

Employment Law Update

2025 October

Introduction

The October 2025 edition of the KSK Employment Law Newsletter highlights a range of timely notifications, circulars, and regulatory reforms that continue to shape India's labour and compliance landscape. At the central level, the Ministry of Labour & Employment and its agencies have introduced measures aimed at easing procedural challenges while reinforcing accountability. Notably, the Employees' Provident Fund Organisation (EPFO) extended the deadline for filing the revamped Electronic Challan-cum-Return (ECR), giving employers' crucial time to adapt to the upgraded digital system. Similarly, the Central Government revised the Variable Dearness Allowance (VDA) for scheduled employment, ensuring minimum wages keep pace with inflation and the rising cost of living.

State-level initiatives further highlight this trend of balancing operational flexibility with compliance obligations. Karnataka implemented its pioneering Menstrual Leave Policy, enhancing gender-sensitive workplace practices, while the Karnataka Platform-Based Gig Workers Welfare Ordinance formalized social security and grievance mechanisms for gig economy participants. Gujarat and Punjab introduced progressive reforms to the Factories Act and Shops & Establishments laws, modernizing work hours, overtime, and workforce-based compliance norms. Other states, including Puducherry, Haryana, and Goa, relaxed working hour restrictions and eased procedural obligations to facilitate smoother operations.

Taken together, these developments signal a clear direction: authorities are providing relief from administrative burdens and promoting modernization, but with an expectation of stronger internal governance, social protection, and compliance diligence. For organisations, the imperative is twofold, leverage these regulatory relaxations to enhance operational efficiency while embedding robust systems to uphold worker welfare, statutory obligations, and workplace fairness.

Notifications and Circulars

EPFO extends deadline for revamped ECR filing- A timely relief for employers

On 13 October 2025, the Ministry of Labour & Employment announced that the Employees' Provident Fund Organisation (EPFO) has extended the deadline for filing the revamped Electronic Challan-cum-Return (ECR) for the wage month of September 2025 up to 22 October 2025. The decision comes as part of EPFO's ongoing efforts to modernize its compliance infrastructure while ensuring a smooth transition for employers adapting to the new system.

The revamped ECR framework, which was introduced for implementation beginning with the September wage month, brings significant enhancements in interface design, validation checks, and overall data accuracy. However, the transition to the upgraded portal led to several operational challenges for employers, who reported difficulties in adapting their payroll and reporting systems to align with the new requirements. Recognizing these concerns, the EPFO extended the submission deadline as a one-time relaxation, offering additional time for establishments to familiarize themselves with the new process and avoid compliance defaults.

For employers, this announcement serves as a much-needed relief and a pragmatic acknowledgment of real-world transition challenges. The extension not only allows organizations to stabilize their internal compliance workflows but also mitigates the immediate risk of penalties or disruptions in provident fund processing due to delayed submissions. By granting this buffer, EPFO has effectively balanced its push for digital reform with a responsive, stakeholder-centric approach.

The extension should not be viewed as a permanent relaxation. It applies exclusively to the wage month of September 2025, after which the standard deadlines will resume. Employers are therefore advised to use this interim period to fully familiarize themselves with the upgraded ECR workflow, conduct internal validation exercises, and ensure seamless data migration from their existing systems. It is equally crucial to update compliance calendars to reflect the revised filing date and train payroll teams to handle the enhanced validation features integrated into the new platform.

The larger takeaway from this development is twofold: while the EPFO's decision brings immediate operational relief, it simultaneously calls for greater self-regulation and preparedness from employers. By proactively adapting to the new digital compliance framework, organizations can not only avoid future disruptions but also strengthen their governance standards. The move, thus, represents a balanced reform one that encourages modernization without penalizing the learning curve that naturally accompanies change.

PFRDA proposes major overhaul of pension rules: Early exit, flexible withdrawals, and modernised NPS framework

The Pension Fund Regulatory and Development Authority (**PFRDA**) has released an exposure draft proposing significant amendments to the framework governing pension funds and the National Pension System (**NPS**), signalling a key shift in how retirement savings will be managed and regulated in India. According to commentary on the draft, one of the most notable proposals is the introduction of an earlier exit option for NPS subscribers potentially after 15 years of participation rather than waiting until the standard retirement or age-60 juncture.

Under the draft's recommendations, there is also a push to provide greater flexibility in withdrawals, making the pension system more adaptable to the evolving needs of contributors. For example, the proposal suggests that all-citizen and corporate NPS subscribers could allocate up to 20 % of their corpus toward an annuity, thereby enhancing the liquidity and utility of accumulated savings.

Another key aspect of the draft is the possibility of revising age-related norms for participation in NPS. For instance, the default NPS joining age may be raised, and special provisions could be introduced for those joining after age 60. These changes reflect PFRDA's intent to make the pension architecture more inclusive and responsive to demographic and workforce shifts. For stakeholders be they retirement fund managers, financial advisers, employers, or subscribers these proposed amendments could represent both

opportunity and challenge. On one hand, increased flexibility and earlier exit options make NPS potentially more attractive to younger and mobile workers. On the other, the regulatory adjustment would require careful recalibration of investment strategies, fund governance, and subscriber counselling frameworks to align with the new norms.

At present, the draft remains notified for consultation, and final regulation will follow after stakeholder feedback and regulatory review. Until then, the existing rules remain in force, but interested parties should watch closely, as these amendments could reshape the entire pension-fund landscape in India in the coming years.

Central government revises Variable Dearness Allowance (VDA) for scheduled employment effective October 1, 2025

In a move aimed at safeguarding the purchasing power of workers, the Central Government has revised the Variable Dearness Allowance (VDA) for scheduled employments, effective 1 October 2025. The revision, notified by the Office of the Chief Labour Commissioner (Central) under the Ministry of Labour & Employment, applies to a broad range of employments including construction, mining, agriculture, sweeping and cleaning, watch and ward, loading and unloading, and other sectors covered under the Central Government's Minimum Wages notifications. This adjustment ensures that minimum wages remain responsive to fluctuations in the cost of living and inflationary pressures.

The revision of VDA is based on the Consumer Price Index for Industrial Workers (CPI-IW), which rose from 402.09 (as on 31 December 2024) to 413.42, marking an increase of 11.33 points. This indexation mechanism ensures that wage adjustments are directly linked to inflation, allowing workers' real incomes to keep pace with rising costs of essential goods and services. The government revises the VDA twice a year, on 1 April and 1 October, based on the CPI-IW data, demonstrating a systematic approach to protecting workers in the unorganised and semi-organised sectors from erosion of purchasing power.

To maintain consistency and ease of implementation, the revised VDA amounts are rounded to the nearest

rupee as recommended by the Minimum Wages Advisory Board. This adjustment reflects the government's commitment to fair wage practices and periodic rationalisation of pay structures in central sector establishments. By recalibrating wages according to the latest inflation trends, the government is providing timely relief to workers in sectors often exposed to fluctuating earnings and cost-of-living challenges.

All central sector establishments engaged in scheduled employments are required to update their wage structures effective 1 October 2025. Employers must ensure that the revised VDA is accurately reflected in wage calculations, payslips, and statutory registers, ensuring compliance with the Minimum Wages Act, 1948 and the rules framed under it. Proper incorporation of the VDA is essential not only for legal compliance but also for ensuring transparency and maintaining trust between employers and workers.

This revision is expected to benefit thousands of workers across the country, improving overall earnings and providing a cushion against inflationary trends. By periodically adjusting the VDA, the government reaffirms its commitment to protecting the economic welfare of workers, ensuring that their remuneration remains fair, competitive, and aligned with contemporary economic realities.

India moves toward safer, smarter factories: Draft "Factories Workers Rules" under the OSH Code, 2020

The Ministry of Labour & Employment has released the Draft Factories Workers Rules, 2025 under Sections 23 and 24 of the Occupational Safety, Health and Working Conditions Code, 2020 (OSH Code). These draft rules aim to redefine workplace safety, hygiene, and welfare standards for factories nationwide marking one of the most forward-looking regulatory reforms since the original Factories Act framework.

The proposed rules set out a comprehensive code of modern workplace practices, ensuring that factory environments are cleaner, safer, and technologically aligned with today's industrial realities.

From mandating non-slip flooring and efficient drainage in wet work areas to ensuring proper ventilation, thermal comfort, and protection from excessive heat or harmful fumes, the draft emphasizes that safety must be built into the very design and maintenance of the workplace. Factories will also be required to implement robust exhaust and air purification systems and restrict entry into confined spaces until air quality is verified signalling a zero-tolerance approach to preventable industrial hazards.

Perhaps the most notable change is the explicit focus on preventive safety management, rather than reactive compliance. The draft rules call for a culture of continuous monitoring, routine housekeeping, and engineering-based solutions to industrial risks effectively pushing Indian factories toward international best practices. Employers are expected to document, digitize, and demonstrate compliance, bringing accountability and traceability to workplace safety like never before.

For employers and HR leaders, this is more than just another compliance update it's an opportunity to rethink industrial design, worker comfort, and operational efficiency. A clean, well-ventilated, and ergonomically sound factory floor not only prevents accidents but also boosts productivity and workforce morale.

The Ministry has invited public feedback within 45 days of the draft notification, giving industries a chance to shape the final version of the rules. Once implemented, these reforms will stand as a key pillar of India's broader "Ease of Doing Business with Safety" vision balancing growth with the dignity and well-being of its workforce.

In short, the Draft Factories Workers Rules, 2025 don't just polish the old regulations; they reimagine the factory of the future one where safety, hygiene, and sustainability are not afterthoughts, but the foundation of India's industrial success.

NMC unveils interim guidelines for PwBD admissions in MBBS

The National Medical Commission (NMC) has rolled out a landmark set of guidelines aimed at transforming

the way candidates with benchmark disabilities (PwBD) gain admission into MBBS programmes for the academic year 2025-26. Departing from the long-standing practice of rigid disability-percentage cut-offs, these rules shift the focus to what one can do, rather than simply how much one is disabled.

Under the new regime, eligible PwBD candidates must now file a valid Unique Disability ID (**UDID**) card, submit a self-certified affidavit listing functional capabilities and limitations, and undergo verification by one of the 16 designated medical boards set up across the country. The affidavit format is included in the interim guidelines, which emphasise evaluation based on functional ability such as mobility, communication, dexterity, comprehension rather than mere arithmetic percentages.

In a key policy framing, NMC acknowledges that assistive technologies and medical devices have advanced significantly and that the assessment must reflect real-world readiness of students to participate in rigorous clinical education. It clarifies that while disability categories remain relevant, the ultimate criterion will be the ability to perform course-relevant tasks with or without reasonable accommodation.

Medical institutions have been directed to ensure accessible infrastructure, appoint nodal officers for PwBD students, establish grievance cells, and ensure no candidate is denied admission solely on the grounds of disability. Yet, as disability rights advocates point out, the new guidelines may still pose practical hurdles such as the limited number of boards, travel constraints for candidates, and the burden of proving functional competency.

While these are labelled "interim" guidelines limited to the 2025-26 academic year, their impact is far from temporary. They represent a major step in aligning medical education access with the Rights of Persons with Disabilities Act, 2016 and landmark judicial pronouncements demanding inclusive educational norms.

For prospective students, this means a new pathway: clearer, more functional-ability focused, and potentially more inclusive. For universities and colleges, it means revamping admission procedures, rethinking infrastructure and support systems, and preparing for a more diverse cohort. The interim guidelines signal

that the doors are opening wider but both sides must be ready to walk through.

India unveils draft “Draft Dock Workers Rules, 2025” under the Occupational Safety, Health and Working Conditions Code, 2020- A sea change for ports and dock-operations

The Ministry of Labour & Employment has released a compelling new regulatory blueprint for the waterfront industry: the “Draft Dock Workers Rules” issued under Sections 23 and 24 of the OSH Code, 2020. By opening this draft to public consultation, the government signals a bold shift toward modernising safety, welfare and working-condition standards for dock workers across the country.

At its core, the draft rules aim to fix what have long been seen as regulatory blind spots in India’s maritime supply-chain: from unstandardized dock work-environments, hazardous cargo handling and exposure to weather or water-borne risks, to insufficient protective equipment, ventilation or training. The rules define key terms such as “Officer in-charge Canteen,” “Negotiating Union/Council,” and other dock-specific roles a sign that the policy is tuning into the unique character of dock-work rather than transplanting generic factory norms.

The proposals include a number of operationally significant obligations for employers: maintaining anti-slip or protective flooring in wet or spillage-prone areas, ensuring prompt disposal of waste and avoiding work-area accumulation, providing appropriate PPE for dust or gas-exposed activities, and restricting entry into confined or hazardous spaces unless certified safe. Equally noteworthy is the requirement of proper ventilation, temperature and humidity control in enclosed work-zones a reflection of the government’s acknowledgement that docks are not just open-air platforms but often include enclosed storage, handling and repair facilities.

For industry players port operators, cargo-handlers, logistics firms, ship-chandlers and allied services this draft represents both an opportunity and a warning. Implementing these standards proactively could position operations as safer, more efficient and

internationally compliant; yet, lagging behind may mean sudden regulatory pressure down the line. Since this applies “to the whole of India”, the scale and reach are national.

Stakeholders now have 45 days from 26 September 2025 to submit objections or suggestions. Employers and compliance teams should begin reviewing existing dock-work practices, site-design, safety-equipment inventories, ventilation and drainage systems, and documentation of hazardous-area clearances not merely when the final rules are notified.

In summary, the Draft Dock Workers Rules mark a significant leap toward safer, smarter, more accountable port operations in India. As global maritime standards tighten and domestic logistics chains evolve rapidly, dock-work environments will no longer remain peripheral in labour-law terms. For organizations active in these sectors, this is a wake-up call and an opportunity to shore up safety, compliance and worker welfare.

Expanding the safety net: Employees’ Enrolment Campaign 2025

India is taking a bold step toward strengthening social security for its workforce with the launch of the Employees’ Enrolment Campaign 2025 (EEC 2025) by the Ministry of Labour and Employment. Running from November 1, 2025, to April 30, 2026, this campaign aims to bring employees who have remained outside the Employees’ Provident Fund (EPF) system into the fold, giving them access to retirement benefits and a more secure financial future.

This initiative builds on the success of the 2017 campaign, which targeted employees joining establishments between 2009 and 2016. EEC 2025 focuses on those who joined between July 1, 2017, and October 31, 2025, but were never enrolled in the EPF scheme. For employers, this is an opportunity to voluntarily declare and enroll eligible employees, fostering compliance while strengthening the social security network for their workforce.

A particularly attractive feature of the campaign is the waiver of the employee’s share of the contribution for the period they were previously unenrolled. Employers

are required to pay only their share, along with a nominal penalty of ₹100 per employee a far cry from the usual heavy penalties for non-compliance. This makes it easier for businesses to come forward and ensure their employees are covered.

Beyond compliance, EEC 2025 is a game-changer in formalizing employment in India. By bringing more workers under the EPF umbrella, it not only provides access to crucial retirement benefits but also encourages a culture of long-term financial planning and security. The campaign is expected to boost participation in formal employment, supporting India's broader economic and social objectives.

The process has been made simple and accessible, with employers able to declare and enroll employees online through the Electronic Challan-cum-Return (ECR) portal. This digital approach ensures a smooth enrollment experience, encouraging wider adoption and participation across industries.

In essence, the Employees' Enrolment Campaign 2025 is more than just a compliance exercise it is a landmark step toward creating a safer, more secure, and inclusive workplace in India. By incentivizing employers and offering protection to employees who were previously outside the system, this campaign is poised to transform the way India's workforce approaches social security.

SPREE 2025: A fresh start for employers and employees

In a significant move to expand social security coverage, the Employees' State Insurance Corporation (ESIC) has launched the Scheme for Promotion of Registration of Employers and Employees (SPREE) 2025. This initiative, active from July 1 to December 31, 2025, offers a unique opportunity for unregistered employers and employees including contractual and temporary workers to enroll in the Employees' State Insurance (ESI) system without facing retrospective penalties or inspections.

SPREE 2025 is designed to encourage voluntary compliance by removing the fear of retrospective penalties and simplifying the registration process. Previously, non-registration within specified timeframes could result in legal action and demand for backdated

dues. SPREE 2025 addresses these barriers, aiming to bring left-out establishments and workers into the ESI fold and ensure broader social protection. Employers can digitally register their units and employees via the ESIC Portal, Shram Suvidha, or the Ministry of Corporate Affairs portal. Registration will be considered valid from the date declared by the employer, and no contribution or benefit will apply for periods prior to registration. No inspection or demand will be made for the pre-registration period.

This scheme eliminates the fear of retrospective penalties and simplifies the registration process to promote voluntary compliance. Previously, non-registration could attract legal action and backdated dues. SPREE 2025 removes these hurdles, aiming to bring more employers and workers into the ESI fold and enhance access to health and social benefits.

SPREE 2025 marks a progressive step by the Employees' State Insurance Corporation towards inclusive and accessible social security. By simplifying the registration process and offering immunity from retrospective penalties, the scheme encourages employers and employees to come under the ESI system, thereby expanding the safety net for workers across the country.

Delhi invites public input on Draft Social Security Rules- A step towards inclusive labour reform

In a move that underscores its commitment to participatory governance and modern labour reform, the Government of NCT of Delhi has officially invited public feedback on the Draft Delhi Code on Social Security Rules, 2025. The Labour Department issued the notification on August 12, 2025, setting September 25, 2025 as the final date for submission of objections and suggestions. This development marks a pivotal moment in Delhi's ongoing efforts to operationalize the Code on Social Security, 2020, in a manner that reflects the city's unique workforce dynamics and welfare needs.

The draft rules are designed to streamline and consolidate multiple labour welfare schemes under one umbrella, ensuring better coverage, transparency, and digital efficiency in the administration of benefits. Once finalized, the Delhi Social Security Rules are

expected to define crucial frameworks for provident fund contributions, employee state insurance, maternity benefits, and welfare boards for unorganised workers. The rules also aim to make the registration and benefit disbursement process more accessible by leveraging online platforms reducing paperwork and making compliance easier for employers and establishments.

For Delhi's diverse workforce ranging from gig workers and construction labourers to private-sector employees these rules could be transformative. They aim to extend the reach of social protection measures to previously underserved groups, ensuring that every worker has access to healthcare, pension, and income security. Employers, on the other hand, will benefit from clearer compliance procedures and digitized submissions, aligning with the national "Ease of Doing Business" agenda.

By opening the draft for public comment, the Delhi government has ensured that this reform remains consultative rather than top-down. This period of feedback provides a valuable opportunity for employers' associations, trade unions, legal experts, and civil society organizations to help shape a policy framework that is both progressive and practical. As the submission deadline approaches, stakeholders are encouraged to review the draft carefully and share constructive feedback. With Delhi positioning itself as a frontrunner in the implementation of labour codes, this exercise could set the tone for how other states approach inclusive and future-ready social security governance in India.

Karnataka unveils progressive amendments to Shops and Commercial Establishments Rules, 2025

In a decisive move towards simplifying labour compliance and promoting business-friendly reforms, the Government of Karnataka issued the Draft Karnataka Shops and Commercial Establishments (Amendment) Rules, 2025 on 11 September 2025. The proposed amendments seek to modernise the existing regulatory framework, providing much-needed operational flexibility for establishments while ensuring continued protection for workers.

A key highlight of the draft is the exemption granted to small establishments employing fewer than ten workers from the applicability of Rule 24 of the principal Rules. This exemption is expected to substantially ease the compliance burden on micro and small enterprises a sector often constrained by procedural and administrative complexities. By streamlining regulatory requirements for these smaller entities, the government aims to bolster entrepreneurship and employment generation in the state's vibrant retail and service ecosystem.

While the draft primarily focuses on this exemption, it aligns with Karnataka's broader endeavour to modernise labour laws and create an enabling environment for employers. Recent discussions within the state have also indicated potential reforms concerning working hour flexibility and overtime ceilings, mirroring the trend seen in other progressive states seeking to align labour governance with the realities of a dynamic economy.

The Labour Department has invited public feedback and suggestions on the proposed amendments until 11 October 2025. Stakeholders including employers, employee representatives, and industry associations are encouraged to share their views with the Secretary, Labour Department, Government of Karnataka, Bengaluru, before the consultation window closes.

This initiative reinforces Karnataka's commitment to fostering an "Ease of Doing Business" environment without compromising on worker welfare. For employers, the proposed changes represent an opportunity to operate with greater procedural clarity and reduced administrative strain. However, it also underscores the importance of proactive engagement with the evolving legal landscape to ensure timely compliance once the final notification is issued.

In essence, the draft amendment marks another step in Karnataka's ongoing journey toward progressive labour governance one that balances the twin objectives of economic growth and equitable employment practices.

Ministry of Labour & Employment partners with Zomato to strengthen gig economy via NCS portal

The Ministry of Labour & Employment (MoLE) signed a Memorandum of Understanding (MoU) with Zomato on October 14, 2025, aimed at integrating gig and platform-based work opportunities into the National Career Service (NCS) portal. This collaboration is a major step toward providing structured, technology-enabled, and flexible livelihoods to youth, women, and other job seekers, bridging the gap between informal gig roles and formal employment systems.

Under this partnership, Zomato will now list approximately 2.5 lakh flexible livelihood opportunities annually on the NCS portal under a newly created 'Aggregator' category. This move ensures that gig workers, especially delivery partners, have transparent access to real-time income avenues while being formally recognized within the national employment ecosystem. The initiative also reflects the government's push to formalize gig work, giving workers both visibility and access to social security benefits.

Union Minister for Labour & Employment highlighted the significance of this collaboration, noting that integrating platform economy roles into the NCS portal represents a key step in connecting job seekers to dignified, technology-enabled livelihoods. Since its launch in 2015, the NCS portal has mobilized over 7.7 crore vacancies, serving as a vital bridge between employers and workers. The addition of gig roles further broadens its scope, providing workers with flexible opportunities while ensuring they remain part of the formal economy.

The Minister of State for Labour & Employment emphasized the importance of extending social protection to every organized and unorganized worker, noting that this partnership complements initiatives like the Pradhan Mantri Viksit Bharat Rozgar Yojana (PM-VBRY) and aligns with the government's Viksit Bharat 2047 vision. By formally recognizing gig workers, the initiative ensures they can access welfare schemes, grievance redressal mechanisms, and a structured system of accountability, thereby strengthening social

security for a rapidly growing workforce.

Karnataka's Menstrual Leave Policy 2025: A progressive step towards workplace inclusivity

In October 2025, Karnataka became the first state in India to implement a comprehensive Menstrual Leave Policy, granting women employees across both government and private sectors one paid day off per month, totalling 12 days annually. This landmark decision aims to address women's health issues in the workplace and promote gender-sensitive policies. The policy applies to all women employees, including those in government offices, garment factories, IT companies, multinational corporations, and other private industries. It entitles them to one paid menstrual leave day each month, allowing up to 12 days of paid leave per year. The initiative is expected to benefit over 50 lakh (5 million) women throughout the state.

This move is hailed as a "progressive law," recognizing the importance of addressing women's health issues in the workplace and setting a precedent for other states to follow.

Employers in Karnataka, both in the public and private sectors, are now required to implement this policy, ensuring that women employees can avail themselves of the menstrual leave without any hindrance. This policy not only supports women's health and well-being but also fosters a more inclusive and supportive work environment.

While the policy is a significant step towards gender equality, it is essential for employers to communicate the policy effectively to all employees and integrate it into the company's leave management systems. This will ensure smooth implementation and compliance with the new regulations.

Karnataka's Menstrual Leave Policy 2025 is a pioneering initiative that addresses women's health needs in the workplace, promoting gender equality and inclusivity. Employers are encouraged to embrace this policy, contributing to a healthier and more equitable work environment.

EPFO unveils major reforms: 100% PF withdrawal and digital upgrades

The Employees' Provident Fund Organisation (EPFO) has announced significant reforms to its withdrawal policies, benefiting over 70 million subscribers across India. Effective October 14, 2025, these changes are designed to provide members with greater control over their savings while ensuring a more streamlined and efficient process for accessing funds.

Under the new rules, EPFO members can now withdraw up to 100% of their Provident Fund (PF) balance, which includes both employee and employer contributions. To maintain long-term financial security, a minimum balance of 25% must remain in the account, allowing members to continue earning the prevailing interest rate of 8.25% per annum. This reform offers immediate financial relief to individuals in urgent need while encouraging responsible management of retirement savings.

The EPFO has also simplified its withdrawal framework by consolidating 13 existing withdrawal rules into three broad categories: essential needs, housing needs, and special circumstances. Essential needs cover medical expenses, education, and marriage, while housing needs pertain to the purchase or construction of a home. Special circumstances allow members to apply for withdrawals without specifying a particular reason, reducing bureaucratic hurdles and expediting the process.

In addition, the limits for withdrawals for education and marriage purposes have been increased, with members allowed up to 10 withdrawals for education and up to 5 for marriage. The minimum service requirement for partial withdrawals has been reduced to just 12 months, making the benefits more accessible to a larger segment of subscribers.

To complement these policy changes, EPFO has introduced "EPFO 3.0," a comprehensive digital upgrade that includes auto-settlement of claims, reducing the need for physical documentation. Pensioners will benefit from doorstep digital life certificate services provided in collaboration with India Post Payments Bank (IPPB), ensuring easier access to

pension benefits, particularly for individuals in rural areas.

The **"Vishwas Scheme"** has also been launched to resolve pending disputes and reduce penal damages for delayed PF payments. This initiative encourages employers to clear outstanding dues, fostering compliance and strengthening trust in the system. Furthermore, the waiting period for final PF withdrawal has been extended to 12 months of unemployment, up from the previous 2 months, while pension fund withdrawals now require a waiting period of 36 months.

These reforms reflect EPFO's commitment to modernizing its services and enhancing the financial well-being of its members. By combining flexible withdrawal options with robust digital infrastructure and simplified rules, EPFO aims to create a more inclusive, efficient, and user-friendly social security system for India's workforce.

Karnataka Gig Workers Welfare Ordinance 2025

In a landmark move, the Karnataka government enacted the Platform-Based Gig Workers (Social Security and Welfare) Ordinance, 2025, establishing a comprehensive welfare framework for gig and platform workers. The ordinance seeks to formalize the gig economy by introducing mandatory registration, social security benefits, and a grievance redressal mechanism for all gig workers operating within the state. For employers, this legislation represents both an opportunity and a responsibility to align operations with regulatory requirements while supporting worker welfare.

Under the ordinance, all platform aggregators are required to register with the Karnataka Gig Workers Welfare Board within 45 days of the law's commencement. In addition, platforms must remit a welfare fee ranging from 1% to 5% of each transaction involving gig workers. The collected funds will be directed into the Karnataka Gig Workers Social Security and Welfare Fund, which is intended to finance social security schemes, welfare programs, and other benefits for gig workers. Notably, only up to 5% of the fund can be used for administrative

purposes, ensuring that the majority of resources directly benefit the workers.

The Act guarantees several rights for gig workers, including registration and issuance of a unique ID, access to social security benefits, and protection under transparent contractual terms. It also establishes internal grievance redressal mechanisms within platforms, with escalation options to the Welfare Board. Platforms are further required to maintain algorithmic transparency and ensure occupational health and safety standards, contributing to a safer and fairer working environment.

From an employer perspective, the ordinance necessitates immediate operational adjustments. Platforms must ensure timely registration, integrate systems to calculate and remit the welfare fee accurately, and update contracts with gig workers to comply with the Act's provisions. Non-compliance can attract penalties, including fines and interest on overdue fees, making adherence to the ordinance critical for legal and reputational risk management.

At the same time, the ordinance presents strategic opportunities for employers. By providing structured social security and welfare benefits, platforms can enhance worker satisfaction, reduce turnover, and foster a more stable gig workforce. Proactively educating gig workers about their rights and the benefits available under the law can help build trust and improve engagement.

Overall, the Karnataka Platform-Based Gig Workers (Social Security and Welfare) Ordinance, 2025, establishes a framework that balances regulatory compliance with worker welfare. Employers who align their operations with these provisions can not only avoid legal repercussions but also strengthen their workforce strategy, contributing to a more equitable and sustainable gig economy in the state.

Gujarat's 12-hour shifts & 4-Day workweek: A strategic shift for employers

In September 2025, the Gujarat Legislative Assembly passed the Factories (Gujarat Amendment) Bill, 2025, introducing significant changes to the state's labour

laws. These amendments allow factory workers to complete their 48-hour weekly work quota in just four days, working up to 12 hours per day. This shift aims to enhance operational efficiency, attract investment, and provide workers with extended time off.

Under the new regulations, factories can implement 12-hour shifts, inclusive of breaks, while ensuring the total weekly working hours do not exceed 48. Employees who work four consecutive 12-hour shifts are entitled to two paid days off. Additionally, any work beyond nine hours in a day or 48 hours in a week qualifies for overtime compensation. The amendment also permits women to work night shifts between 7 p.m. and 6 a.m., provided they give written consent and the factory meets specific safety and health standards.

For employers, this amendment offers the flexibility to optimize production schedules and reduce operational costs associated with extended workweeks. The option to implement a four-day workweek can lead to improved employee satisfaction and retention by providing longer weekends. However, it is crucial for employers to ensure compliance with the new regulations, including obtaining written consent from female employees for night shifts and adhering to safety and health requirements. Failure to comply may result in legal repercussions and damage to the company's reputation.

In conclusion, the Gujarat government's amendment to the Factories Act presents a strategic opportunity for employers to enhance operational efficiency and employee satisfaction. By carefully implementing these changes and ensuring compliance with all legal requirements, employers can leverage this new framework to foster a more productive and content workforce.

Public consultation open for draft National Labour & Employment Policy – Shram Shakti Niti 2025

The Ministry of Labour & Employment has released the draft of the National Labour & Employment Policy – Shram Shakti Niti 2025, inviting public feedback until October 27, 2025. The policy is designed to modernize India's labour ecosystem, ensuring dignity,

protection, and opportunity for all workers, and aligns with the national vision of a Viksit Bharat by 2047.

A key focus of the draft policy is the establishment of a Universal Social Security Account, integrating EPFO, ESIC, PM-JAY, and e-Shram to provide portable and lifelong protection for workers across sectors. The policy also emphasizes the development of the National Career Service (NCS) as India's Employment Digital Public Infrastructure, offering AI-driven job matching, credential verification, and career guidance, particularly in Tier-II and Tier-III cities.

The policy sets ambitious targets for women and youth empowerment, including achieving 35% female workforce participation by 2030, promoting flexible work models, childcare support, entrepreneurship opportunities, and vocational pathways for young jobseekers. It also aims to simplify compliance and encourage formalization through a single-window digital compliance portal with risk-based self-certification, reducing administrative burdens and fostering trust-based governance.

Technology and sustainability are central to the draft policy, with initiatives to promote AI-enabled workplace safety systems, digital upskilling, and the creation of green jobs in line with India's climate goals. A three-tier institutional structure comprising National, State, and District Labour Missions will oversee implementation, with data-driven dashboards and a Labour & Employment Policy Evaluation Index (LEPEI) to monitor progress annually.

The policy envisions phased implementation from 2025 to 2047. Phase I (2025–27) focuses on institutional setup, digital pilots, and social security integration. Phase II (2027–30) will expand Universal Social Security rollout and AI-based job matching. Phase III (beyond 2030) aims for full digital convergence and predictive labour governance, establishing a comprehensive, future-ready framework.

Stakeholders, institutions, and members of the public are encouraged to submit comments and suggestions by October 27, 2025. This consultation offers a unique opportunity to contribute to shaping a fair, inclusive, and technology-driven labour ecosystem in India.

Punjab Shops and Commercial Establishments (Amendment) Act, 2025: Modernizing labour regulations

In September 2025, the Punjab government introduced the Punjab Shops and Commercial Establishments (Amendment) Act, 2025, bringing significant reforms to modernize labour regulations in the state. One of the key changes under this amendment is the shift from compliance based on geographical zones to workforce size. This simplification allows smaller establishments employing fewer than 20 workers to operate with reduced statutory obligations, requiring only basic information submission to the labour department within six months of commencing business. For businesses with more than 20 employees, full compliance with the Act is mandated, ensuring that the reforms maintain appropriate safeguards while reducing administrative burdens for smaller enterprises.

The amendment also streamlines the registration process for establishments employing 20 or more workers. Employers now have six months to obtain registration, and applications are deemed approved within 24 hours unless a reasoned objection is issued by authorities. This change significantly enhances operational efficiency and reduces delays in starting or expanding business activities. In addition, the amendment introduces flexibility in working hours, increasing permissible daily working hours from nine to ten and extending the maximum spread-over period to twelve hours. The quarterly overtime limit has also been raised, providing employers with the flexibility to manage workforce productivity effectively. However, any work beyond the standard hours must be compensated appropriately to remain compliant with labour laws.

The Act further strengthens protections for young workers, introducing stricter penalties for violations. Employers found contravening provisions related to the employment of young persons may face fines ranging from ₹1,000 to ₹25,000 for a first offense, and up to ₹50,000 for subsequent offenses. This ensures that while businesses gain operational flexibility, the rights and well-being of young workers remain safeguarded. Additionally, the amendment allows for the

compounding of minor offenses, such as record-keeping or inspection violations, enabling employers to resolve infractions without prolonged legal proceedings and fostering smoother operations.

From an employer's perspective, the 2025 amendments present an opportunity to optimize operations while ensuring compliance with updated labour norms. The simplification of rules for smaller establishments can reduce compliance costs, and the extended working hour flexibility allows businesses to align labour deployment with production and market demands. By proactively adapting policies and workforce management practices to these changes, employers can mitigate legal risks, enhance productivity, and create a more efficient and harmonious work environment. Overall, the Punjab Shops and Commercial Establishments (Amendment) Act, 2025, represents a significant step toward modernizing labour regulations, offering businesses both operational advantages and a framework for responsible workforce management.

Puducherry permits women to work in factories until 10 PM: A step toward gender-inclusive employment

In October 2025, the Government of Puducherry issued a progressive notification allowing women to be employed in factories until 10:00 PM. This decision marks a significant shift in labour regulations, aiming to enhance women's participation in the industrial workforce while ensuring their safety and well-being.

The notification, issued under the provisions of the Factories Act, 1948, permits women workers to be employed in factories up to 10:00 PM, provided certain conditions are met. Notably, no woman shall be required or allowed to work between 10:00 PM and 5:00 AM, aligning with existing labour laws that restrict night shifts for women. Employers are mandated to provide free transport facilities to women workers to ensure their safe commute after their shifts end at or before 10:00 P.M. Additionally, factories are required to display a notice of work periods in compliance with Section 61 of the Factories Act and Rule 87 of the Puducherry Factory Rules, 1964. The daily working hour's limit, as prescribed in the Factories Act, must be strictly adhered to, and records of women workers

employed under this provision must be maintained, as per the Puducherry Factory Rules, 1964.

This move by the Puducherry administration aims to strike a balance between empowering women in the industrial sector and ensuring their safety and legal rights. By mandating free transport and compliance with all labour safety norms, the government seeks to foster a secure and equitable environment for women in the workforce. Employers are encouraged to align their operations with these provisions to contribute to a more inclusive and progressive labour market in Puducherry.

Haryana eases working hour regulations under Factories Act, 1948

In a move aimed at modernizing labour regulations and promoting industrial growth, the Haryana government issued a notification in October 2025 under the Factories Act, 1948, introducing targeted exemptions related to working hours and intervals of rest for adult workers. This regulatory adjustment is designed to provide industries with greater operational flexibility while ensuring that fundamental labour protections remain intact.

The notification specifically grants exemptions under Section 55 (interval of rest) and Section 65 (working hours for adults) of the Factories Act. These exemptions allow factories in Haryana to adjust daily schedules and rest intervals under certain conditions, enabling employers to manage workforce deployment more efficiently in line with production demands. While the overall weekly work hour limits and mandatory safeguards remain unchanged, these exemptions give industries the flexibility to navigate peak workloads, seasonal fluctuations, and project-based operational requirements.

By providing this operational leeway, the Haryana government is signaling a pro-business approach that aligns with its broader strategy to enhance the ease of doing business in the state. Industries operating in sectors such as manufacturing, agro-processing, and logistics, which often face variable production cycles, stand to benefit most from these exemptions. Employers can now plan shifts and allocate manpower more dynamically, helping to optimize productivity

without compromising statutory compliance.

However, the notification emphasizes that adherence to the stipulated conditions is essential. Employers must ensure proper documentation of work hours and rest intervals, comply with all remaining provisions of the Factories Act, and maintain transparency to avoid disputes or regulatory scrutiny. The exemptions are conditional, and failure to comply with the Act's other requirements may nullify the benefits of these provisions.

This move reflects Haryana's balanced approach of encouraging industrial growth while safeguarding workers' rights. By creating a framework that allows more operational flexibility without eroding core protections, the state is positioning itself as a competitive destination for investment and employment generation. Industry stakeholders are advised to review the full notification carefully via the Haryana Labour Department portal and update internal HR and compliance processes to fully leverage the exemptions.

Puducherry eases Shops and Establishments Act compliance

The Government of Puducherry has recently notified significant relaxations under the Puducherry Shops and Establishments Act, 1964, aimed at lightening the compliance burden for employers. The notification exempts all shops and establishments with fewer than 50 workers from the provisions of the act altogether. For establishments employing 50 or more workers, specific relaxations have been introduced around working hours and rest intervals, giving larger businesses more operational leeway while still retaining safeguards for employees.

The relaxations, however, are carefully balanced with clear limits. No employee may be made to work more than 12 hours in a day or 48 hours in a week, with overtime wages applicable beyond these thresholds. Overtime is capped at 180 hours per quarter, ensuring that extended working hours remain an exception rather than the norm. Additionally, employees must be provided with two rest intervals of 30 minutes each during the working day, with a break available after every four hours of continuous work.

For employers, the practical impact of this notification is two-fold. Smaller establishments, now exempt from the act, gain immediate relief from statutory record-keeping and compliance processes, allowing them to focus squarely on day-to-day business operations. Larger employers benefit from greater flexibility in managing shifts and schedules but must remain vigilant in monitoring attendance and payroll. Robust systems for tracking daily hours, weekly limits, and quarterly overtime will be essential to ensure that flexibility does not inadvertently lead to breaches during inspections or audits.

By combining relaxation with accountability, Puducherry has created a model that reduces compliance friction for smaller employers while giving larger businesses the space to adapt working arrangements without undermining employee welfare.

Goa proposes amendments to factories act on work hours and overtime

The Goa Legislative Assembly has recently introduced the Factories (Goa Amendment) Bill, 2025, marking a significant development in the state's labour law landscape. This Bill seeks to amend the Factories Act, 1948 as applicable in Goa, with a focus on providing employers greater flexibility in managing work hours and overtime. The proposed changes are centred around two main provisions. Firstly, the daily working hour limit under Section 54 is proposed to be increased from nine hours to ten hours, allowing industries to adjust daily schedules in line with operational needs. Secondly, the overtime ceiling under Section 65(3)(iv) is proposed to rise from 125 hours to 144 hours per quarter, offering companies additional leeway to accommodate fluctuating workloads, seasonal demand spikes, and production surges without violating statutory limits.

For employers, particularly those in sectors with variable or seasonal production cycles such as manufacturing, tourism-linked industries, and agro-based units, these amendments provide a clear operational advantage. Companies can now better align workforce deployment with demand fluctuations, reduce the pressure of strict statutory caps, and optimize productivity without breaching daily or

quarterly limits. The amendments signal a thoughtful attempt to balance the needs of businesses with the welfare of employees, reflecting Goa's broader ease of doing business agenda.

However, these changes do not remove existing labour protections. Weekly maximum working hours and mandatory rest intervals remain unchanged, ensuring that employees' basic rights and well-being are safeguarded. Employers will need to maintain accurate tracking of work hours and overtime, ensuring that all extra hours are compensated at the legally prescribed rates. Transparent overtime management and meticulous documentation will be essential to avoid disputes, inspections, or penalties, making compliance discipline more important than ever.

From a strategic perspective, the amendments offer a dual advantage: they enhance operational flexibility for industries while maintaining essential safeguards for workers. By permitting longer daily work hours and a higher quarterly overtime limit, Goa is positioning itself as a more industry-friendly destination without compromising on statutory protections. For businesses, this represents an opportunity to achieve operational efficiency, but it requires careful planning, diligent record-keeping, and strict adherence to labour laws to fully capitalize on the proposed benefits.

Karnataka notifies platform-based gig workers welfare law

In a ground-breaking move for India's gig economy, the Karnataka government has notified the Platform-Based Gig Workers (Social Security and Welfare) Act, 2025, becoming the first state to introduce a dedicated social security framework for gig workers. The law represents a significant milestone in formalizing protections for workers who power sectors like ride-sharing, food and grocery delivery, logistics, e-marketplaces, healthcare, travel, and professional services.

At the heart of the Act is the creation of a Welfare Board and a Social Security and Welfare Fund, financed through a modest welfare fee of 1–5% of each transaction pay out, payable by aggregators. This ensures a steady, dedicated fund to provide social security benefits for gig workers. Each worker will be

electronically registered and issued a Unique ID, which is portable across platforms, allowing seamless access to benefits even when switching between jobs or companies. Aggregators are mandated to register with the Board within 45 days, ensuring that the system is inclusive and comprehensive from the outset.

The law introduces a new level of accountability and transparency for platforms. Aggregators must now disclose automated decision-making systems, maintain clear and fair contracts, implement grievance redressal mechanisms, and strictly comply with the fee contribution obligations. While these measures enhance responsibilities for platforms, they also provide regulatory clarity, creating a predictable and structured environment in which gig workers' rights are recognized and safeguarded.

For gig workers, this legislation offers more than just financial protection; it provides recognition, access to welfare benefits, and a stronger voice in the rapidly growing platform economy. For employers and platforms, it is a balancing act: while compliance requirements are stringent, the law offers operational certainty and a framework that legitimizes gig work as a structured and protected form of employment.

With this Act, Karnataka sets a pioneering example for other states, demonstrating how social security and labour protections can be extended to modern, platform-based workforces. It signals a transformative approach to India's gig economy one where flexibility and innovation coexist with protection and fairness for workers.

Case Law

SL No.	Overview	Complete Breakdown
1	Kerala High Court clarifies ESI coverage: Pre-Operational Fit-Out workers not 'Employees' under the Act	<p>The Kerala High Court's recent decision dated 11 September 2025 in <i>The Regional Director, ESI Corporation & Anr. v. M/s L & T Tech Park Ltd. & Anr.</i>, has quietly but decisively redrawn the contours of who qualifies as an "employee" under the Employees' State Insurance Act, 1948 ("ESI Act"). In a ruling that balances statutory interpretation with economic realism, the Court held that workers engaged in pre-operative interior fit-out works activities that take place before an establishment actually begins functioning do not fall within the scope of "employees" under Section 2(9)(ii) of the Act. The verdict marks an important precedent for developers, contractors, and employers who routinely engage labour for construction and interior works prior to the commencement of operations.</p> <p>The dispute arose when Larsen & Toubro Tech Park Limited ("L&T Tech Park") carried out interior fit-out works at its Infopark premises in Kochi, before Tata Consultancy Services ("TCS") began its IT operations there. The Employees' State Insurance Corporation ("ESIC") demanded additional ESI contributions from L&T Tech Park, treating the fit-out workers as employees under the Act. L&T contested the demand, arguing that such work was purely pre-operational and hence beyond the coverage of ESI. After the Employees' Insurance Court ruled in L&T's favour, ESIC appealed before the High Court, contending that the workers' activities were "preliminary or incidental" to the operations of the establishment and therefore attracted ESI liability.</p> <p>Justice M.A. Abdul Hakim, presiding over the Kerala High Court bench, dismissed the Corporation's appeal and affirmed the lower court's view. The Court reasoned that for Section 2(9)(ii) of the ESI Act to apply, the establishment must already be <i>in operation</i> and the work performed must be closely linked to its ongoing business. In this case, the interior fit-out works were executed well before TCS commenced its IT operations. The establishment, therefore, did not yet exist as a functioning unit. The Court further observed that such fit-out or construction activities are not part of the employer's core business and cannot be deemed "incidental" to its operations merely because they are a necessary precondition for occupation.</p> <p>Crucially, the Court noted that the ESIC's own administrative circulars recognize that construction site workers and those engaged in similar preparatory activities are generally outside the ESI coverage framework.</p>

Case Law

SL No.	Overview	Complete Breakdown
		<p>By overlooking its own guidance, the Corporation had extended the law beyond its intended limits. Moreover, the Court found that the contributions collected from L&T were not legally due and that retaining them would amount to unjust enrichment. The Corporation was therefore directed to refund over ₹26 lakh, along with applicable interest.</p> <p>The judgment carries significant implications for employers and contractors across industries. It reinforces that the ESI Act's reach is not limitless and that its definitions must be applied in the context of the establishment's actual operational state. The ruling ensures that ESI compliance obligations are triggered only once an establishment becomes functional, thereby preventing premature and unwarranted financial burdens on employers engaged in construction or pre-launch setup activities. Equally, the decision emphasizes that statutory bodies like ESIC cannot retain contributions not legally eligible, re-affirming the principle that legality, not administrative convenience, governs statutory collections.</p> <p>From a policy perspective, the decision reflects a pragmatic judicial approach recognizing the distinction between setting up and running an establishment. It shields employers from arbitrary compliance demands during the pre-operative phase while preserving the integrity of the ESI framework for genuine employees engaged in ongoing operations. Much like the EPFO's recent move to extend the deadline for revamped ECR filings, this judgment underscores the importance of responsive regulation one that acknowledges on-ground realities without diluting statutory purpose. Together, these developments suggest a maturing regulatory ecosystem, where modernization and legal certainty evolve hand in hand.</p>
2	Kerala High Court clarifies: Hostile work environment alone does not fall under PoSH Act	<p>In a recent ruling dated 2 September 2025, the Kerala High Court clarified the scope of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("PoSH Act"), holding that the creation of a hostile work environment, in the absence of any sexual conduct, does not fall within the statutory definition of sexual harassment. The case arose when an employee of Amstor Information Technology (India) Pvt. Ltd. alleged that the Managing Director had created a hostile and abusive atmosphere, spread rumours, denied her salary, and ultimately terminated her service. A complaint was forwarded to the Local Committee ("LC") by the District Collector, and the LC conducted an inquiry, directing the</p>

SL No.	Overview	Complete Breakdown
		<p>respondent to issue an apology, pay compensation, and establish an Internal Complaints Committee. These orders were challenged and initially quashed by a Single Judge, leading to a writ appeal before the Division Bench.</p> <p>The High Court emphasized that under the PoSH Act, a written complaint is a mandatory prerequisite for the Committee to assume jurisdiction. In this case, the appellant had not submitted a written complaint herself, and the complaint forwarded by the Collector did not meet the statutory requirement. Moreover, the Court underscored that a hostile work environment alone, without any sexually coloured remarks, advances, physical contact, or other conduct of a sexual nature, cannot constitute sexual harassment. The Court observed that there must be a clear sexual nexus; workplace hostility arising from general disputes or administrative decisions cannot be converted into a complaint.</p> <p>Additionally, the Court highlighted serious procedural lapses in the LC's inquiry, noting that witness statements were recorded telephonically and the respondent was not provided an opportunity for cross-examination. Such violations of natural justice rendered the inquiry and its consequential directions unsustainable. Based on these findings, the Division Bench upheld the quashing of the LC's report and the Collector's communication, reinforcing that the PoSH Act cannot be misapplied to ordinary labour disputes or general workplace conflicts.</p> <p>This judgment is significant as it delineates the boundaries of the PoSH Act, clarifying that its provisions are intended to address sexual harassment specifically, and not every form of workplace hostility. It underscores the importance of adhering to statutory complaint procedures and maintaining procedural fairness during inquiries. Employers, HR professionals, and internal committees must ensure that complaints are evaluated strictly within the Act's ambit, recognizing that remedies for ordinary workplace disputes lie outside the framework.</p>
3	Delhi High Court clarifies: Arbitrary denial of marks in recruitment violates fairness and transparency	<p>In a significant ruling dated 9 September 2025, the Delhi High Court addressed the issue of arbitrary administrative actions in recruitment processes, highlighting the importance of fairness and transparency. The case, <i>Manoj Kumar M. v. Union of India & Ors.</i>, revolved around the denial of additional marks to the</p>

SL No.	Overview	Complete Breakdown
		<p>appellant, Manoj Kumar, for his Post Graduate (PG) Degree during the recruitment process for a primary school teacher position.</p> <p>The appellant had applied for the position at the Pt. Deendayal Upadhyaya Institute for the Physically Handicapped. As part of the selection process, the institute allocated marks for additional qualifications. Manoj Kumar, holding a M.Ed. degree, was awarded marks for his PG qualification. However, the institute later revised its criteria, stating that only PG degrees in specific subjects were eligible for additional marks.</p> <p>Consequently, Kumar's M.Ed. degree was deemed irrelevant, and he was denied the additional marks.</p> <p>The appellant challenged this decision, asserting that the denial was arbitrary and violated principles of fairness. The Delhi High Court's Division Bench had earlier dismissed his writ appeal, citing judicial restraint in academic matters.</p> <p>Recognizing the closure of the concerned school, the Court acknowledged the challenges in providing direct restitution. As an alternative, the Court awarded monetary compensation of ₹1, 00,000 to the appellant, emphasizing that it is incumbent upon the courts to address the injurious consequences arising from arbitrary and illegal actions.</p> <p>This judgment underscores the judiciary's role in upholding fairness in administrative actions and ensuring that arbitrary decisions do not go unchecked. It serves as a reminder to public institutions about the importance of adhering to transparent and just procedures in recruitment and other administrative processes.</p>
4	Karnataka High Court upholds dismissal of employee for filing false assault complaint, awards compensation	<p>In a significant ruling, on 10 October 2025 the Karnataka High Court upheld the dismissal of an employee from M/s Teknic Euchner Electronics Pvt. Ltd. for misconduct after he filed a false police complaint alleging assault by his senior officer. The Court, however, directed the company to pay ₹4 lakh as compensation, considering the employee's disability and limited employment opportunities.</p> <p>The incident occurred on January 16, 2009, when the employee, G. Mahesh, allegedly inflicted injury upon himself with a paperweight and subsequently accused his senior officer, Kennedy, of assault. Following the complaint, Mahesh was suspended, and a chargesheet was issued citing misconduct, including lodging a false complaint and disrupting company proceedings. A domestic inquiry was abandoned midway due to Mahesh's interference, leading to his dismissal.</p>

SL No.	Overview	Complete Breakdown
		<p>The Labour Court upheld the dismissal, finding that Mahesh had filed a false complaint and disrupted the disciplinary proceedings. The matter was then brought before the Karnataka High Court, where Mahesh argued that the inquiry was incomplete and lacked sufficient evidence. The company submitted that a police 'B' report concluded that Mahesh had injured himself, which he did not challenge.</p> <p>Justice Ananth Ramanath Hegde, while dismissing Mahesh's petition, noted that the misconduct justified termination. However, acknowledging Mahesh's disability and the challenges faced by differently-abled individuals in securing employment, the Court directed the company to pay him ₹4 lakh as compensation. This judgment underscores the importance of maintaining integrity and honesty in workplace conduct and highlights the judiciary's consideration of humanitarian factors in employment disputes.</p>

Beyond the brief

In October 2025, the Government of Maharashtra ushered in a transformative era for industrial regulation by introducing the Maharashtra Factories (Second Amendment) Rules, 2025. This comprehensive overhaul modernizes the Maharashtra Factories Rules, 1963, aligning them with contemporary industrial practices, national digitization goals, and global labour standards. The amendment balances operational efficiency, worker safety, and welfare, making Maharashtra one of the most progressive states in industrial regulation.

A key feature of the amendment is the full digitalization of factory registration, licensing, and renewal processes. All procedural steps are now conducted electronically, eliminating the need for physical documentation. This shift ensures faster approvals, improved traceability, and reduced discretionary interference in regulatory decisions. However, employers must ensure that digital signatures, authorizations, and connectivity systems are fully functional to avoid inadvertent non-compliance, highlighting the importance of robust digital readiness.

The amendment also introduces a simplified structural-safety certification process. Factories are now required to submit a Certificate of Stability (Form 1A) issued by a competent person within 12 months of license issuance. This change reduces administrative bottlenecks in factory expansion or modification while placing accountability for structural integrity squarely on factory management.

Fee schedules have been revised to reflect operational scale and contemporary economic parameters. A new graduated fee matrix is now based on installed capacity and the number of workers employed, with fees rising progressively across ten categories. For instance, a factory employing 1,000 workers with 1,000 horsepower capacity would now pay a license fee scaling up to ₹1,38,600, while very large facilities may incur fees exceeding ₹2 lakh annually, ensuring the fee structure is fair, proportional, and economically rational.

Worker welfare receives a strong boost in the 2025 amendment. Periodic medical examinations are now

mandatory for all workers aged 45 and above. Conducted by qualified medical practitioners or certifying surgeons, the results must be submitted electronically within 15 days, and digital health registers maintained for inspection. This provision promotes preventive healthcare and early detection of occupational diseases, reflecting a modern approach to workplace well-being.

The amendment strengthens emergency preparedness by mandating mock drills every six months to simulate scenarios such as fire, explosions, or chemical leaks. Occupiers must notify inspectors within 15 days of completing the drills, which must cover all shifts and key departments, reinforcing industrial safety and aligning with the National Disaster Management Authority's protocols.

Women's safety at work is another focus. Night-shift women employees now benefit from mandatory secure transportation, well-lit pathways, continuous CCTV monitoring, a minimum of two women on duty per shift, and regular grievance meetings every eight weeks. Written consents are retained for three years, and CCTV recordings are preserved for at least 45 days. Pregnant and lactating women working in hazardous operations are entitled to protective equipment, restricted exposure to harmful substances, and training in local languages, harmonizing with the Maternity Benefit Act and ILO standards on maternal health at work.

The amendment also revises criteria for appointing medical officers, increasing thresholds for small, medium, and large units and mandating three years of experience in industrial health examination. This ensures competent medical oversight while easing the regulatory burden for smaller enterprises.

Procedural simplifications have also been introduced by deleting redundant rules and obsolete references, such as Rule 11 and Rule 102-C, and replacing Form 6 with Form 7-A to integrate with digital health tracking systems. These changes reduce administrative clutter and support the broader objective of streamlined compliance and digital governance.

Collectively, the Maharashtra Factories (Second Amendment) Rules, 2025, represent a comprehensive modernization of industrial regulations, balancing operational flexibility, safety, and worker welfare. Employers must proactively update internal compliance systems, HR policies, and safety protocols

to align with the new statutory expectations. With digitization, enhanced welfare measures, and global-standard safety protocols, Maharashtra sets a benchmark for industrial regulation in India, positioning itself as an attractive destination for investment while safeguarding the workforce.



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