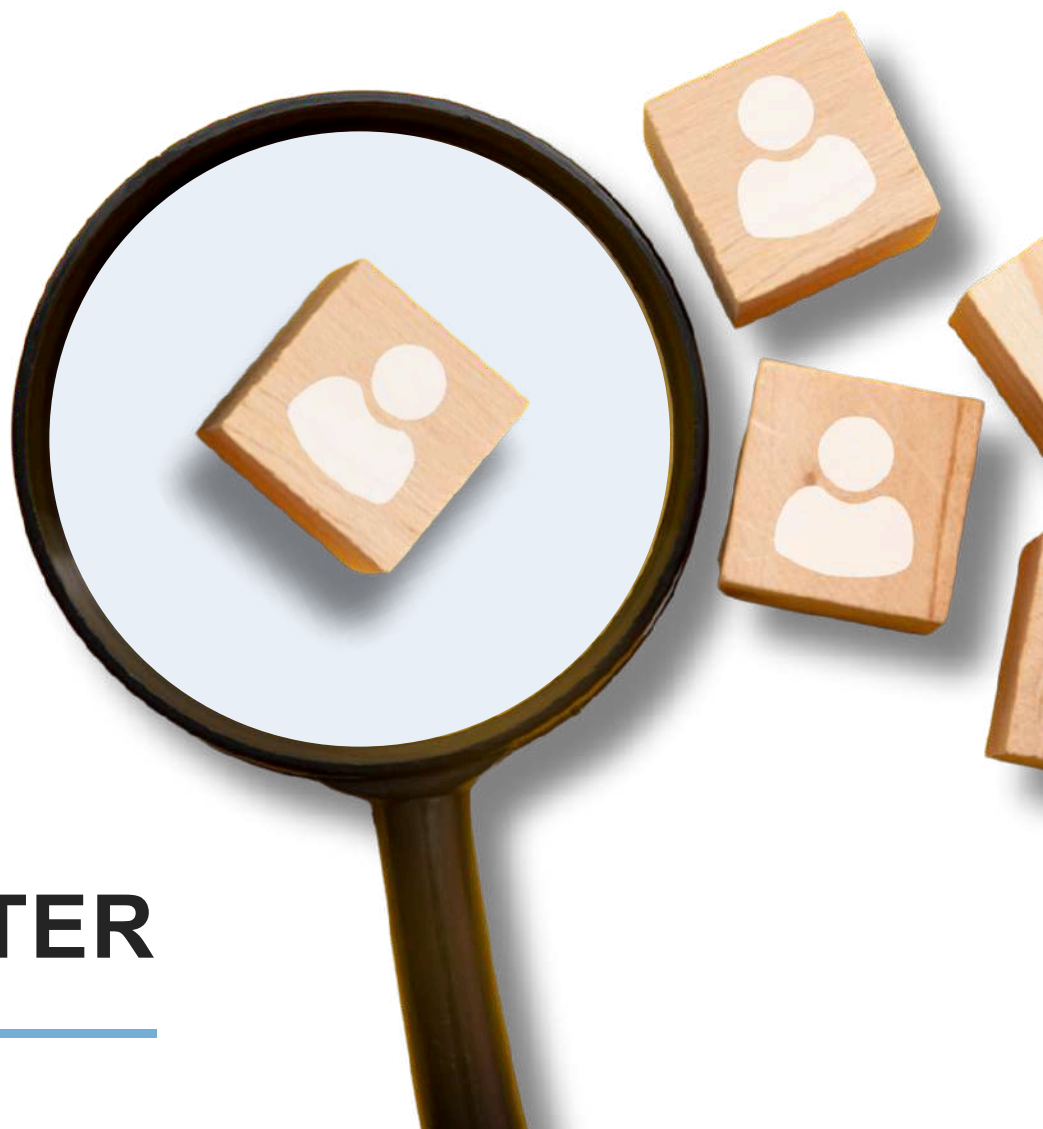


EMPLOYMENT LAW

UPDATES



NEWSLETTER

July 2025

INTRO

The July 2025 edition of the KSK Employment Law Newsletter brings into focus a significant wave of legal, regulatory, and judicial developments that continue to shape India's evolving employment law landscape.

DUCTION

KEY TAKEAWAYS

1 At the judicial forefront, the Supreme Court of India has upheld the applicability of Payment of Bonus Act, 1965 on the Charitable Trusts and in yet another significant ruling, the Supreme Court has observed that right to close a business is fundamental; but not absolute.

2 The J & K High Court upholds validity of acceptance of resignation on the same day of it being tendered.

3 The Himachal Pradesh High Court reiterates the principal of "Equal Pay for Equal Work" and in another ruling by the Himachal Pradesh High Court it is held that, in case the lessee has right to occupy the property and dictate its management, the lessee is also responsible for remitting the EPF contributions.

4 Bombay High Court observes voluntary abandonment of service and refusal to respond to show cause notice does not necessitate enquiry into the matter for ordering termination.

5 Madhya Pradesh High Court orders payment of lumpsum compensation to a workman, holding that reinstatement should not be viewed as automatic remedy.

6 On the legislative front, several states have introduced significant changes. The government of Tamil Nadu issues standard operating procedure for implementation of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The government of Tamil Nadu has permitted shops and establishments to remain open 24x7 for 3 years.

7 Rajasthan and NCT of Delhi mandates registration of private institutions in the SHe-Box portal.

8 The government of Punjab permits establishments to remain operational 365 days of the year.

9 The Ministry of Women and Child Development issues user manual for SHe-Box – Private Head Office to guide companies. Delhi opens doors for women in night shifts with safety-first labour reform.



I. Case laws⁷

1. Supreme Court: Charitable trust running commercial units not exempt from Payment Bonus Act, 1965

In *The Management of Worth Trust v. The Secretary, Worth Trust Workers Union* (2025), the Supreme Court held that a charitable trust engaged in commercial manufacturing cannot claim exemption under Section 32 of the Payment of Bonus Act, 1965. Despite its origins in social rehabilitation, the Court noted that Worth Trust had, since 1985, expanded into profit-generating industrial activities, including the manufacture of automobile parts. As such, its workers engaged in factory operations are entitled to statutory bonus under the Bonus Act. The Court clarified that merely being a charitable institution or paying ex-gratia amounts does not override the mandatory obligation to pay bonus. Commercial activity carried out through factories attracts full application of labour welfare legislation, regardless of the institution's broader charitable objectives.

The appeal was dismissed, and the Trust was directed to pay bonuses from 1996-97 onwards within one month.

2. Supreme Court reaffirms: Right to close a business is fundamental; but not absolute

In a landmark ruling that balances entrepreneurial freedom with worker rights, the Supreme Court has reaffirmed that an employer's decision to shut down business operations is protected under the Constitution but must be exercised in compliance with statutory safeguards under the Industrial Disputes Act, 1947. The Court held that the right to close a business is an integral part of the freedom to carry on any occupation under Article 19(1) (g) of the Constitution. However, this right is not unqualified, and must be harmonized with obligations towards employees and the public interest.

The judgment came in the case of *Harinagar Sugar Mills Ltd. (Biscuit Division) v. State of Maharashtra*, where the employer had sought to close its biscuit manufacturing unit following the termination of its contract with Britannia. In accordance with Section 25-O of the Industrial Disputes Act, Harinagar submitted an application to the State Government seeking permission to close down the undertaking. The Maharashtra government, however, failed to pass a final order within the statutory 60-day period, merely stating that the application was "incomplete." Harinagar approached the courts, arguing that as per the statute, the closure must be deemed approved once the 60-day window expired without a formal decision.

The Supreme Court agreed. It held that when the government does not issue a conclusive order within the 60-day period prescribed under Section 25-O (3), the application for closure is deemed to have been granted. The Court emphasized that while businesses cannot be forced to run against their will, closures must follow due process, including notice, justification, and worker compensation. The procedural safeguard is not a bureaucratic hurdle but a constitutional checkpoint to ensure that closure decisions are not arbitrary or designed to defeat labour protections. Critically, the Court also clarified that financial difficulty alone does not entitle an employer to close down an establishment. The reasons cited must be genuine and compelling, and the closure should not defeat larger public interest. In Harinagar's case, even though the deemed approval stood, the Court directed the employer to pay an additional ₹15 crore in compensation to the affected workers, apart from statutory dues highlighting the judiciary's commitment to a fair deal for labour even as it upholds the business's autonomy.

This judgment provides much-needed clarity on the legal contours of closure under

the Industrial Disputes Act. Employers cannot simply walk away from operations without following the statutory mechanism, and at the same time, State Governments cannot arbitrarily delay or deny closure applications without proper reasons. The principle is simple: entrepreneurial freedom must coexist with responsible exit. By reinforcing that the right to close a business is a fundamental facet of economic liberty yet conditional upon adherence to labour welfare laws the Supreme Court has once again struck a delicate but essential balance between economic reform and social justice.

3. Resignation can be accepted on the same day it is tendered: J & K High Court

The petitioner was a newly joined constable in the J & K Police. He barely served for 2 months before tendering his voluntary resignation citing domestic problems. The resignation was accepted on the same day by the Commandant. Aggrieved by the acceptance of resignation, the petitioner approached the tribunal, where the decision of the respondents was considered valid and the suit was dismissed. Aggrieved by the order to the tribunal, the petitioner approached J & K High Court, wherein it was observed that the resignation letter submitted by petitioner was supported by an affidavit in which the petitioner had clearly cited domestic problems as reason for such resignation. The story projected by the petitioner that he and his family were under threat from the militants to resign is an afterthought and concocted after the acceptance of the resignation. Considering this the J & K High Court dismissed the petition citing lack of merit in this WP(C) No. 1141/2023.

4. The Himachal Pradesh High Court reiterates conditions of 'Equal Pay for Equal Work'

The petitioner was appointed as Assistant Librarian in Rajiv Gandhi Government Post Graduate Ayurvedic College, Paprola ("College"). On January 1, 2006, the petitioner started seeking parity with the Assistant Librarians in the Education Department of the State. The State contended that parity cannot be established as every department has its own separate rules. The petitioner contended that, he was selected by the same process by which the Assistant Librarians in the Education Department are selected. The duties and function discharged by the petitioner are more onerous than his counter parts in Education Department. The incumbent in both the departments holding the posts of Assistant Librarians are having the same educational qualification and identical conditions of service, therefore by following the principle of equal pay for equal work, the petitioner is entitled to receive the same pay and benefits. The Court while relying on the Supreme Court's judgement in the State of Madhya Pradesh and others versus Ramesh Chandra Bajpai, reported in (2009) 13 Supreme Court Cases 635, observed that, it is well settled that the doctrine of equal pay for equal work can be invoked only when the employees are similarly situated. Similarity in the designation or nature or quantum of work is not determinative of equality in the matter of pay scales. The Court has to consider the factors like the source and mode of recruitment/ appointment, qualifications, the nature of work, the value thereof, responsibilities, reliability, experience, confidentiality, functional need, etc. The functions may be the same but the skills and responsibilities may be really and substantially different. The other post may not require any higher qualification, seniority or other like factors. Granting parity in pay scales depends upon the comparative evaluation of job and equation of posts. The person claiming parity, must plead necessary averments and prove that all things are equal between the concerned posts.

Considering this the Himachal Pradesh High Court dismissed this CWPOA No. 1720 of 2020 vide order dated 20.05.2025, stating that, in order to seek benefits of principle of equal pay for equal work, the petitioner is required to justify his stand by producing the relevant data, while the same being absent, petition can be said to lack merit and is liable to be dismissed.

5. Voluntary abandonment of service and refusal to respond to show cause notice does not necessitate enquiry into the matter for ordering termination: Bombay High Court

The employees issued a strike out notice and refused to work for the petitioner. The petitioner challenged the notice before the Industrial Court, and obtained an order of interim relief which treated strikeout notice as unfair practice and employees were directed to desist from the same. The employees, however, did not resume services. The petitioner then issued a show cause notice summoning the employees to show cause, failing which it shall be presumed that they have voluntarily relieved themselves from the services. The employees failed to respond to the show cause notice and accordingly the petitioner presumed that the employees have voluntarily relieved themselves and consequently their names were deleted from the muster. The employees argued that striking off their name from muster roll amounts to termination of service by way of retrenchment within the meaning of Section 2(oo) of the Industrial Disputes Act, 1947. The Court observed that the act of deletion of name of the employees from muster roll cannot be said to be a positive act at the hands of the employer, but will be an act of a consequential nature. One cannot expect the employer to indefinitely wait for the employees to resume services. It was further noted that the principles of natural justice cannot be examined in vacuum without reference to the fact-situation arising in the case and in such circumstances of unauthorised absenteeism, enquiry may not be necessitated. In this regard two important principles can be relied upon, one is that, a long standing unauthorised absence would enable the employer to draw an inference that the workman has no intention to resume duty, unless the workman proves otherwise. The second is that once the long standing unauthorised absence of the employee is established, failure to hold domestic enquiry would not prevent the employer from establishing misconduct before the Industrial Adjudicator.

Therefore, in the present case, the employees failed to resume services and also failed to submit any explanation. Thus, they abandoned the services and were, accordingly, relieved. There was no need to hold enquiry. Accordingly, the complaints filed by the respondents employees are dismissed in this 2025:BHC-NAG:5139.

6. Where the lessee has right to occupy the property and dictate its management, the lessee is also responsible for remitting the EPF contributions: Himachal Pradesh High Court

The petitioner by way of lease had acquired the management of M/S Sidhbari Cooperative Tea Factory. Later, it was found that M/S Sidhbari Cooperative Tea Factory had deducted the employee's share of contribution from their wages, but failed to deposit the contribution into the statutory fund, following which an FIR was registered against the petitioner. The petitioner asserted that he had no concern with the processing, producing, transporting and marketing of tea. Further, it was also contended that the petitioner is not registered under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 ("EPF Act") and the contributions are to be paid by the principal employer. The workers were not employed by the petitioner, but they were engaged by M/S Sidhbari Cooperative Society. The Himachal Pradesh High Court while delving into the issue in this Cr. MMO No. 211 of 2025, observed that, the petitioner was running the factory at the time of inspection. It was specifically mentioned in the present petition that the petitioner had taken the factory on lease from M/s Sidhbari Cooperative Tea Factory. Section 2(e) of the EPF Act defines the employer as the owner or occupier of the factory, including the agent of such owner or occupier. The term occupier of the factory is defined in Section 2(k) of the EPF Act as the person who has ultimate control over the affairs of the factory, and where the affairs are entrusted to a managing agent, such agent shall be deemed to be the occupier of the factory, the averments made in the present petition show that management of the factory was entrusted to the petitioner by way of lease. In view of the same, petitioner cannot deny his liability of remitting the contributions under the EPF Act. (Judgement dated 18.06.2025).

7. Madhya Pradesh High Court orders payment of lumpsum compensation to a workman, holding that reinstatement should not be viewed as automatic remedy

The present Misc. Petition No. 4540 of 2023 emanates from an award passed by the Labour Court directing the petitioner/employer to reinstate the respondent/workman with 25% back-wages. Aggrieved by the award, the petitioner approached the Madhya Pradesh High Court contending that the award has been erroneously passed by considering 8 years of continuous service of the respondent contrary to the fact that respondent was never appointed in the regular service, rather he was appointed on a contract basis for a period of 6 months and then again for 6 months after a cooling period of 2 months, thereafter the contract was never renewed, thus his removal would not come under retrenchment. It was argued by the respondent that the petitioner did not submit any document to prove that respondent has not worked for more than 240 days in a calendar year and as the petitioner was in possession of every document it should be proved that respondent has not worked for the said statutory period since it is well established principle of law that if a party, who is in possession of best evidence, fails to produce the same then, an adverse inference is to be drawn against it, based on which the Labour Court passed the award. Considering the arguments advanced from both the sides, the Madhya Pradesh High Court modified the order of the Labour Court and directed payment of monetary compensation in lieu of reinstatement and 25% back-wages, stating that reinstatement must not be considered as an automatic remedy in every case of termination.

8. Delhi High Court nixes post-employment Non-Compete Clause “Right to work can’t be fenced by contracts”

In a compelling reaffirmation of employee rights, the Delhi High Court has ruled that a post-employment restriction preventing a professional from joining another organisation after serving the notice period is void under Section 27 of the Indian Contract Act, 1872. The judgment, delivered by Justice Tejasvi Karia, dismantles the wide net often cast by employers through non-compete clauses, and sends a sharp message that contracts can’t override the constitutionally grounded right to livelihood.

The case arose from a dispute between Varun Tyagi, a software engineer engaged through Daffodil Software Pvt. Ltd., and the Digital India Corporation (DIC). Tyagi had been working on the POSHAN Tracker project a government nutrition initiative when he resigned from Daffodil and joined DIC after completing his notice period. Daffodil sought to restrain him under a three-year non-compete clause which barred him from working with any of its “business associates.” A trial court even granted a temporary injunction, preventing him from joining the new role.

Justice Karia held that post-employment restrictions such as non-compete clauses are unenforceable, particularly when they attempt to limit an employee’s ability to pursue lawful employment after resignation. The Court observed that such clauses violate Section 27 of the Indian Contract Act, which prohibits agreements in restraint of trade or profession.

What makes the ruling even more significant is the Court’s strong articulation of constitutional principles. It reiterated that the right to livelihood is embedded in the right to life under Article 21, and that a person cannot be forced to choose between working for their previous employer or remaining jobless. A clause that results in such an outcome is not just bad in contract law it is offensive to basic human dignity. Interestingly, the Court also dissected the purpose behind non-compete clauses. It held that if the clause had sought to protect trade secrets or confidential information, the analysis might have been different. But in this case, the software platform being worked on POSHAN Tracker was government-owned, not proprietary to Daffodil. Therefore, the clause served no legitimate business interest and merely operated as a tool of coercion.

This ruling echoes a well-established, though often ignored, legal principle: post-employment restraints are void ab initio in India, even if seemingly “reasonable.” The Indian courts have consistently refused to apply the proportionality or

reasonableness test found in Western jurisprudence. Restraint of trade post-employment is not permissible. For India's ever-evolving employment ecosystem, especially in sectors like IT, consulting, and start-ups, this judgment is both a reality check and a call to clarity. While companies are free to secure legitimate business interests through narrowly tailored clauses, they cannot impose open-ended roadblocks on a person's career trajectory.

II. Notifications and Circulars⁷

1 The government of Tamil Nadu issues standard operating procedure for implementation of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("PoSH Act")

Social Welfare and Women Empowerment Department vide notification no. G.O.(Ms) No. 64 dated June 18, 2025 has issued standard operating procedure for implementation of PoSH Act in every place of employment which includes private sector organizations, government company, local authority, establishment, undertaking, etc. The standard operating procedure outlines the compliances of PoSH Act including the procedure for enquiry, conciliation, duties of employer, etc.

2 The government of Rajasthan mandates registration of private institutions in the SHe-Box portal

The government of Rajasthan acting through the office of District Collector and District Magistrate, Jaipur, mandates registration of private institutions (where 10 or more employees are employed), in the SHe-Box portal. The information regarding Internal Committee formed under the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**PoSH Act**") must also be entered in the portal. The said registration must be completed within 15 days from the publication of this notification, failing which, the penalties under the PoSH Act will be imposed on the employers.

A similar public notice is issued by the government of NCT of Delhi, Department of Women and Child Development (Women empowerment cell), wherein all the public and private sector offices operating in the region, are mandated register their organizational details on the SHe-Box portal to enable seamless complaint filing and resolution and for maintaining a repository for data.

3 The government of Punjab permits establishments to remain operational 365 days of the year

The Department of Labour, government of Punjab, vide notification no. LabOPSCA/2/2024-5L/495 dated June 17, 2025, has permitted the shops and establishments registered under the Punjab Shops and Commercial Establishments Act, 1958 ("PSA"), to remain operational for 365 days of the year for a period of 1 year from the date of this notification. The permission is subject to the following conditions among other:

- Every employee shall be given 1 day holiday in a week with full wages.
- No employee shall be made to work for more than 10 hours in a day and 48 hours in a week and shall be given a rest period of at least 1 hour after 5 hours of continuous work.
- The establishments must appoint new staff for the extended timing.
- Facilities must be provided in accordance with the PSA and other relevant labour laws.
- Female employees must be provided separate locker, security and rest rooms at the workplace.

4 The government of Tamil Nadu notifies the Tamil Nadu Shops and Establishments (Amendment) Act, 2025.

The Tamil Nadu Shops and Establishments (Amendment) Act, 2025 notified on June 6, 2025, enhances penalty for contravention to the provisions of the Tamil Nadu Shops and Establishments Act, 1947 ("Act"). Employers acting in contravention to some select provisions of the Act shall be liable for penalty which may extend to five thousand rupees for the first instance of contravention and for a second or subsequent contravention, be liable for penalty which may extend to ten thousand rupees. The Amendment also introduces new compounding provisions for contravention(s), among other provisions.

5 The Department of Commercial Taxes Karnataka has issued a public notice for payment of professional tax.

The Department of Commercial Tax, Karnataka on April 4, 2025 has issued public notice bearing no. PRO/PT/PUBLIC NOTICE/2025-26 for payment of professional tax under the Karnataka Tax on Professions Trades, Callings and Employments Act, 1976, requiring all the persons liable to pay tax under the said Act shall obtain registration /enrolment, file returns along with payment of tax. This shall be done with 30 days from the commencement of their profession, trade, calling or employment through the online portal. The enrolled persons shall pay the tax for the FY 2025-26 on or before April 30, 2025. For additional details, the public must visit gst.kar.nic.in or pt.kar.nic.in website.

6 Ministry of Women and Child Development issues user manual for She-Box – Private Head Office

The Ministry of Women and Child Development has issued user manual for private head offices to guide companies through the head office registration, approval process, post-approval actions, Internal Committee and workplace management, chairperson and ID dashboard.

7 The Government of Maharashtra notifies SOP for pension scheme with respect to the construction workers

The Government of Maharashtra vide notification dated June 19, 2025, issued the standard operating procedure for pension scheme for registered construction workers. The eligibility criteria is to avail the benefits under the pension scheme are:

- The worker must be 60 years of age or above
- The worker must have been continuously registered for at least 10 years with the Maharashtra Building and Other Construction Workers Welfare Board ("Board").
- Spouses of deceased registered worker shall also be eligible
- Workers receiving benefits under the EPF Act and ESI Act, shall not be eligible to claim the benefits.
- If both the spouses are registered workers, they shall receive the benefits separately.

The eligible workers shall fill the prescribed form and submit it to the Board, post which the Board shall pension certificate number.

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III. Beyond the briefs ⁷

Punjab modernises its Labour Law: Shops & Establishments Act gets a pro-business makeover

The Punjab Cabinet has approved a long-awaited amendment to the Punjab Shops and Commercial Establishments Act, 1958, ushering a fresh wave of regulatory relaxations aimed at reducing compliance burdens, boosting operational flexibility, and encouraging entrepreneurial growth in the State.

The reforms announced earlier this month introduce a two-tier compliance framework based on the number of employees. Establishments employing fewer than 20 workers are now exempt from registration, and only need to furnish basic details to the Labour Department. On the other hand, larger establishments with 20 or more employees can now expect deemed registration approvals within 24 hours of applying, eliminating long administrative delays.

Perhaps the most consequential change is the significant expansion of permissible overtime from 50 hours to a generous 144 hours per quarter reflecting the realities of today's dynamic work environments. Further, the daily spread-over period (inclusive of rest intervals) has been extended from 10 to 12 hours, giving businesses

added flexibility to structure shifts, especially in sectors like retail, logistics, hospitality, and e-commerce.

The amendments also tackle penalties and compliance procedures. Penalties under Sections 21 and 26 have been revised, with the introduction of a three-month grace period between the first and second offences, and for all subsequent ones a move that balances enforcement with fairness. Most notably, the reforms introduce a decriminalisation provision, which eliminates the need for employers to appear in court for certain violations, thereby reducing the fear of criminal prosecution for minor procedural lapses. These reforms signal Punjab's intent to modernise its regulatory regime, aligning with the broader national agenda of reducing bureaucratic friction and creating a more business-friendly climate.

By streamlining procedures, enhancing labour flexibility, and easing punitive provisions, Punjab has positioned itself as a more attractive destination for entrepreneurs and investors alike offering not just ease of entry, but also ease of operations.

Genpact's 10-Hour workday policy sparks uproar, company says 'Still 9 Hours'

Genpact found itself at the centre of controversy after employees alleged that the company had begun enforcing an unofficial 10-hour workday across some teams, particularly in its Hyderabad office. Workers reported that managers were pressuring teams to log extended hours tracked through internal systems, with warnings that non-compliance could affect bonuses and appraisals. This change, they claimed, was introduced without any formal communication or salary revision. The backlash was swift and vocal. Employees took to Reddit and LinkedIn, criticizing what they described as surveillance-driven productivity" and calling out the

policy's impact on mental health, work-life balance, and fairness especially when 70% of the workforce reportedly earns under ₹10 lakh annually. As the issue gained traction in the media, Genpact issued a clarification stating that its official workday remains nine hours, and that no formal policy had been revised. However, the damage was already done, with the episode sparking broader concerns about transparency, coercive workplace practices, and the widening disconnect between corporate expectations and employee well-being.

Dadra & Nagar Haveli Unveils Draft Wages Regulation, 2025, a step towards simplified Labour Compliance

In a move to modernise and consolidate its wage-related laws, the Union Territory of Dadra & Nagar Haveli and Daman & Diu has released the Draft Wages Regulation, 2025 for public consultation. Issued on June 17, the draft seeks to align local labour regulations with the broader national push for uniformity and ease of compliance under the framework of the Central Government's labour codes.

The proposed regulation replaces earlier fragmented laws such as the Minimum Wages Act and the Payment of Wages Act, and introduces a comprehensive, single-window structure for wage governance across all types of establishments factories, offices, and shops included.

Notably, the draft brings clarity to key definitions, including "wages" and "contract labour," and introduces anti-discrimination provisions, specifically addressing gender-based wage disparities. It also provides for the

constitution of an Advisory Board and appointment of Inspector-cum-Facilitators, aimed at streamlining enforcement and ensuring that employers and employees alike have access to transparent and fair wage practices.

The regulation is currently open for public feedback for 30 days, following which the final version is expected to be notified. Once implemented, it is likely to bring greater legal clarity for businesses operating in the region while also reinforcing worker rights in a structured and simplified manner.

Telangana allows 10-hour workdays for commercial establishments

The Government of Telangana has issued a notification dated July 5, 2025, allowing commercial establishments excluding shops to implement a 10-hour workday, while retaining the overall weekly cap of 48 working hours. This move, issued under G.O. Rt. No. 282 by the Labour, Employment, Training & Factories Department, forms part of the State's broader Ease of Doing Business reforms under the Telangana Shops and Establishments Act, 1988.

The notification grants exemption from Sections 16 and 17 of the Act and permits extended daily working hours, subject to conditions aimed at balancing operational

flexibility with worker welfare. While employees may now work up to 10 hours a day, no individual can be required to work more than six hours continuously without at least a 30-minute rest break. Additionally, the total spread-over of work and rest must not exceed twelve hours in a single day. Work done beyond the 48-hour weekly limit is subject to overtime wages, with a quarterly overtime cap of 144 hours.

Importantly, the government has clarified that any violation of these conditions may result in the immediate revocation of the exemption granted to an establishment, without prior notice.

Heat Insurance for Workers: Digit Launches ₹3,000 Parametric Payout Scheme for Migrant Labourers

In a first-of-its-kind initiative, Digit Insurance has rolled out a temperature-based insurance policy offering ₹3,000 payouts to migrant labourers exposed to extreme heat conditions. The policy activates when temperatures

exceed 42°C for five consecutive days, with claims processed without requiring proof of loss or medical documentation marking a significant shift toward parametric insurance in India. The initiative covers

workers in high-heat zones like Delhi, Noida, Ghaziabad, Gurgaon, and Faridabad, and is aimed at mitigating heatwave-linked livelihood risks for vulnerable daily-wage earners. Additional benefits include hospitalisation and accidental coverage of up to ₹5,000. Adarsh Agarwal, Chief Actuary at Digit Insurance, described the policy as a “much-needed safety net” for India’s migrant workforce.

The product has been developed in partnership with NGOs like Jan Sahas and IPE Global Foundation, reflecting a collaborative push towards climate-resilient social protection for informal workers. This innovative step signals growing recognition of climate risk in insurance design and offers a replicable model for other climate-sensitive sectors in India.

Delhi opens doors for women in night shifts with safety-first labour reform

In a progressive step toward workforce inclusivity, the Delhi Government has directed the Labour Department to allow women to work night shifts strictly with their explicit consent.

This decision, led by Lieutenant Governor VK Saxena and Chief Minister Rekha Gupta, aims to overhaul outdated labour laws and align them with the capital’s evolving employment landscape. The move targets Section 66(1)(b) of the Factories Act, 1948, which prohibits women from working between 7:00 p.m. and 6:00 a.m., and the Delhi Shops and Establishments Act, 1954, which imposes seasonal restrictions on women and young persons. Both provisions are being reconsidered to reflect the modern reality of 24x7 business operations.

The directive is part of Delhi’s broader “Ease of Doing Business” agenda. It includes raising the threshold for

registration under the Shops and Establishments Act, permitting round-the-clock operations, easing retrenchment norms under the Industrial Disputes Act, and streamlining environmental and fire safety clearances. While the business community has welcomed the reforms, labour unions and women’s groups have emphasized the need for strong safeguards such as safe transport, secure premises, and grievance redressal mechanisms to ensure that women’s participation in night shifts remains voluntary and dignified.

With a six-month implementation timeline, this reform is poised to reshape Delhi’s labour ecosystem. More than a legal amendment, it signals a cultural shift toward building a workforce grounded in equity, choice, and safety.

IV. Recent significant development:

Defamation in Employment Termination a case study of: Abhijit Mishra v. Wipro Ltd.

Introduction

Recently, the Delhi High Court ordered Wipro to compensate a former employee for making defamatory remarks in his letter of termination, awarding him ₹2 lakh. Although the case's facts are rather simple, the ruling is noteworthy because it addresses a topic that isn't frequently discussed in Indian employment law: the effects an employer's handling of a termination has on one's reputation. This brief shall examine, the case's facts, the Court's approach to the problem of defamation in the workplace, and potential future ramifications for both employers and employees.

Factual background & Legal Issues

The conflict started after Wipro fired an employee. Negative statements about the employee's behavior and character were purportedly included in the termination letter. The employee instituted a lawsuit to recover damages, arguing that the statements were untrue, unsubstantiated and defamatory. Whether such internal employment communications, especially a termination letter, could result in liability under the defamation law was the main legal question. The Court also had to decide whether reputational harm could be assumed or had to be proven, as well as the threshold for "publication" in this situation.

Court's Findings

The Delhi High Court decided in the employee's favor, concluding that Wipro had committed defamation with its remarks. The Court noted that Wipro had not provided evidence to support the serious accusations made against the employee, nor had the company provided an explanation for their inclusion in the termination communication. It made it clear that although employers are still allowed to record performance issues and send out termination letters, these correspondences cannot contain malicious or unsubstantiated accusations that could harm an employee's reputation in the workplace. Importantly, the Court observed that in this instance, publication, a necessary component of defamation, was satisfied. The letter may be considered published under defamation law even if it is only distributed to internal HR staff or outside background check companies. In recognition of the employee's reputational damage and mental distress, the court granted ₹2 lakh in general damages.

Implications for Employment law

This decision is significant for a number of reasons. First, it confirms that tort law (more especially, defamation law) applies in the workplace, even for private communications. This represents a change from Indian jurisprudence, which has traditionally handled employment disputes mainly through statutory or contractual frameworks.

Second, the decision places the responsibility for ensuring that termination communications are necessary and grounded in facts on employers. Now, using ambiguous or disparaging language can lead to tortious liability, especially if there is no supporting evidence. This has important ramifications for business HR procedures. Employers need to be aware that dismissal is a reputational event as well as a legal procedure, and that using careless or overly dramatic language may result in actionable claims.

Comparative legal systems provide helpful background information. Employers have long been held accountable by UK courts for internal communications or defamatory references that harm an employee's career. Employers in the US typically enjoy qualified privilege, though this can be revoked in situations involving malicious intent or careless disregard for the truth. Given the growing concerns about mental health and professional reputation, this ruling could potentially establish a precedent for tort-based employment litigation in India in the future.

Conclusion

The Delhi High Court's decision against Wipro highlights how India's employment laws are constantly changing. It proves that employers cannot disregard the legal requirements for accuracy and care in termination communications. The ruling indicates a move toward greater accountability in how employers handle exits as professional relationships become more formalized and reputational risk increases in the digital age.

The ruling serves as a reminder to practitioners to thoroughly review termination letters for tone and content. It serves as a reminder to workers that their reputational rights are important even after their employment is terminated. Traditional HR duties and civil liability doctrines are likely to interact more in Indian employment law in the future, especially when people's standing and dignity are at risk.



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