

Four Labour Codes in Abeyance: Enforcement Failure Due to the Absence of State Rules, Notifications, Repealing Acts, and Adjudicatory & Judicial Mechanisms



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Introduction

The enactment of India's four Labour Codes—the Code on Wages, 2019; the Industrial Relations Code, 2020; the Code on Social Security, 2020; and the Occupational Safety, Health and Working Conditions Code, 2020—was intended to consolidate and modernize the country's fragmented labour law framework. However, despite Presidential assent and the notification dated 21 November 2025—purporting to repeal twenty-nine existing labour enactments, save and except the Employees' Provident Funds and Miscellaneous Provisions Act, 1952—the said Codes remain incapable of effective enforcement.

The failure of implementation is not attributable to any deficiency in legislative policy, but squarely to the non-fulfillment of mandatory statutory preconditions. The Central Government as well as the State Governments have failed to frame and notify comprehensive rules, issue complete enforcement and transitional notifications, repeal or harmonize corresponding State labour enactments, and establish the statutory and digital infrastructure contemplated under the Codes. In the absence of these foundational requirements, the Codes are rendered legally incomplete and administratively unworkable.

The legislative scheme of the Labour Codes unequivocally mandates State participation in their implementation. Without State-specific rules, repeal of State Acts, and operational digital platforms for registration, compliance, inspection, and adjudication, the Codes cannot be enforced in practice.

Further, the notified enforcement presupposes the constitution of Industrial Tribunals and National Industrial Tribunals, appointment of Presiding Officers and Members, and creation of institutional capacity, none of which has been meaningfully completed.

Consequently, the purported notification of the Labour Codes, in the absence of these indispensable statutory prerequisites, is illusory and arbitrary, resulting in the continued and simultaneous operation of repealed labour enactments. This dual and overlapping legal regime has generated pervasive uncertainty, jurisdictional confusion, and enforcement paralysis, gravely prejudicing employers, employees, and adjudicatory authorities alike. The impugned implementation thus defeats the very object of labour law reform and warrants strict judicial scrutiny.

Mandatory Nature of Rules and further Notifications:

Each of the four Labour Codes is structured as a framework legislation, expressly contemplating delegated legislation in the form of rules, regulations, and notifications. The Codes categorically provide that several substantive provisions shall come into force only on such dates as may be notified by the Central Government, and that the authorities, procedures, compliances, and enforcement mechanisms shall be “prescribed” through rules to be framed by both the Central and State Governments.

Further, the statutory scheme obligates the State Governments to repeal or harmonise existing State labour enactments and to issue consequential and enabling notifications necessary for the effective implementation of the Codes. In addition, both the Central and State Governments are required to re-organise existing registration and compliance frameworks, restructure adjudicatory mechanisms, and establish new judicial and quasi-judicial institutions contemplated under the Codes, including Industrial Tribunals and National Industrial Tribunals, in substitution of the existing Labour Court system.

In the absence of such institutional restructuring—including dissolution of the legacy Labour Court forum and constitution of the new tribunal framework—the Labour Codes cannot be enforced in either law or practice.

The Supreme Court has consistently held that delegated legislation is integral to effective statutory implementation. In the absence of such rules, a statute—though enacted—cannot attain full operational force. Subordinate legislation must remain within the policy contours of the parent statute, but where the statute itself mandates rule-making as a condition for implementation, the absence of such rules renders enforcement impracticable.

Legislative Scheme of the Labour Codes

A careful reading of the four Labour Codes demonstrates that they are not self-executing. Their operationalisation depends upon detailed subordinate legislation governing, inter alia:

- New registration and licensing regimes;
- Digital portals and centralised databases;
- Inspector-cum-Facilitator mechanisms;
- Constitution of authorities, appellate forums, and tribunals;
- Revised compliance thresholds, timelines, and procedural safeguards.

None of these mechanisms can function in isolation without notified rules prescribing the manner, form, conditions, and safeguards for their exercise.

Rules as a Condition Precedent to Enforcement

Judicial precedent firmly establishes that where a statute confers rights or powers but prescribes that their exercise shall be governed by rules, such provisions cannot be enforced in the absence of those rules.

In *Babu Verghese v. Bar Council of Kerala* (1999) 3 SCC 422, the Supreme Court held:

“When the statute prescribes that a thing shall be done in a particular manner, it shall be done in that manner alone or not at all.”

Similarly, in *State of Uttar Pradesh v. Singhara Singh* (AIR 1964 SC 358), the Court emphasised that procedural prescriptions which go to the root of statutory implementation are mandatory in nature.

Applying these principles, the Four Labour Codes—without notified rules—remain legislatively incomplete and incapable of effective enforcement.

Necessity of Enforcement Notifications

Equally critical is the requirement of formal enforcement notifications. Each Labour Code stipulates that its provisions shall come into force on such date as the Central Government may notify.

The Supreme Court in *A.K. Roy v. Union of India* (1982) 1 SCC 271 clarified that:

“A law does not become operative merely upon enactment; it becomes effective only when it is brought into force in the manner provided by the legislature.”

Accordingly, in the absence of valid enforcement notifications, the Codes do not acquire legal force, notwithstanding their passage by Parliament.

Judicial Observations on Implementation Deficits

Recent judicial observations have underscored that legislative reform without institutional and administrative readiness is insufficient. In December 2025, Justice Manmohan of the Supreme Court observed that the success of the Labour Codes “will depend not just on legislation, but on clear, consistent, and coordinated implementation across States.”

This reflects a broader judicial concern that enforcement machinery—rules, authorities, appellate forums, and tribunals—must exist in reality, and not merely on paper, for statutory policy to be realised.

Absence of Repeal Notifications and Transitional Arrangements

Recently Judicial proceedings before the Hon’ble Delhi High Court have highlighted serious transitional defects. The Court noted the absence of formal repeal notifications for existing labour enactments, even where provisions of the Industrial Relations Code, 2020 were stated to be in force. In the absence of express repeal, statutes such as the Trade Unions Act, 1926; the Industrial Employment (Standing Orders) Act, 1946; and the Industrial Disputes Act, 1947 continue to operate alongside the new Codes.

The Court further noted that the tribunals contemplated under the new Labour Codes have not been constituted, notwithstanding notifications purporting to bring the Codes into force. This failure has resulted in a complete paralysis of the adjudicatory machinery, giving rise to grave uncertainty with respect to jurisdiction and the applicable law.

By way of illustration, the Codes mandate the establishment of new judicial and quasi-judicial institutions, including Industrial Tribunals and National Industrial Tribunals, in substitution of the existing Labour Court system. In the absence of constitution of these tribunals and appointment of Presiding Officers and Members, the dispute resolution framework envisaged under the Codes remains non-existent, rendering enforcement legally and administratively impossible.

Problem of Overlapping Legal Frameworks

The continued coexistence of the Labour Codes and pre-existing labour enactments creates overlapping and conflicting legal regimes. The Supreme Court in *Municipal Council, Palai v. T.J. Joseph* (AIR 1963 SC 1561) held that two parallel statutory regimes governing the same subject matter cannot operate simultaneously unless the legislature expressly provides for such coexistence. Therefore, repealing the State Acts, further required Rules, Notification are pre-condition for implementation of these 4 Labour Codes fully across country.

In the labour law context, such dual regimes result in:

- Conflicting compliance obligations for employers;
- Uncertainty regarding enforceable rights for employees;
- Jurisdictional confusion for inspectors and authorities;

- Inconsistent adjudication before labour courts and tribunals.

This undermines the stated objective of simplification and ease of compliance.

Federal Structure and Role of State Governments

Labour being a subject under the Concurrent List, effective implementation of the Codes necessarily requires **cooperative federalism**. In *State of Kerala v. Mar Appraem Kuri Co. Ltd.* (2012) 7 SCC 106, the Supreme Court emphasised that Central legislation in concurrent fields cannot be operationalised without active State participation.

Accordingly, in the absence of:

- State-specific rules;
- State-level enforcement notifications; and
- Repeal or harmonisation of existing State enactments,

the Labour Codes remain fragmented and unevenly applicable across jurisdictions.

Conclusion

The Four Labour Codes represent a significant and necessary reform of India's labour law architecture. However, legislative enactment is only the first step. The statutory scheme itself makes clear that effective implementation is contingent upon the completion of several indispensable steps.

For lawful and meaningful operationalisation of the Labour Codes, the following are essential:

1. Framing and notification of comprehensive rules by the Central Government;
2. Framing and notification of corresponding rules by State Governments;
3. Issuance of clear enforcement notifications specifying commencement dates; and
4. Formal repeal or harmonization of existing labour enactments, supported by transitional provisions.

Until these requirements are fulfilled, the Codes will remain largely symbolic, and employers, workers, authorities, and courts will continue to face legal uncertainty—thereby defeating the purpose of labour law reform.