INDIALAW

Labor and Employment Compliance

Labor and Employment Compliance Law Firm in India for Audits and Disputes

PRACTICE PROFILE • OCTOBER 2026

Overview

Our practice ensures that organizations adhere to the complex matrix of central and state labor laws. We support clients across sectors in establishing strong internal policies, managing contract labor compliantly, handling inspections, and resolving disputes with regulatory authorities. Our guidance helps in navigating challenges such as workforce restructuring, termination, wage regulations, and compliance audits to minimize legal exposure and promote fair labor practices.

Our Services

- Compliance under various state and central labor laws
- Contract labor and third-party workforce documentation
- Audits and internal checklists for HR/legal teams
- Representation during inspections and labor disputes
- Advice on wages, working conditions, termination procedures, and union matters

Key Professionals



Nidhi Singh
Partner



Arpita Dutta
Partner

Frequently Asked Questions

Q1 **What does labor and employment compliance cover for Indian businesses?**

It covers adherence to central and state labor statutes governing wages, working conditions, contract labor, social security contributions, termination procedures, and union relations. The scope includes policy drafting, audit readiness, inspector interactions, and dispute resolution with labor authorities.

Q2 **When should a company engage a labor and employment compliance adviser?**

Ideally before operations begin in a new state or before hiring contract labor. It is also critical during workforce restructuring, inspections by labor officers, or when facing claims under the Industrial Disputes Act, 1947. Early engagement reduces exposure significantly.

Q3 **Which Indian statutes primarily govern labor and employment compliance?**

Key central laws include the Industrial Disputes Act, 1947, the Contract Labour (Regulation and Abolition) Act, 1970, the Payment of Wages Act, 1936, and the EPF and ESI Acts. The four Labour Codes of 2020 will consolidate these once notified by all states.

Q4 **What does a typical labor compliance audit involve and how long does it take?**

An audit reviews registrations, wage records, contractor agreements, PF and ESI filings, leave and attendance registers, and POSH Act compliance. For a single-state operation with under 500 employees, the review and gap report generally takes three to four weeks.

Q5 **What documents should a company prepare before starting a compliance engagement?**

Gather all establishment registrations, employment contracts, wage registers, PF and ESI challans, contract labor licenses, standing orders, internal HR policies, and past inspection reports. State-specific shop and establishment licenses and factory licenses are also needed.

Q6 What is the most common compliance mistake Indian employers make?

Treating contract labor as permanent staff without proper documentation under the Contract Labour Act. Misclassification exposes the principal employer to absorption claims, back-wage liabilities, and penalties during inspections by the labour commissioner's office.

Related Practice Areas

Statutory And Regulatory Compliance | Food Safety and Regulatory Compliance | BIS and Standards Compliance | Legal Metrology Compliance | ESG and Sustainability Compliance | Foreign Exchange and FDI Compliance