

KHAITAN &CO ADVOCATES SINCE 1911

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Welcome to the eleventh edition of the e-Bulletin (Volume VII) brought to you by the Employment, Labour and Benefits practice group of Khaitan & Co. This e-Bulletin covers regulatory developments, case law updates and insights into industry practices that impact businesses from a sector agnostic standpoint.

Labour Codes: Story So Far

In this section, we help you in understanding the developments that have taken thus far on the implementation of the 4 labour codes on wages, social security, industrial relations, and occupational safety, health, and working conditions, which received the Presidential assent between the years 2019 and 2020.

The Government of India has, through a series of notifications dated 21 November 2025, brought into effect the 4 labour codes. The codes are slated to consolidate and consequently replace 29 Central labour laws and bring about a more cohesive and modern framework for compliance. The consolidation exercise in the form of the labour codes does bring with it certain changes in the earlier labour law regime. The digitization of procedures (relating to registration and intimations) and the concept of deemed registration (in case authorities do not register the establishment within the specified timeline) are seen as a positive impact on the ease of commencing business as well as the ease of doing business. Similarly, the substitution of prosecution-oriented framework with facilitation process, whereby an employer would be given an opportunity to rectify any non-compliance, heralds an important change in the approach of the government.

However, in the absence of finalization and enforcement of Central / state rules, schemes, and notifications, the transition is still in the process of unfolding. Until such time, the Central Government has clarified that the existing rules, forms, registers, and procedural requirements prescribed under the erstwhile labour law regime will continue to govern day-to-day compliance including those protected by applicable survival provisions under the labour codes. Accordingly, while the substantive standards and provisions introduced under the labour codes have been notified and are in force, the operative framework on several aspects remains in a transitional phase. We have covered this aspect in detail in our ERGO.

In the past year, several key industrialised states such as Haryana, Delhi, Maharashtra, Gujarat, Andhra Pradesh, Telangana, Tamil Nadu, and Karnataka released draft rules under some or all of the labour codes for public consultation. As of now, 2 out of a total of 36 states and union territories are yet to publish draft rules on the code on wages, occupational safety, health and working conditions, 3 have not released draft



rules on code on industrial relations, and 1 has not released draft rules on social security. Further, states such as Gujarat, Karnataka, Uttar Pradesh and Mizoram have released final rules under some of the labour codes.

Separately, the Union Budget 2025 highlighted that gig workers associated with online platforms play a crucial role in driving dynamism within the modern services economy. Recognizing their contributions, the Central Government will facilitate issuance of their identity cards and registration on the e-Shram portal along with entitlement to healthcare benefits under the Pradhan Mantri Jan Arogya Yojana (health insurance scheme providing financial protection for secondary and tertiary healthcare).

Regulatory Updates

In this section, we bring to your attention, important regulatory developments in the form of notifications, orders, bills, amendments, etc. witnessed in the past one month in the context of employment and labour laws.

Andhra Pradesh increases the daily working hour limit for shops and establishments

The government of Andhra Pradesh through a notification published in the Official Gazette on 3 November 2025 has exempted the applicability of certain provisions set out under the Andhra Pradesh Shops and Establishments Act, 1988, including Section 15 (opening and closing hours) and Section 18 (spread over of periods of work), for shops and establishments engaging less than 20 workers. The notification further

- Increases the daily working hour limit for shops and commercial establishments from 8 hours to 10 hours, subject to the weekly working hour limit of 48 hours
- Increases the spread over of hours from 10 hours to 12 hours in a day, including intervals of rest
- Ensuring that employees are provided with a rest period of at least 30 minutes after 6 hours of continuous work
- Imposes adequate safety measures for employment of women employees and mandates written consent from the women employees, to work on a night shift, i.e., from 8:30 PM to 6:00 AM on any day
- Limiting the number of overtime hours in a quarter from 50 hours to 144 hours



EPFO issues clarification for the manner and format for exemptions from EDLI Scheme

By way of a circular dated 3 November 2025, the Employees' Provident Fund Organisation (EPFO) has clarified the manner and format vis-à-vis applying for exemptions from the provisions of the Employees' Deposit Linked Insurance Scheme, 1976 (EDLI Scheme). Exemptions under Section 17(2A) of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (EPF Act) will be in respect of all categories and classes of employees including contractual and casual ones. If the intent is to provide an exemption only for a certain class of employees, the exemption will be granted under Section 17(2B) read with paragraph 28(4) of the EDLI Scheme.

Haryana allows female personnel to work during night shifts in factories and establishments

Through a notification published in the Official Gazette on 14 October 2025, the government of Haryana has permitted shops and commercial establishments to engage female contract workers during night shifts. As per the notification, female contract workers may work during night shifts between 7 PM to 6 AM in factories and between 8 PM to 6 AM in shops and commercial establishments. This exemption is subject to conditions outlined for factories in the notification dated 4 July 2025, published by the government of Haryana. We have covered this aspect in detail in our e-Bulletin accessible here.

Further, vide notification dated 13 October 2025, the government of Haryana has issued a notification concerning the guidelines to be adhered to as regards employment of women employees during night shifts in establishments. As per the notification, the establishments in Haryana are permitted to engage women employees in night shifts subject to the fulfilment of certain conditions by the employer including

- Obtaining consent of the women worker in writing to work during night shift
- Ensuring adequate security and safe transportation facilities are provided to the women workers to pick and drop them at their residence
- Ensuring that CCTV cameras are maintained in the work areas where women workers are employed
- Providing separate boarding and lodging facilities

To bolster this position, the Haryana government has also issued another notification dated 9 October 2025, clarifying that when commercial establishments are granted an exemption from Section 30 (conditions of employment of women) of Punjab Shops and Commercial Establishments Act, 1958, rule 15(2)(iv) of Punjab Shops and Commercial Establishments Rules, 1958 shall not be applicable on the commercial establishments, which prohibits employment of women workers in establishments during night shifts, i.e., from 8 PM to 6 AM.



Haryana exempts information technology enabled services (ITES) and information technology (IT) establishments from IESO Act

As per the notification dated 20 November 2025, published in the Official Gazette, the government of Haryana has exempted IT & ITES establishments from the applicability of the Industrial Employment (Standing Orders) Act, 1946 (IESO Act), for a period of 5 years.

The exemption is subject to certain conditions

- Constitution of internal committee as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Constitution of grievance redressal committee consisting of equal number of persons representing employer and employees, to address any complaint / grievances of any of the employee
- Intimation of information about the cases of disciplinary action of its employees to the jurisdictional deputy labour commissioner and labour commissioner
- Submission of information regarding service conditions of the employees to the jurisdictional deputy labour commissioner and labour commissioner

The notification also mentions that after the implementation of the Industrial Relations Code, 2020, the code will become applicable to the establishments.

Case Updates

In this section, we share important judicial decisions rendered in the past one month from an employment and labour law standpoint.

Insurer can be made liable for payment of compensation to worker for speedy relief: Supreme Court

In the case of Alok Kumar Ghosh v The New India Assurance Company Limited and Another Civil Appeal Number 10482 of 2017, the Supreme Court set aside the order passed by the Calcutta High Court, which had modified the order passed by the commissioner under the Employee's Compensation Act, 1923 (Compensation Act), by directing the employer to pay the compensation first and subsequently seek reimbursement from the insurer. The commissioner had directed the insurance company to pay compensation to the workman who was injured during the course of their employment.



The issue in the present case arose when the workman, employed as a driver by the petitioner employer, suffered an injury during the course of employment. As a result, the workman sought compensation under the Compensation Act. The commissioner awarded the compensation along with 12% interest as against both the insurer and employer. The insurer preferred an appeal to the Calcutta High Court on the ground that the liability under the Compensation Act rests on employer and the role of the insurer is limited to indemnification under the contract of insurance. As a result, the Calcutta High Court accepted the submissions and modified the order, thereby shifting the liability of payment of compensation to the petitioner employer.

The Supreme Court held that the Compensation Act empowers the commissioner to determine liability of an insurer when the risk is covered under an insurance policy. The Supreme Court further interpreted that the Compensation Act is a welfare legislation with the objective of providing speedy and effective relief to workers. Accordingly, the Supreme Court restored the order of the commissioner and also imposed cost on the insurer for delaying compensation through unnecessary litigation.

Terminated employees cannot challenge termination after accepting full and final settlement: Bombay High Court

In the case of Suprabhat Lala v National Stock Exchanges Limited and Others Writ Petition Number 4018 of 2024, the Bombay High Court dismissed a petition filed by the petitioner challenging his termination of employment by the respondent. The petitioner, via the writ petition, sought for reinstatement and quashing of the termination order dated 24 July 2024 by the respondent.

The employment of the petitioner who was the senior vice president of the respondent was terminated in accordance with his employment terms, which provided for a notice period of 3 months or payment in lieu thereof. The respondent cited organisational restructuring and redundancy as reasons for the petitioner's employment termination and accordingly, paid the petitioner, salary in lieu of his notice period, along with gratuity which was accepted by the petitioner.

The Bombay High Court held that the nature of the dispute was contractual and did not include elements of public law. Contract of service cannot be enforced in a writ jurisdiction except in situations wherein the issue involves service conditions or public law obligations. As a result, it was held that the enforcement of private contractual rights cannot be sought through a writ. Further, the Bombay High Court also noted that the petitioner had accepted the full and final settlement payments paid to him after his employment termination.

Employees' provident fund dues to take priority over bank's claim under the SARFAESI Act: Supreme Court

In the case of Jalgaon District Central Co-operative Bank Limited v State of Maharashtra and Others Civil Appeal arising from SLP (Civil) Number 27740 of 2011, the Supreme Court assessed as to whether a secured creditor's priority under Section 26E of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) overrides the statutory charge created under Section 11(2) of the EPF Act (priority of payment of contributions over other debts).



The petitioner, which was a co-operative bank, had advanced loans to a sugar factory and had registered its security interest under the SARFAESI Act. The factory became defunct, and recovery proceedings were initiated by the bank, along with the possession being taken of the mortgaged assets. Meanwhile, the workmen working in the factory claimed unpaid wages and dues under the EPF Act. The Bombay High Court directed the dues under EPF Act to be paid first to the workers from the sale proceeds, followed by worker's wages before satisfying bank's claims.

As a result, the order was challenged by the bank before the Supreme Court on the grounds that Section 26E of the SARFAESI Act provides creditors priority over all other debts. The Supreme Court held that despite Section 26E of the SARFESI Act providing priority to the secured creditors, it does not override the statutory charges created under the EPF Act.

The Supreme Court further interpreted that EPF Act is a welfare legislation and the non-obstante clause under Section 11(2) ensures that employees' provident fund dues are to be paid in priority over all other debts. Further, "first charge" under the EPF Act cannot displace "priority" under the SARFAESI Act. The Supreme Court, therefore, dismissed the petition and directed the provident fund dues to be satisfied first from the auction proceeds, followed by the bank's secured debt.

Industry Insights

In this section, we delve into interesting human resources related practices and/or initiatives as well as industry trends across various sectors in the past one month.

India Inc elevates holistic employee wellness to a priority

An increasing number of Indian employees are reporting heightened stress levels and a decline in mental and emotional well-being, prompting India Inc to treat wellness not only as an optional perk but a strategy. The growing awareness of the long-term harms of unchecked work pressure and burn out has led to the deployment of various creative interventions to address these concerns at the source. This shift in prioritizing the holistic well-being of employees has also surged collaborations with wellness platforms, apps, and startups which innovate in this field.

A host of practices which encourage movement have gained popularity including workplace massages, all-inclusive, in-house wellness zones, yoga and meditation sessions, etc. Similarly, provisions for mental health assessments by trained volunteers, digital and on-site support, and feedback tools allow employers to be appraised on the mental wellbeing of their employees. These efforts are made with the objective of building a resilient workforce by responding to concerns in a timely manner and fostering an empathetic work environment.



We hope the e-Bulletin enables you to assess internal practices and procedures in view of recent legal developments and emerging industry trends in the employment and labour law and practice landscape.

The contributors to this edition of the e-Bulletin are Anshul Prakash (Partner), Deeksha Malik (Principal Associate), Ajeta Anand (Senior Associate), Varsha Sankara Raman (Associate), and Sukriti Shrivastava (Associate).

For any queries in relation to the e-Bulletin, please email to us at elbebulletin@khaitanco.com

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