

THE COMPLIANCE WATCH

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HIGHLIGHTS

**UCS POV | PM-VBRY ~
EMPLOYMENT LINKED INCENTIVE
SCHEME**

- *BALA HARISH*
Vice President

On July 1, 2025, the Union Cabinet, under the leadership of Prime Minister Narendra Modi, approved the Employment Linked Incentive (ELI) Scheme, now officially named the PM Viksit Bharat Rozgar Yojana (PM-VBRY). Scheduled to launch on August 1, 2025, this landmark initiative represents a significant and timely step in strengthening India's employment sector.

With a substantial budget allocation of ₹99,446 crore, PM-VBRY aims to create 3.5 crore formal jobs over the next two years. The scheme covers jobs created between August 1, 2025, and July 31, 2027, with an extended implementation window for the manufacturing sector until July 31, 2029. It aligns seamlessly with India's broader vision of economic growth—focusing on workforce formalization, empowerment, and job-linked social security.

**'NOT IN EMPLOYEES' BENEFIT':
KARNATAKA OPPOSES
CENTRE'S 10-HOUR WORKDAY
PROPOSAL**

**NEW ESIC SCHEME OFFERS
LEGAL IMMUNITY TO
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MINIMUM ASSURANCE BENEFIT
CRITERIA FOR EDLI SUBSCRIBERS**

A Dual-Impact Approach

PM-VBRY is more than just an incentive scheme; it is a dual-impact reform that addresses challenges from both the employee and employer perspectives:

For First-Time Employees:

- **Direct Financial Kickstart:** First-time entrants into the formal sector earning up to ₹1 lakh/month in gross wages will receive a total of ₹15,000 in two instalments—₹7,500 after six months and another ₹7,500 after twelve months of continuous service, along with completion of a financial literacy module.
- **Financial Inclusion & Security:** The scheme encourages responsible financial behavior through structured savings and mandates EPFO enrolment, unlocking access to provident fund, pension, and EDLI benefits.
- **Bridging Informal to Formal:** For over half of India's workforce currently engaged in the informal sector, the scheme offers a clear pathway to long-term financial stability and workplace security.

For Employers (including exempt trusts):

- **Substantial Cost Offset:** For each new hire (regardless of whether they are first-time employees or have an existing UAN) from August 1, 2025, employers will receive monthly incentives ranging from ₹1,000 to ₹3,000 for up to two years (and four years for the manufacturing sector).
- **Encouragement for Sustainable Hiring:** To ensure that incentives result in meaningful employment, employers must retain new hires for at least six months.
- **Support for Compliance & Formalization:** By incentivizing EPFO-registered employment, the scheme encourages businesses to adopt greater transparency, accountability, and legal alignment.

Note: Employers must carefully manage compliance and tracking to avail the full benefits.

Key Incentive Framework at a Glance	
EPF Wage Slab	Monthly Incentive to Employer
Up to ₹10,000	₹1,000 (Proportional incentive for wages below ₹10,000)
₹10,001 – ₹20,000	₹2,000
₹20,001 – ₹1,00,000	₹3,000

Minimum New Hires Required

- **2 employees** for establishments with fewer than 50 staff
- **5 employees** for establishments with 50 or more staff

The PM-VBRY scheme presents a timely opportunity for employers to align their business growth with key government policy support. By directly offsetting hiring costs and encouraging workforce formalization, the scheme delivers measurable value—particularly for growing businesses and those actively generating employment opportunities.

Beyond immediate financial incentives, PM-VBRY fosters long-term talent retention and strengthens the employer's role in national development. For forward-looking organizations, this is more than just another government scheme—it's a strategic tool to scale efficiently, responsibly, and compliantly in India's rapidly evolving labour market.



'NOT IN EMPLOYEES' BENEFIT': KARNATAKA OPPOSES CENTRE'S 10-HOUR WORKDAY PROPOSAL

The Karnataka government is all set to reject the Centre's proposal to amend the Karnataka Shops and Establishments Act of 1961, which would extend the daily working hours from 9 to 10, while maintaining the weekly cap at 48 hours.

The state government asserts that the proposed change offers no discernible benefit to employees and is currently awaiting a formal decision from the Chief Minister and the Cabinet.

Karnataka's Labour Minister, Santhosh Lad, highlighted the state's reservations, emphasising the potential hardship for workers. "In a city like Bangalore, on average, you need 2 hours to commute, and if they spend 10 hours on the floor, it's 12 hours in a day," Lad stated. "I don't see this benefiting the employees." He further noted the lack of positive reception to the idea among Human Resources professionals at a recent congregation, where a poll for support yielded no raised hands.

The state's rejection of the proposal is grounded in two key arguments—first, labour is a subject under the Concurrent List, granting Karnataka equal policy-making authority and competence; and second, Karnataka's current labour framework already includes provisions for overtime work beyond the standard 9 hours daily and 48 hours weekly.

Minister Lad indicated that while the state is open to dialogue if specific industries demand such a change, any discussion would involve careful consideration of employee sentiment and the presence of trade unions. He affirmed his intention to discuss the matter with the Chief Minister before a final government decision.



Meanwhile, the Karnataka State IT/ITeS Employees Union (KITU) has claimed victory, attributing the government's current stance to their sustained agitation. KITU, the sole registered union for IT sector employees in Karnataka, stated that they have been leading extensive campaigns against the proposed amendment. In a strong statement, KITU asserted that the amendment was "a direct attack on a worker's fundamental right to a personal life" and vowed to prevent its implementation under any circumstances.

A formal decision on the matter is expected soon from the Chief Minister and the Cabinet.

Source | MSN

NEW ESIC SCHEME OFFERS LEGAL IMMUNITY TO UNREGISTERED COMPANIES

For the ease of doing business and to increase the registration of workers with the govt, ESIC has done away with the provision of legal action and the demand for backdated dues from firms that are not registered with the department.

The employees' state insurance corporation has started the scheme for the promotion of registration of employers and employees (SPREE) 2025. This special initiative aimed at expanding social security coverage under the ESI Act will be active from July 1 to Dec 31, 2025, and provides a one-time opportunity for unregistered employers and employees—including contractual and temporary workers—to enrol without facing inspections or demands for past dues.

Under the scheme, employers can register their units and employees digitally through the ESIC portal, Shram Suvidha, and MCA portal. Registration will be considered valid from the date declared by the employer. No contribution or benefit will apply for periods prior to registration. No inspection or demand of past records will be made for the pre-registration period. Sunil Yadav, in charge of the sub-regional office, Gurgaon, said the scheme encourages voluntary compliance by removing the fear of retrospective penalties and easing the registration process.

"Prior to SPREE, non-registration within specified timeframes could result in legal action and demand for backdated dues. SPREE 2025 addresses these barriers, aiming to bring left-out establishments and workers into the ESI fold and ensure broader social protection," said Yadav.

According to the ESIC data, more than 14.8 lakh employees are working in the formal sector, with around 50,000 companies earning a monthly salary of less than 25,000. ESIC is a statutory corporate body established under the Employees' State Insurance Act, 1948.

Source | Times Of India

UNION DEMANDS RS 42K AS MINIMUM WAGES FOR GARMENT WORKERS

The Garment and Textile Workers Union (GATWU) recently urged the state government to eliminate wage discrimination by including garment workers in the minimum wages revision notification and providing them a minimum wage of Rs 42,000 per month.

Affiliated to the All India Central Council of Trade Unions (AICCTU), GATWU organised a convention of garment workers, where a book titled 'Sooji-daradondige Baduku' (A life with needle and thread) by GATWU president Dr R Prathibha was released.

Prathibha pointed out that garment workers were only earning around Rs 12,800 when those workers in other scheduled industries were earning a minimum wage of around Rs 18,000, even as garment industry contributes significantly to the country's export economy.



"All these workers are women. This is nothing short of institutional gender-based discrimination," she added.

Writer-activist Du Saraswathi stated that it was the responsibility of all persons using these products to stand up and fight for their rights.

Referring to the historical role of garment workers in the labour movement, including in achieving the 8-hour workday demand, AICCTU vice-president Clifton Rozario noted that the struggle would continue until the demands of garment workers are met.

The convention unanimously passed a five-point resolution, which also included a demand to the Centre to withdraw the four "anti-worker" labour codes, retaining 8-hour workday practice, prohibiting night shifts for women garment workers and others.

Source | Deccan Herald

CONVENTION PASSES RESOLUTION AGAINST LABOUR CODES, CONTRACT LABOUR

Scores of non-permanent government workers and Public Sector Undertaking (PSU) workers have urged the union government to repeal the 'anti-workers' labour codes and system of contract bonded labour.

Addressing a convention against Labour Codes and Demand for the End of the Exploitative Contract Labour System recently, Clifton D' Rozario, vice-president of All India Central Council of Trade Unions said: "Lakhs of workers who are, in fact, permanent workers are being falsely termed as contract workers and subjected to severe exploitation. Despite performing core and perennial tasks, they suffer from job insecurity, poor wages, and lack of social security. The new Labour Codes only make matters worse, by institutionalizing this exploitation."

Stating that group C and D jobs are outsourced in most union government offices, hospitals, and departments even though Group A and B positions remain permanent, Clifton dubbed it a "fraud."

Vijayakumar, general secretary of HAL Contract Workers' Association, said: "We now have no choice but to come together and fight this exploitative system."

The convention passed a resolution demanding that the Centre repeal 'anti-worker' labour codes.

Source | Deccan Herald



GOVT CONSTITUTES WORKING GROUP TO DETERMINE QUANTUM OF WELFARE FEE FOR GIG WORKERS

The state government has constituted a working group comprising trade union leaders, legal experts, representatives of leading e-Commerce companies, and officials from the Department of Labour to estimate the quantum of the fee to be levied towards securing the welfare of gig workers.

The Karnataka Platform-based Gig Workers (Social Security and Welfare) Ordinance proposes levying a 1-5% charge per transaction as welfare fee for the workers. However, the ordinance does not specify the exact quantum of the welfare fee to be charged for the various kinds of private players operating in this domain such as Swiggy, Zomato, Ola, etc.

The working group will also deliberate on the norms that will determine how the welfare fee is to be utilised in general, and for various social security schemes. The eligibility criteria to avail of the benefits of the social security schemes will also be laid down by the group. Leader of Opposition in Lok Sabha Rahul Gandhi has long spoken of creating a welfare fund for gig workers, with the proposal finding mention in the Congress party's manifesto for the 2023 Assembly elections.

The state government has already published the draft rules for the ordinance. One of the rules call on aggregators to form an internal dispute resolution committee, to which a terminated gig worker can appeal to within seven days of being terminated. The rules stipulate that firms must resolve such complaints or appeals within 15 days of the complaint being made to the committee.

Furthermore, the rules call for the creation of a welfare board comprising the workers, representatives from the industry and government. This board will be vested with the authority to specify occupational safety and health standards.

Meanwhile, another 13-member group comprising all stakeholders has been constituted, and tasked with setting up required IT infrastructure for the workers, besides putting in place provisions for the registration of both gig workers and aggregators. This group will also put in place measures for grievance redressal.

Source | Deccan Herald

LABOUR MINISTRY NOTIFIES MINIMUM ASSURANCE BENEFIT CRITERIA FOR EDLI SUBSCRIBERS

The ministry of labour and employment, recently, notified relaxed criteria for subscribers of the Employees' Deposit Linked Insurance (EDLI) scheme under the Employees' Provident Fund Organisation.

As per the notification, the beneficiary family will be eligible for a minimum assurance benefit of Rs 50,000 in the event of death of an employee even if his average provident fund balance is less than Rs 50,000.

Further, for the purpose of determining the continuous period of twelve months required for eligibility of minimum assurance benefits payable under the scheme, the gap of up to sixty days between two spells of employment shall be ignored and such multiple services shall be added being treated as continuous service, it said.

"In the event an employee who is a member of the Fund or of a provident fund exempted under section 17 of the Act, as the case may be, dies in service within six months of the last contribution received while still being on the rolls of the employer, such an employee shall get the assurance benefit as per the Scheme," it added.

The central board of trustees of EPFO had approved these amendments to the EDLI scheme in its last meeting on February 28, 2025.

The EDLI scheme is part of the Employees' Provident Fund (EPF) and acts as a social security benefit. It offers financial assistance to the dependents of an EPF member in the event of the untimely death of the EPF member while still employed.

Source | Economic Times





NEW! UPDATE



TELANGANA GOVT. EXEMPTS COMMERCIAL ESTABLISHMENTS FROM WORK HOUR LIMITS



NIGHT SHIFT GUIDELINES FOR WOMEN WORKING IN NIGHT SHIFT - HARYANA



NIGHT SHIFT GUIDELINES FOR WOMEN WORKING IN NIGHT SHIFT - MADHYA PRADESH



NIGHT SHIFT GUIDELINES FOR WOMEN WORKING IN NIGHT SHIFT IN FACTORIES - HARYANA



ESIS PREE 2.0 & AMNESTY SCHEME



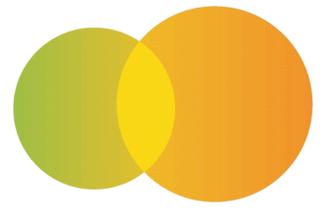
EMPLOYEES DEPOSIT-LINKED INSURANCE (AMENDMENT) SCHEME 2025



E-NOMINATION ALERT MESSAGE



HIMACHAL PRADESH - BOCW AMENDMENT RULES, 2025



MANDATORY UAN GENERATION THROUGH THE UMANG APP USING FAT



CHANDIGARH S&E AMENDMENT



MEGHALAYA - CONTRACTORS ENGAGED IN CONSTRUCTION WORK UNDER BOCW ACT, MANDATORY REGN.



BIHAR FACTORIES (AMENDMENT) RULES, 2025



BOCW KERALA (AMENDMENT) RULES, 2024



UTTAR PRADESH - NOTIFICATION ON ESI SCHEME COVERAGE IN BANDA DISTRICT



ASSAM SHOPS AND ESTABLISHMENTS ACT, 2022



FACTORIES (BIHAR AMENDMENT) ACT, 2025



KARNATAKA - LWF SCHEMES, NOTICE



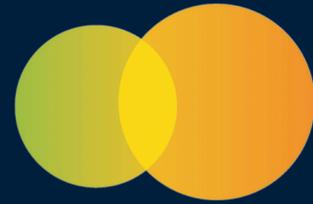
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