.
- Reputational Risk: Beyond fines, public enforcement (or regulatory warning) damages trust, especially in regulated domains like banking or crypto.

- Repeated Violations: Each day of delay in reporting or each unreported transaction can be treated as a separate violation.



Preventive Measures & Best Practices

- Build a dedicated compliance team (with a Principal Officer responsible for STRs).
- Use automated AML/KYC software that raises alerts for risky transactions and ensures timely report generation.
- Conduct regular internal audits and training for staff on FIU-IND obligations.
- Maintain robust documentation — keep customer KYC, transaction data, and risk assessments systematically.
- Stay updated with FIU-IND regulatory guidance and reporting formats. Use utilities from FIU-IND's website for STR submissions.
- Develop a risk-based approach: classify customers by risk (low, medium, high) and apply due diligence accordingly.

Conclusion

KYC and AML compliance under FIU-IND is a serious regulatory requirement, not a formality. With tighter enforcement—especially in the crypto/VDA space—businesses must strengthen their compliance frameworks. Lapses can lead to heavy penalties, reputational damage, & even license risks.

INDIA STEPS INTO A NEW WORK ERA WITH
THE FOUR NEW LABOUR CODES

India's previous labour system was fragmented: 29 different central labour laws, many dating back to pre- or early post-independence, governed various aspects like wages, employment relations, safety, and social security.

This fragmentation made compliance hard for businesses (multiple registrations, licences, returns) and left many workers, particularly in the gig economy, MSMEs, and informal sectors, without proper protections.

By consolidating these laws, the government aims to simplify compliance, strengthen social protection, and build a "future-ready" workforce.

These four codes replace 29 older central labour statutes.

As of 21 November 2025, the following four labour codes have become effective:

- **Code on Wages, 2019** — Governs everything about wages: definition, minimum wages, payment, and bonus.
- **Industrial Relations Code, 2020** — Covers trade unions, dispute resolution, standing orders, and retrenchment.
- **Code on Social Security, 2020** — Extends social security (PF, ESI, gratuity, maternity) to more kinds of workers.
- **Occupational Safety, Health and Working Conditions (OSHWC) Code, 2020** — Covers working hours, health, safety, and workplace conditions.

Some of the most significant changes for workers include:

- **Mandatory Appointment Letters:** Every employee must receive a formal appointment letter, improving clarity on role, wages, and conditions.
- **Minimum Wages & National Floor Wage:** The Code introduces a national floor wage, below which no state may set its minimum wages. Enforcement and actual payable wages will depend on state notifications.
- **Unified Wage Definition:** The new wage definition requires that basic + allowances counted as wages must form at least 50% of total salary, improving PF and gratuity eligibility.
- **Social Security Expansion:** Gig workers, platform workers, fixed-term, and contract workers are now recognized for coverage under social security schemes. Platforms must contribute to a social security fund for gig/platform workers.
- **Women's Rights:** Women can now work night shifts with their written consent, along with mandatory employer-provided safety and transport measures. Equal pay provisions are reinforced.
- **Fixed-Term Employees:** Fixed-term employees will be entitled to benefits similar to permanent employees, including gratuity eligibility after one year of service.

- **Health & Safety:** Annual free health check-ups will be provided for workers above 40 years old as part of workplace welfare under OSHWC.
- **Working Hours & Overtime:** Working hours may go up to 12 hours a day, but only within the 48-hour weekly limit, with mandatory double wages for overtime.
- **Faster Dispute Resolution:** New two-member Industrial Tribunals are set up to expedite employer-employee dispute handling

Key Changes for Employers

These codes are intended to streamline business operations & reduce compliance friction:

- **Single Registration & Unified Return:** Instead of multiple registrations and filings under different labour laws, employers will now follow a single registration and single electronic return system.
- **Simplified Inspections:** A new "inspector-cum-facilitator" framework aims to shift inspections from punitive to compliance-supportive.
- **Layoff and Closure Threshold Change:** The requirement for prior government approval before layoffs, retrenchment, or closure now applies to establishments with 300 or more workers (previously 100).
- **Flexible Working Models:** The codes formally recognize fixed-term contracting and work-from-home, improving operational flexibility.
- **Contractor Licensing:** Contractors can operate with one pan-India licence valid up to five years, replacing state-by-state licensing.

	Old System	New System
Number of Laws	29 separate central labour laws	4 universal codes
Definitions	Different definitions of worker, wages	Standardised definitions
Registration/Licensing	Multiple registrations and licences needed	Single online registration and one licence
Returns	Dozens of separate returns	Unified annual return
Enforcement	Paperwork-heavy and confusing	Digital systems reduce physical inspections
Worker Protections	Varied from law to law	Universal minimum wage and formal employment
Social Security	No safety net for unorganised workforce	Expanded coverage to gig and platform workers
911 Safety Standards	Varied across industries	Improved safety standards across industries

Sector-Wise Impacts: Who Gains the Most

Some worker categories benefit especially strongly:

- **Gig / Platform Workers:** For the first time, they are formally recognized. Aggregators (e.g., app-based companies) must contribute to a social security fund.
- **MSME Workers:** Employees in small and medium enterprises are now clearly covered for social security, workplace safety, and more.

- **Women Workers:** Night shifts, previously restricted in many places, are now allowed with safety. Also, women get representation in grievance committees.
- **Export / Media / Digital Workers:** Workers like journalists, dubbing artists, and AV / OTT workers will now have documented contracts, fair pay, and benefits.
- **Hazardous Industry Workers:** Mines, docks, and plantations will now follow uniform safety standards under the OSHWC code.
- **Youth Workers:** Young workers will be more protected with minimum wages, formal appointment letters, and wage payment during leaves are guaranteed.

Implementation & Next Steps

- The central government has made key provisions effective from 21 November 2025.
- But state governments must prepare and notify their own rules based on these codes; this process is ongoing.
- During the transition, older laws (where applicable) may continue to apply until the detailed rules under the new codes are fully implemented.
- Businesses must update HR policies, employment contracts, wage structures, and register under the new unified system.

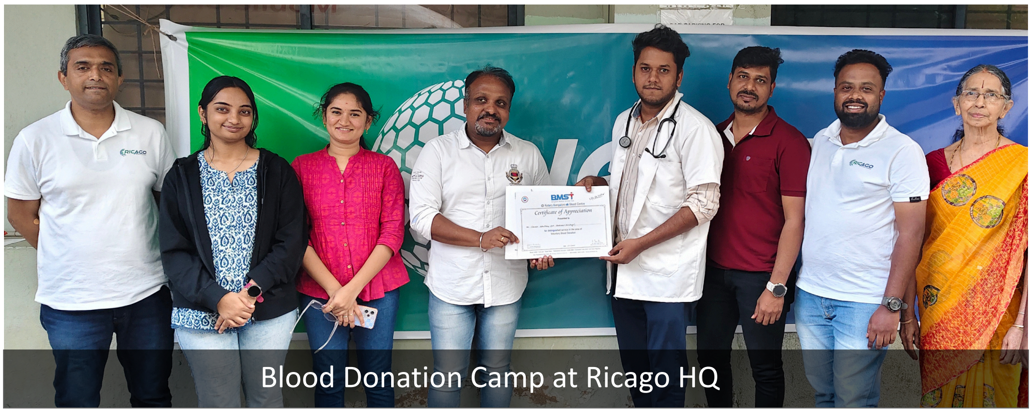
Conclusion

The implementation of the four new labour codes marks a historic and transformative moment in India's labour governance. By consolidating 29 outdated laws into four modern, unified codes, the government has taken a big step toward simplifying compliance, protecting workers, and preparing for a future economy.

Workers, especially those in gig work, MSMEs, and contract roles, stand to gain through formalisation, social security, and better work conditions. At the same time, businesses benefit from reduced regulatory burden, more predictable hiring norms, and a clearer labour law landscape.

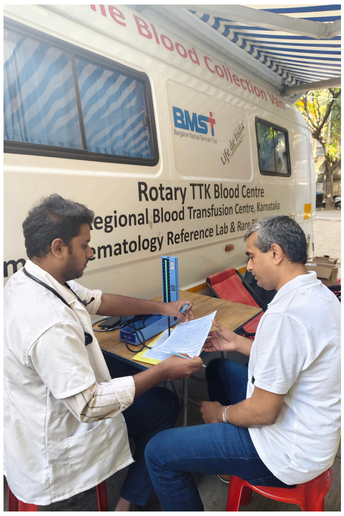
However, the real impact depends on how quickly states notify their rules and how effectively both employers and workers adapt. The journey ahead will require collaboration, but the direction is promising.

DECEMBER @ RICAGO



Blood Donation Camp at Ricago HQ

POSH Training Session



Christmas Celebrations at Ricago Office

Stay updated. **Stay compliant.**

RICAGO™

RE-DEFINE TOMORROW

Compliance | Labour Law | Vendor Audits | PF Services

hello@ricago.com | www.ricago.com

https://www.ricago.com/