

Gujarat promulgates key ordinance to amend shops and establishments law

27 December 2025

In a notable development, the Governor of Gujarat promulgated the Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) (Amendment) Ordinance, 2025 (Ordinance) through the Official Gazette on 16 December 2025. This Ordinance amends the Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019 (Gujarat S&E Act), and the same has been made effective from 16 December 2025.

To provide a brief context, an ordinance is passed by the Governor to introduce a temporary legislation when the state legislature is not in session, and the ordinance ceases to take effect after 6 weeks from reassembly of the state legislature, unless it is passed by the legislature and has received the Governor's assent. As such, the Ordinance would be required to be converted into a bill eventually for its provisions to apply permanently.

In this update, we discuss the key changes brought about by the Ordinance from an employment law perspective.

Applicability

As per the Ordinance, the employee headcount threshold for application of the Gujarat S&E Act has been increased from 0 to 20 employees (such threshold is inclusive of both managerial and non-managerial employees).

Intimidation

Pursuant to the above change, now establishments having less than 20 employees will be required to provide details of the opening and the closing of business of the establishment to the Inspector, without having to comply with the remainder of the Gujarat S&E Act.

Intervals of rest

As per the Ordinance, the total number of hours of work without an interval has been increased from 5 hours to 6 hours, with a break of at least half an hour given after every 6 hours of continuous work.

Hours of Work

As per the Ordinance, the maximum daily working hours has been increased from 9 hours to 10 hours per day. There has been no revision in the maximum weekly hour limit of 48 hours.

Overtime limits

As per the Ordinance, the overtime hours limit has been increased from 9 hours to 10 hours in a day and from 125 hours to 144 hours in a quarter.

Women allowed to work in night shifts

As per the Ordinance, a woman employee can now work from 9 pm to 6 am, with her consent, provided that certain conditions such as rest rooms, ladies toilet, night crèche and adequate measures for their safety and protection from sexual harassment are adhered to. Additionally, an employer is required to provide transportation services for women working in night shifts. Further, such shifts may be regulated by the State Government, by way of a notification in the Official Gazette.

Comments

With ease in regulatory compliances and increased flexibility in work hour arrangements, the Ordinance reflects the Government's larger initiative to promote a business-friendly climate in Gujarat for employees. Notably, the Ordinance is in continuation of similar amendments brought about or proposed by other states including Maharashtra, Haryana and Telangana.

Notwithstanding the flexibility offered by the Ordinance in work time regulations, it is yet to be seen whether establishments will revisit their policies. This is because a 10-hour working day in a week comprising 5 working days would mean that the total number of hours worked by an employee in a week would be 50, crossing the weekly threshold of 48 hours and attracting overtime. Moreover, with the enforcement of the Occupational Safety, Health and Working Conditions Code, 2020 effective 21 November 2025, employers may have to tread cautiously as the code specifies 8 hours as the normal working hours per day for all establishments with 10 or more non-managerial employees.

Furthermore, while the Ordinance promotes workplace equality and inclusiveness by permitting women employees to work night shifts, ensuring compliance with the requirement of a night crèche may not be achievable in instances where employers rely on third-party service providers for provision of crèche facility to their employees which typically operate during standard business hours.

With some of these challenges, it would be helpful to see how state governments resolve to assist employers in being able to benefit from the relaxations.

- *Anshul Prakash (Partner); Deeksha Malik (Principal Associate) and Akshita Sharma (Associate)*



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