

ELB E-BULLETIN

September 2025 | Volume VII | Issue IX

Welcome to the ninth 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 (including those relating to the upcoming labour codes), 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.

Broadly speaking, the labour codes, which aim to consolidate and consequently replace 29 Central labour laws, are yet to be brought into force, barring provisions relating to



Employees' pension fund



Central Advisory Board on minimum wages



Identification of workers and beneficiaries through Aadhaar number for social security benefits

Moreover, even if the codes are fully brought into effect, the same would require the issuance of rules, schemes, and notifications of the relevant governments so as to have a comprehensive revised compliance regime.

Under the labour codes, the 'appropriate government' for an establishment can be the Central Government or the state government, depending on the nature of its operations or the existence of multi-state operations. Such appropriate government has the power to inter alia issue rules detailing some of the substantive aspects broadly set out under the codes and also prescribing procedural compliances such as filings, maintenance of registers, etc. 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, 4 out of a total of 36 states and union territories are yet to publish draft rules on the code on wages, while 5 states have not released draft rules on code on industrial relations, social security and occupational safety, health and working conditions.



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).

In the case of Indian Federation of Application-Based Transport Workers (IFAT) v Union of India and Others Writ Petition (Civil) Number 1068 of 2021, the Supreme Court while addressing concerns regarding the delay in implementing the Code on Social Security, 2020, has directed the Central Government to file an affidavit specifying the timeline for the implementation of the Code on Social Security, 2020.

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.

Goa introduces new legislation concerning working conditions for shops and establishments

The government of Goa has enacted the Goa Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2025 (Goa S&E Act) on 19 September 2025 published in the Official Gazette on 1 October 2025. The Act comes in force effective from the date of publication of the Official Gazette. The Goa S&E Act repeals the extant Goa, Daman and Diu Shops and Establishments Act, 1973. The Goa S&E Act sets out provisions concerning



Notice of intimation requirements for establishments with less than 20 workers



Increase in daily working hours for adult workers from 8 hours to 10 hours



Decrease in the rest interval from 1 hour to 30 minutes



Permission to women employees to work between 7:30 PM to 7 AM

provided the employer has arranged for the requisite facilities for adequate protection and safety, including provision of shelters / restrooms and transportation facilities from the establishment to their residence.

EPFO issues circular on updating personal details linked to Universal Account Number (UAN)

By way of a circular dated 13 August 2025, the Employees' Provident Fund Organisation (EPFO) has simplified the process for members to seed / correct their personal details, including Aadhaar, with their UAN.



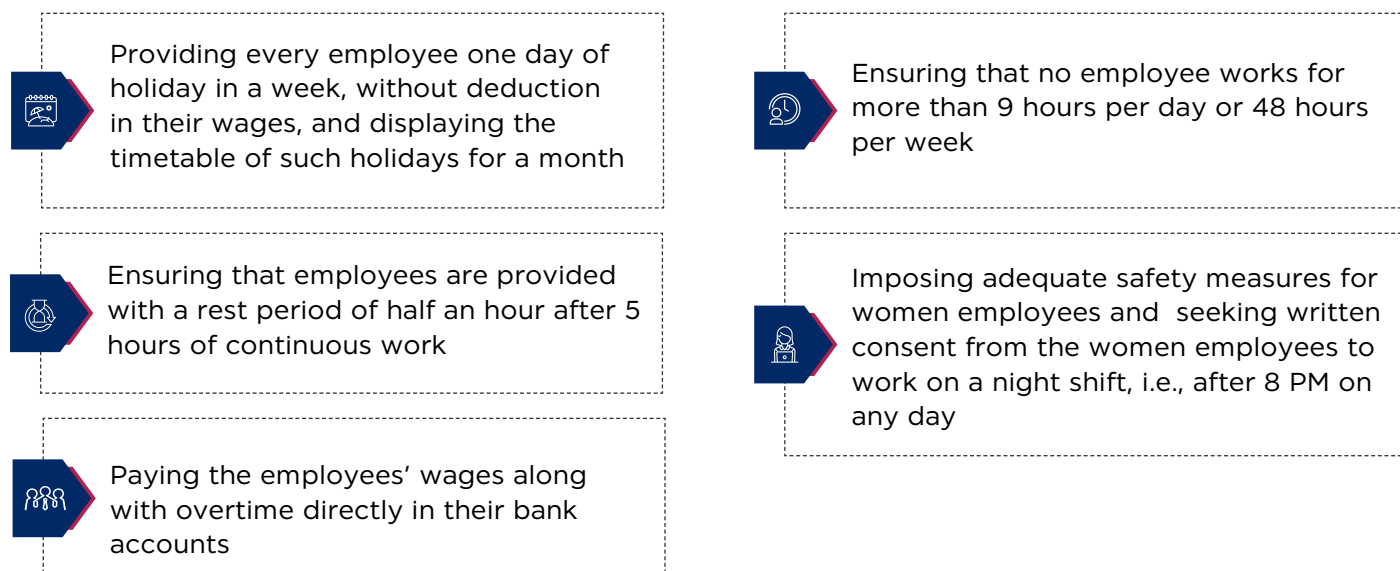
For employees whose name, gender, date of birth provided matches the details provided in the Aadhaar, the employer can directly seed the Aadhaar with the employee's UAN, without any approval from the EPFO. In case of any mismatch between the details provided / correction of Aadhaar details, employers are permitted to undertake rectification measures through the online joint declaration functionality. This circular also permits the members to update their profile details directly by submission of an attested physical copy of the joint declaration functionality to the regional office, in case of unavailability of the employer.

EPFO simplifies the settlement process for death claims vis-à-vis surviving minors

Through a circular dated 13 August 2025, the EPFO has simplified the process for settlement of death claims for surviving minor children, by waiving off the pre-requisite of submission of a guardianship certificate, in case the settlement is being directly credited to the minor's bank account. Accordingly, the members are advised to open individual bank accounts in the names of the minor children to facilitate the transfer of settlement proceeds and pension.

Chandigarh allows establishments to operate 24*7 with safety measures for female employees

As per the notification dated 14 August 2025, the Union Territory of Chandigarh has permitted all establishments to be open 24*7 on all days of the year, in furtherance to the Punjab Shops and Commercial Establishments Act, 1958 (Punjab S&E Act). Such establishments operating 24*7 are subject to certain conditions including



States exempt smaller establishments from certain requirements under the shops and establishments legislations

Through a notification dated 19 August 2025, the government of Rajasthan has exempted smaller establishments that employ 0-10 workers, from the requirement of registration under the Rajasthan Shops and Commercial Establishments Act, 1958.

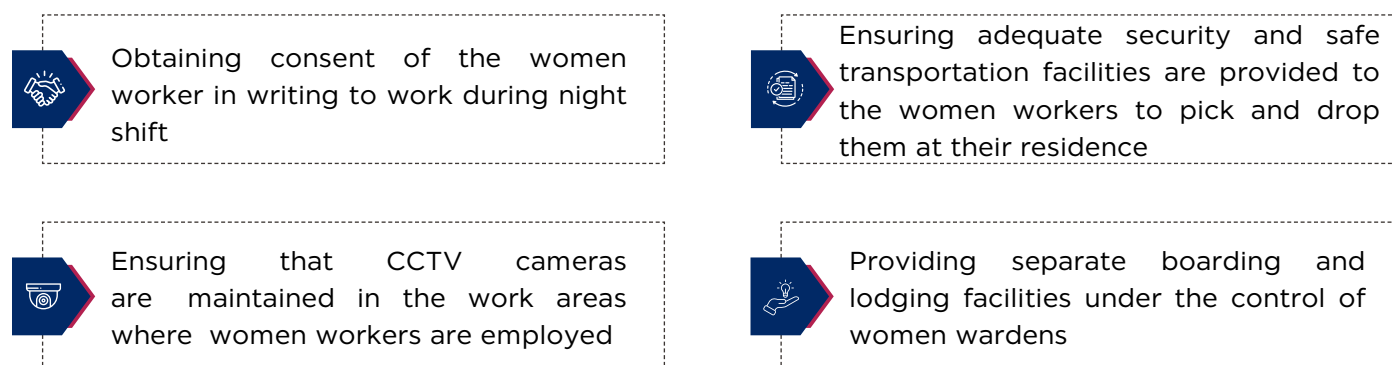


Separately, the government of Punjab has also exempted small businesses, i.e., employing less than 20 employees, from the provisions of the Punjab S&E Act, through a notification published in the Official Gazette on 29 August 2025. This exemption is a part of the amendments introduced to the Punjab S&E Act on an overall basis. We have covered these aspects in detail in our ERGO which may be accessed [here](#).

On a related note, even the government of Karnataka has proposed an amendment to Rule 24 of the Karnataka Shops and Commercial Establishments Rules, 1963 which concerns the maintenance of registers and records by an employer. The Karnataka Shops and Commercial Establishments (Amendment) Rules, 2025 proposes to waive off the requirement for maintenance of such registers and records for establishments where less than 10 employees are employed.

Punjab introduces guidelines concerning employment of female workers during night shifts in factories

The government of Punjab vide a notification dated 30 July 2025 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 Punjab are permitted to engage women employees in night shifts subject to the fulfilment of certain conditions by the employer including



Further, every occupier employing women employees during night shift, shall submit an application with an undertaking electronically in the designated portal of the department that all facilities and conditions prescribed in the notification have been adhered to, such that the exemption is auto generated within 24 hours.

Government of India notifies new amendment rules to the Apprentices Act, 1961

Through a notification dated 11 September 2025 published in the Official Gazette, the Ministry of Skill Development and Entrepreneurship (Ministry), has amended the Apprentices Act, 1961. These amendments encapsulate aspects such as a) clarification of the ambit of “contractual staff”, in line with the Code on Wages, 2019; b) requirement of a gap of minimum 1 year between 2 apprenticeship engagements; c) restriction on the maximum number of apprenticeship trainings as 2; and d) revision of the minimum rate of stipend payable to apprentices per month.

Separately, the Ministry has also issued a notification published in the Official Gazette, which sets out different groups of industries to whom the provisions of the Apprentices Act, 1961 will become applicable.



Karnataka notifies social security law to safeguard rights of gig workers

The government of Karnataka notified the Karnataka Platform Based Gig Workers (Social Security and Welfare) Act, 2025 (Karnataka Workers Act) through a notification published in the Official Gazette on 12 September 2025. The Karnataka Workers Act is deemed to have come into force with effect from 30 May 2025. The Karnataka Workers Act includes provisions relating to the a) establishment of a 'gig workers welfare board'; b) rights of the platform-based gig workers; c) registration of gig workers and aggregators; d) automated monitoring and decision making systems; e) working conditions for the gig workers; and f) grievance redressal procedure, among other aspects.

SEBI notifies amendment to Share-Based Employee Benefits and Sweat Equity Regulations

After much deliberation in the public domain including the publication of a consultation paper, the Securities and Exchange Board of India (SEBI) on 8 September 2025 has published the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) (Amendment) Regulations, 2025. As per this amendment, Regulation 9A has been incorporated, according to which an employee who is classified as a 'promoter' later in the draft offer document will keep and/or exercise their stock options, stock appreciation rights, or other benefits, provided these benefits were granted at least 1 year before the draft offer document was filed with SEBI.

Case Updates

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

Exempted establishments cannot deny higher pension related entitlements if joint option exercised: Madras High Court

In the case of D Chandirasegar and Others v Union of India and Others Writ Petition Number (Madurai) 29573 to 29578 of 2024, the Madras High Court set aside the EPFO order which clarified that if the trust rules of an exempted establishment impose certain restrictions vis-à-vis the entitlements of the employees, it will continue to remain applicable, even if the employees are statutorily entitled to higher benefits.

Petitioners in the case were retired employees of Bharat Heavy Electricals Limited, Trichy, which is an establishment exempted from the purview of the Employees' Provident Funds Scheme, 1952 (EPF Scheme). However, employees continued to remain covered by the Employees' Pension Scheme, 1995 (Pension Scheme) which allowed higher pension on "actual wages" instead of restrictions imposed by the statutory ceiling (as exemption was only limited to the EPF Scheme). As per the trust rules, members were to contribute 12% of the basic pay along with dearness allowance. They also had the option to contribute more voluntarily, and the employer was required to contribute an equal sum. However, the trust rules provided that if any member's pay exceeded INR 15,000 per month, the employer's contribution will be based on INR 15,000 per month. Further, the Supreme Court in the case of Employees' Provident Fund



Organisation and Another v Sunil Kumar B and Others (2023) 12 SCC 701 (Sunil Kumar) had stated that employees who are in service on 1 September 2014 may opt for pension on higher wages by contributing 8.33% of their actual salary if it exceeded the monthly ceiling of INR 15,000.

In the present case, the petitioners retired post 1 September 2014 and submitted a joint option application to the EPFO for higher pension. As per an EPFO circular dated 18 January 2025 (Circular), exempted establishments were not permitted to amend their trust rules with retrospective effect so as to bring the trust rules in consonance with the Supreme Court's judgment in the Sunil Kumar case. Accordingly, the joint applications submitted by the petitioners were rejected by the EPFO, upon referring to the trust rules which capped the employer's contribution at INR 15,000 and the Circular which restricted exempted establishment from amending their trust rules retroactively to align with Sunil Kumar case. The petitioners accordingly challenged such an order passed by the EPFO and filed an appeal with the Madras High Court. The Madras High Court set aside the Circular and the order passed by the EPFO, by noting that any amendment more beneficial to employees will be automatically applicable to them despite the verbiage set out in the trust rules and/or any requirement to amend such verbiage. Accordingly, as the trust rules cannot deny benefits available to employees under the Pension Scheme, the rejection of the joint option applications was contrary to law.

Sexual harassment appeal dismissed on account of being time-barred but judgment to be reflected in the resume: Supreme Court

In the case of Vaneeta Patnaik v Nirmal Kanti Chakrabarti and Others Special Leave Petition (Civil) Number 17936 of 2025, the Supreme Court examined whether a complaint of sexual harassment filed beyond the statutory limitation period under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 (POSH Act) could be adjudicated upon.

In this case, several allegations of sexual harassment were alleged by the appellant who was a faculty member of the West Bengal National University of Juridical Sciences (NUJS) against the Vice Chancellor of NUJS. She had alleged that she was subjected to harassment on multiple instances during the period between September 2019 and April 2023. The last incident of sexual harassment occurred in April 2023 following which the appellant was removed from her post as a director of a centre. On 26 December 2023, she filed a complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act) before the local committee. The complaint was rejected as time-barred, since it was filed beyond the 6-month statutory limit which was further upheld by the division bench of the Calcutta High Court.

Accordingly, the petitioner approached the Supreme Court for adjudication upon the order passed by the Calcutta High Court. The Supreme Court, in turn, upheld the decision and held that the last incident of the alleged sexual harassment occurred in April 2023 and since the complaint was filed in December 2023, it was beyond the maximum 6-month limitation period set out under the POSH Act. That said, the Supreme Court noted that while the incidents of the alleged sexual assault are not decided on merits due to the period of limitation being barred, the judgement shall be made part of the resume of the respondent, ensuring that there is a permanent record.



Job search in rival firm not moral turpitude to deny gratuity: Calcutta High Court

In the case of Xpro India Limited v State of West Bengal and Others Writ Petition Number 4620 of 2025, the Calcutta High Court examined the writ petition challenging orders of the controlling authority and appellate authority under the Payment of Gratuity Act, 1972 (Gratuity Act), and whether an employer could forfeit gratuity under Section 4(6) of the Gratuity Act, without criminal conviction or sufficient proof of misconduct involving moral turpitude.

The petitioner terminated the employment of the respondent employee, after a domestic inquiry for allegedly being regularly in touch with a rival company and sharing confidential information. Following the employment termination, the petitioner forfeited the respondent employee's gratuity citing misconduct amounting to 'moral turpitude'. The respondent employee, however, applied for gratuity which was allowed by the controlling authority and upheld on appeal, thereby directing the employer to pay such gratuity amounts along with interest.

The issue before the Calcutta High Court was whether gratuity can be forfeited under the Gratuity Act where the alleged misconduct involves moral turpitude. The court held that the petitioner could not prove any damage or loss of property due to the act of the respondent which involves moral turpitude. Additionally, no credible evidence was provided by the employer to substantiate the allegations, and the domestic enquiry was found to be lacking adherence to the principles of natural justice. Mere suspicion or administrative action cannot justify forfeiture of gratuity unless the misconduct is proven to be an offence involving moral turpitude committed during employment. Accordingly, it was noted that looking for another job even if with a rival company was deemed as a basic right and did not constitute moral turpitude. Therefore, the orders of the controlling and appellate authorities directing payment of gratuity with interest were upheld and the writ petition was dismissed. The judgment reinforces that employers must meet a high threshold of proof before denying statutory benefits like gratuity.

Employees' provident fund claims arising after liquidation commencement date not admissible under IBC: NCLAT

In the case of Regional Provident Fund Commissioner v Alok Kailash Saksena Liquidator of Gujarat Foil Limited and Another Company Appeal (Insolvency) Number 807 of 2025, an appeal was filed with the National Company Law Appellate Tribunal (NCLAT) by the EPFO challenging an order arising from National Company Law Tribunal, Ahmedabad wherein the EPFO's application to receive payment of provident fund from a company in liquidation of Gujarat Foils Limited was rejected.

The company was ordered to be liquidated on 16 September 2019. On 25 October 2021, the EPFO submitted a claim of INR 4.57 crore, 2 years post the late date of filing claims which was 23 October 2019. The claim was based on assessment of dues made under Section 7A of the Employees Provident Funds and Miscellaneous Provisions Act, 1952, through an order dated 11 October 2021, which was after the liquidation commencement date of 30 September 2017. The claim was rejected by the liquidator since the assessment of dues was made after the liquidation commencement date and the claim was filed post the deadline, thereby, the claim was time-barred and inadmissible under Regulation 16(2) of the IBBI (Liquidation Process) Regulations, 2016.



The NCLAT held that the claim of the EPFO was not in existence during the liquidation process and hence, was correctly rejected by the liquidator. However, it was noted that non-admission of the claims of appellant will not preclude the EPFO from availing other steps available under the law for realisation of its claims.

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 brings measures to support 'caregiver' employees

A large population of India's workforce has historically consisted of 'caregiver' employees. Caregiver employees are those employees who have the responsibility of taking care of family member / relative, such as aged parents, young children, ailing relatives, etc. Managing professional responsibilities along with personal obligations often causes a burden to the employee, on account of burnouts and/or greater attrition.

Such pool of employees in India is often referred to as 'sandwich generation', i.e., individuals who take care of their ageing parents and young children, and any other persons. Recently, India Inc has rolled out [various policies](#) which are aimed at providing necessary support to the caregiver employees. This includes providing additional leaves along with flexible work arrangements, flexible work hours, compressed workweeks, sabbaticals, etc. Some companies have also brought in assistance programmes which involve counselling, home health care facilities, elderly care at discounted rates etc. Along with the formulation of policies, efforts are being made to train managers in order to sensitise them to such needs, so that the implementation can be effective. The aim is to create a workplace which is inclusive in the truest manner, by acknowledging specific needs of different set of employees.



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

ABOUT KHAITAN & CO

Khaitan & Co is a top tier and full-service law firm with 1300+ legal professionals, including 300+ leaders and presence in India and Singapore. With more than a century of experience in practicing law, we offer end-to-end legal solutions in diverse practice areas to our clients across the world. We have a team of highly motivated and dynamic professionals delivering outstanding client service and expert legal advice across a wide gamut of sectors and industries.

To know more, visit www.khaitanco.com



Disclaimer

This document has been created for informational purposes only. Neither Khaitan & Co nor any of its partners, associates or allied professionals shall be liable for any interpretation or accuracy of the information contained herein, including any errors or incompleteness. This document is intended for non-commercial use and for the general consumption of the reader, and should not be considered as legal advice or legal opinion of any form and may not be relied upon by any person for such purpose. It may not be quoted or referred to in any public document, or shown to, or filed with any government authority, agency or other official body.