KPMG monthly newsletter on Indian labour laws

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Recent updates, case laws, notifications, circulars, press release on Indian labour laws

01 Ladakh notifies Occupational Safety, Health and Working Conditions Rules, 2026

On 2 September 2026, the Labour and Employment Department, Administration of Union Territory of Ladakh notified the Ladakh Occupational Safety, Health and Working Conditions Rules, 2026 under the Occupational Safety, Health and Working Conditions Code, 2020.

Key takeaway: Employers operating in Ladakh should evaluate applicability and align their compliances accordingly.

02 Manipur introduces Bill to simplify registration requirements for shops and establishments

On 3 September 2026, the Government of Manipur introduced the Manipur Shops and Establishments (Regulation of Employment and Conditions of Service) (Amendment) Bill, 2026, proposing to simplify the regulatory framework for shops and establishments (S&E) by removing duplicative registration/licensing requirements under the existing law.

The Bill seeks to replace the current registration provisions with a framework wherein establishments to be registered under any applicable law in force will be deemed compliant, thereby reducing compliance burden, facilitating ease of doing business, and allowing authorities to focus on substantive labour law enforcement such as wage compliance and workplace safety.

Key takeaway: Manipur has proposed replacing the S&E licensing framework with a registration-based approach to reduce compliance burden and avoid dual licensing requirements.

03 Karnataka amends Shops and Commercial Establishments Act, 1961

On 4 September 2026, the Government of Karnataka notified the Karnataka Shops and Commercial Establishments (Amendment) Act, 2026, which came into force immediately.

The amendments exempt establishments employing 10 or more workers already registered under the Occupational Safety, Health and Working Conditions Code, 2020 from separate registration under the Act, enable digital compliance processes, provide for lifetime validity of registration, require issuance of service certificates to employees, revised timelines, penalty clauses, etc. and prohibit retention of employees' original documents.

Key takeaway: Karnataka has simplified registration and compliance requirements for establishments while introducing additional safeguards for employees.

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04 Centre revises EPF wage ceiling under Code on Social Security, 2020

On 17 September 2026, the Ministry of Labour & Employment issued a notification under the Code on Social Security, 2020 revising the wage ceiling for the purposes of Chapter III (Employees' Provident Fund) from INR15,000 to INR25,000 per month.

The revised wage ceiling is effective from the date of publication of the notification in the Official Gazette.

Key takeaway: Employers should assess the implications of the change and align their payroll system and take necessary steps to avoid any future litigation.

05 Applicability of the ESI Scheme extended to additional districts in Madhya Pradesh

On 22 September 2026, the Ministry of Labour & Employment issued a notification under the Code on Social Security, 2020, appointing 1 October 2026 as the date from which ESI contributions shall be payable in the entire area of Niwari district and the entire areas of 24 partially implemented districts in Madhya Pradesh.

Employees of establishments located in these areas will also become eligible for benefits under the Employees' State Insurance Scheme.

Key takeaway: ESI coverage has been extended to Niwari district and additional areas across 24 districts in Madhya Pradesh, effective 1 October 2026.

06 Applicability of the ESI Scheme extended to remaining areas of Gujarat

On 25 September 2026, the Ministry of Labour & Employment issued a notification under the Code on Social Security, 2020, appointing 1 October 2026 as the date from which ESI contributions shall be payable in the entire areas of 15 non-implemented districts and 16 partially implemented districts of Gujarat.

Consequently, employees of establishments located in these areas will become eligible for benefits under the Employees' State Insurance Scheme.

Key takeaway: ESI coverage has been extended to the remaining non-implemented and partially implemented areas of Gujarat, effective 1 October2026.

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07 EPFO issues FAQs on revised EPF wage ceiling

The EPFO issued 'FAQs on Revision of EPFO Statutory Wage Ceiling' from INR15,000 per month to INR25,000 per month, clarifying the implementation of the revised EPF wage ceiling notified under the Code on Social Security, 2020.

The FAQs explain the impact on EPF, EPS and EDLI coverage, enrolment of employees earning between INR15,000 and INR25,000 per month, contribution calculations, ECR filing requirements, and employer compliance obligations arising from the revised threshold.

Key takeaway: EPFO has issued detailed implementation guidance on the revised EPF wage ceiling, clarifying coverage, contribution and compliance requirements.

08 Multiple States have revised the minimum wages / Variable Dearness Allowance

The following states have notified revised minimum wages/cost of living allowance, variable dearness allowance for various scheduled employments:

- Andhra Pradesh
- Chandigarh

Key takeaway: The employers of the above-mentioned states must implement revised wages.

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