



# VALUE TALK

A MONTHLY NEWSLETTER BY ADD VALUE CONSULTANTS

Add Value Consultants is a leading Management Consulting Firm serving Indian Industries. This Newsletter is an endeavor to provide updates, understanding and sharing of global practices to the Business Owners, Managers, Academicians and Executives.

## CONTENTS

### EDITORIAL NOTE

**VALUE WAVES: NEW LABOUR CODES: KEY ACTION POINTS FOR EMPLOYERS & HR PROFESSIONALS BY DR. NIMESH RAJPUT**

### VALUE EVENTS

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## Editorial Note

Dear Readers,

Happy New Year 2026!

As we welcome 2026, organizations across India step into a year of heightened responsibility with the evolving New Labour Codes. These reforms mark a significant shift in wage structures, social security, industrial relations, and workplace safety—calling for timely awareness and proactive compliance. This bulletin is designed to offer clear, action-oriented insights to help employers and HR professionals understand key requirements under the four Labour Codes and align their policies accordingly. More than regulatory updates, these changes present an opportunity to strengthen transparency, employee well-being, and long-term organizational resilience.

As the new year begins, preparedness today will ensure compliant and future-ready workplaces tomorrow.

Wishing you a successful and compliant year ahead.

Have a Great Time....!!!

Regards,  
Chetan Bhojani

### NEW LABOUR CODES: KEY ACTION POINTS FOR EMPLOYERS & HR PROFESSIONALS

- The New Labour Codes introduce major compliance requirements for organizations across India. To support employers, HR teams, and business owners, an action-focused guide has been released, highlighting the essential steps to align with the Code on Wages, Code on Social Security, Industrial Relations Code, and the Occupational Safety, Health & Working Conditions Code.

#### Code on Wages, 2019

- A key mandate under the Wage Code is the revised **definition of wages**, where at least **50% of CTC must constitute wages** (Basic + DA + Retaining Allowance). Employers must ensure that Basic wages are not below applicable Minimum Wages and that existing Basic is not

reduced if already above the threshold. Salary restructuring letters must be issued wherever changes occur.

- Bonus payments will now be calculated on the new wage definition, with organizations having the option to compute on either Minimum Wages or actual Basic wages. The Code also emphasizes **Equal Remuneration**, requiring equal pay for equal work regardless of gender. Monthly salary payments must be completed by the 7th, and Full & Final Settlement must be cleared within two days of relieving.

#### Code on Social Security

- Compliance requirements include checking EPF and ESIC applicability based on the revised wages structure. Gratuity nomination forms must be collected from all

employees, and maternity benefits have been strengthened - 26 weeks of leave and an additional **₹3,500 pregnancy bonus** are now mandatory. Establishments with 50 or more employees must provide **Crèche facilities**, and all vacancies must be reported to the District Employment Department. Fixed-term employees completing one year of service are also eligible for Gratuity.

#### Industrial Relations Code

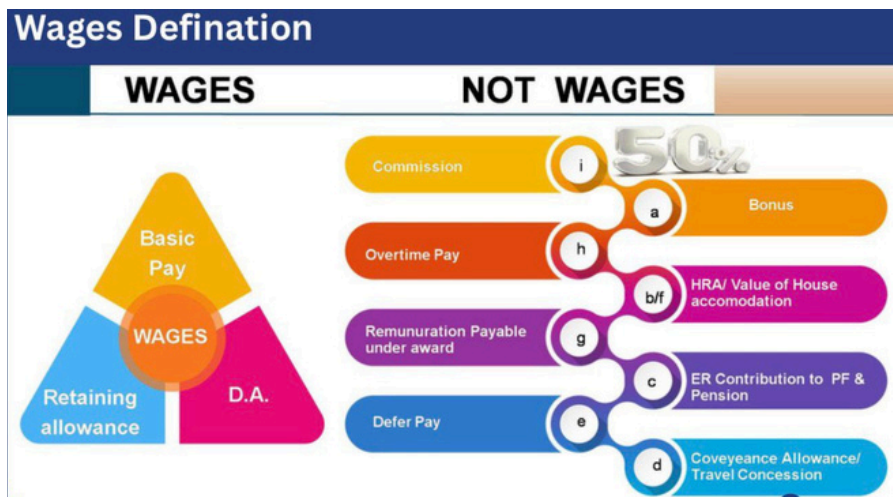
- Organizations with 20 or more employees must constitute a **Grievance Redressal Committee** with equal worker-management representation and yearly rotation of the Chairperson.

## VALUE WAVES :

- A similar **Works Committee** is required for establishments with 100 or more employees.

### Occupational Safety, Health & Working Conditions Code, 2020

- Employers must issue appointment letters in the prescribed format, establish **Safety Committees** for units with 250+ employees, and conduct annual health check-ups for employees aged 45 and above. Crèche facilities remain mandatory for establishments employing 50 or more workers.



The pictorial representation, Here is a clear and correct explanation of Wages as per the Code on Wages, 2019, including what is included, what is excluded, and the 50% rule (the condition that the excluded part cannot exceed the included part).

### About the Author



### Dr. Nimesh Rajput

He is a Doctorate in Human Resources, brings over 30+ years of hands-on HR consulting and training experience. He has trained thousands of HR professionals, entrepreneurs, and business owners across India.

He is Author of 14 books and also A renowned HR strategist.

Sessions on “International Business” at Ahmedabad Management Association on 17<sup>th</sup> January, 2025



Mr. Chetan Bhojani had the privilege of addressing the Rotary Midtown Library Rajkot as a speaker on the topic “Mental Health for all: Challenges and Solutions” on 11<sup>th</sup> January, 2026.



Chetan Bhojani, Founder & Director, Add Value Group of companies was invited to participate at IIMA Ventures Summit held at IIM Ahmedabad.