



SAM ELB

FINE PRINT

THE EMPLOYMENT, LABOUR AND BENEFITS NEWSLETTER OF
SHARDUL AMARCHAND MANGALDAS & CO.

THIRD EDITION

PREFACE

WELCOME BACK TO THE THIRD EDITION OF SHARDUL AMARCHAND MANGALDAS & CO.'S EMPLOYMENT, LABOUR AND BENEFITS FINE PRINT.

Since our last edition, the regulatory landscape has shifted materially. The four Labour Codes are now operational at the central level, Central Rules have been notified, and State Rules are being finalised across jurisdictions. For businesses, the priority has moved from readiness to implementation. In this edition, we cover the Labour Codes and their implementation, including a comparative compliance table across all finalised Central and State Rules, the repeal and harmonisation of State-specific Shops and Establishment Acts, the latest EPF and ESI developments, and other key legislative changes.

We hope you find this edition useful.



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Highlights



Rules under Labour Codes (Operationalisation)

04

The Central Government notified the Central Rules under all four Labour Codes, along with the Model Standing Orders, 2026, on May 8, 2026. Several States and Union Territories, including Andhra Pradesh, Bihar, Gujarat, Rajasthan and Uttar Pradesh, have also notified final rules prescribing requirements on works committees, working hours, overtime, crèches and more.



Repeal and Harmonisation of S&E Acts

12

Haryana, Maharashtra, Karnataka and the Andaman and Nicobar Islands have exempted establishments registered under the Occupational Safety, Health and Working Conditions Code, 2020 ("**OSH Code**") from separate registration under their Shops and Establishments Acts, removing duplicative compliance. Further, Bihar has repealed its Shops and Establishments Act and Assam has substantially amended its own, including introduction of online intimation for establishments with fewer than 10 workers.



New EPF, EPS and EDLI Schemes (Transition)

15

The Ministry of Labour and Employment has notified the Employees' Provident Funds Scheme, 2026 ("**EPF Scheme 2026**"), Employees' Pension Scheme, 2026 ("**EPS Scheme 2026**") and Employees' Deposit-Linked Insurance Scheme, 2026 ("**EDLI Scheme 2026**") under the Code on Social Security, 2020 ("**SS Code**"), replacing the erstwhile schemes and requiring contributions to be calculated on "wages" as defined under the SS Code.



Revised EPF Wage Ceiling (Expanded Coverage)

19

The Central Government has raised the employees' provident fund ("**EPF**") wage ceiling from INR 15,000 to INR 25,000 per month with effect from September 17, 2026, bringing newly eligible employees within EPF, EPS and EDLI coverage.



Interest on Employer Defaults (Stricter Compliance)

21

Employers are liable to pay simple interest at 12% per annum on any amount due under the SS Code, from the due date until actual payment.



Bonus Ceilings (Clarification)

22

The Central Government has fixed the bonus eligibility ceiling at INR 21,000 per month and the bonus calculation ceiling at INR 7,000 per month (or the minimum wage, whichever is higher), with retrospective effect from November 21, 2025.



Highlights



Operational Flexibility (Ease of Doing Business)

25

States like West Bengal, Chhattisgarh, Rajasthan and Tamil Nadu have extended daily working hours, raised quarterly overtime caps to 144 hours and permitted round-the-clock or 365-day operations, subject to conditions such as weekly offs and safety measures for women.



POSH Inspections and Audits (Stricter Compliance)

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Maharashtra has set up a formal checklist-based POSH inspection framework, and the National Commission for Women has recommended mandatory annual POSH audits for establishments employing 10 or more persons.





Labour Codes

1. Industrial Relations Code, 2020

The Central Government notified the Industrial Relations (Central) Rules, 2020 on May 8, 2020. Additionally, the respective State Governments/Union Territory Administrations of Andhra Pradesh, Arunachal Pradesh, Bihar, Gujarat, Jammu & Kashmir, Ladakh, Lakshadweep, Rajasthan, and Uttarakhand have notified final rules under the Industrial Relations Code, 2020. The following sets out the key compliance requirements under the foregoing rules (collectively, the **“Notified IR Rules”**).

(i) Number of Members of Works Committee:

The Notified IR Rules cap the total membership of the Works Committee at twenty.

(ii) Term of Office for Works Committee Members:

The Notified IR Rules prescribe a term of either two or three years for the Works Committee, which is to be constituted upon a general or special order issued by the appropriate Government.

(iii) Frequency of meetings of Works Committee:

Most of the Notified IR Rules require the Works Committee to meet at least once every three months. In this regard, Ladakh prescribes a lower minimum of at least twice a year, and Lakshadweep does not prescribe any fixed minimum meeting frequency, instead requiring the Works Committee to meet as often as necessary.

(iv) Term of Members of Grievance Redressal Committee:

The Notified IR Rules either prescribe a fixed three-year term for members of the Grievance Redressal Committee, or link the committee tenure to the tenure of the registered trade union, making it co-terminus with that body. In the latter case, a fallback term applies in the absence of a trade union.

(v) Threshold for Recognition as Sole Negotiating Union:

The Notified IR Rules prescribe membership thresholds for recognition as sole negotiating union ranging from ten per cent of total workers or one hundred workers, whichever is less, subject to a minimum of seven (Jammu & Kashmir) to fifty-one per cent (Lakshadweep), with most jurisdictions prescribing thirty per cent. Gujarat, in contrast, does not prescribe a specific percentage threshold and instead provides that the trade union claiming as a sole negotiating union is required to apply to the industrial establishment along with the list of its members of that particular establishment.

(vi) Facilities for Negotiating Union or Council:

Most Notified IR Rules prescribe a detailed list of facilities that the employer must provide, including a notice board, a meeting venue with necessary facilities, entry for office bearers, subscription deduction on written consent, and, for establishments with three hundred or more workers, suitable office accommodation. Ladakh and Lakshadweep require only office accommodation (inside or outside the premises) and permit the employer to declare executive members of the union and council as protected workers. Arunachal Pradesh and Bihar require the employer to provide “reasonable space for negotiation”, with Bihar additionally empowering the State to prescribe additional guidelines, and Gujarat leaves the scope of facilities to be mutually decided between the establishment and the union or council.

(vii) Worker Re-skilling Fund:

The Notified IR Rules require the employer to electronically transfer an amount equal to fifteen days of last drawn wages per retrenched worker within ten days of retrenchment.



Labour Codes

2. Code on Wages, 2019

The Central Government notified the Code on Wages (Central) Rules, 2026 on May 8, 2026. Additionally, the respective State Governments/Union Territory Administrations of Andhra Pradesh, Arunachal Pradesh, Bihar, Gujarat, Ladakh, Lakshadweep, Rajasthan, Uttarakhand and Uttar Pradesh have notified final rules under the Code on Wages, 2019 ("**Wages Code**"). The following sets out the key compliance requirements under the foregoing rules (collectively, the "**Notified Wages Rules**").

(i) Minimum Wages Monthly Conversion Formula:

The Notified Wages Rules derive the monthly minimum wage by dividing the daily rate by eight for the hourly rate and multiplying by a specified factor for the monthly rate. Most jurisdictions use a multiplier of twenty-six, except for Arunachal Pradesh, which prescribes a multiplier of thirty, producing a materially higher monthly minimum for any given daily wage.

(ii) Working hours and spread over:

Most Notified Wages Rules prescribe a daily working hour limit of eight hours, exclusive of rest intervals, although Uttar Pradesh and Central Government prescribe this limit only for employees whose wage period is on a daily basis. Uttarakhand prescribes a daily working hour limit of ten hours, while Rajasthan and Bihar do not prescribe a daily working hour limit. The Central Wages Rules and Uttar Pradesh prescribe a weekly working hour limit of 48 hours for employees whose wage period is other than on a daily basis, while Lakshadweep, Bihar, Andhra Pradesh and Uttarakhand prescribe a 48-hour weekly working hour limit, for all employees irrespective of wage period. Further, most Notified Wages Rules prescribe a spread-over limit of twelve hours in a day, except Andhra Pradesh, Uttar Pradesh, the Central Government and Rajasthan. Rajasthan, however, prescribes a spread-over limit of ten and a half hours for employees working on a daily basis and those working six days a week, and

twelve hours for employees working fewer than six days a week.

(iii) Rest interval:

A few of the Notified Wages Rules cap the rest interval at one hour, while others prescribe a rest interval in accordance with the interval notified under the OSH Code, i.e., at least 30 minutes after five hours of continuous work.

(iv) Overtime:

Uttarakhand and Bihar provide for a maximum of 144 hours of overtime in a quarter, and the Bihar rules further provide that no employee can work overtime for more than 7 days at a stretch.

(v) Night Shifts:

The Notified Wages Rules provide that where an employee works on a shift extending beyond midnight, the rest day comprises twenty-four consecutive hours from the end of the shift, and hours worked after midnight count towards the previous day.

(vi) Recovery of Deductions Exceeding the Fifty Per Cent Cap:

The Notified Wages Rules provide that where total authorised deductions exceed fifty per cent of an employee's wages, the excess is carried forward and recovered from wages in succeeding wage periods, subject to the same fifty per cent cap per month.

(vii) Conditions for Recovery of Advances:

The Notified Wages Rules provide that recovery of advances of money or wages shall be made in instalments not exceeding fifty per cent of the employee's wages in any wage period, with particulars recorded in the prescribed register.

(viii) Wage Slips:

Most of the Notified Wages Rules require employers to issue wage slips/salary slips to employees, electronically or in any other/physical form, in the prescribed format, on or before payment of wages. That said, Gujarat requires issuance of wage slips within five working days of making payment of wages.



Labour Codes

3. OSH Code

The Central Government notified the Occupational Safety, Health and Working Conditions (Central) Rules, 2026 on May 8, 2026. Additionally, the respective State Governments/Union Territory Administrations of Andhra Pradesh, Arunachal Pradesh, Bihar, Gujarat, Jammu & Kashmir, Ladakh, Lakshadweep, Rajasthan, and Uttar Pradesh have notified final rules under the OSH Code. The following sets out the key compliance requirements under the foregoing rules (collectively, the **"Notified OSH Rules"**).

(i) Deemed Registration of Establishments:

Some of the Notified OSH Rules provide that the certificate of registration shall be issued electronically forthwith on receipt of a complete application, but in any case, not later than seven days from the date of submission, failing which the establishment shall be deemed to have been registered and the certificate shall be auto generated. However, Rajasthan provides that the certificate of registration shall be issued within the period prescribed under the Rajasthan Lok Seva Guarantee Act or the Central Rules, whichever is less, failing which deemed registration follows. Similarly, Lakshadweep and Ladakh provide for deemed registration upon expiry of the period prescribed by the Central Government. Meanwhile, Uttar Pradesh does not expressly incorporate the seven-day deemed-registration formulation in their rules.

(ii) Appointment Letter Format:

Some of the Notified OSH Rules require every employer to issue an appointment letter to each employee in a prescribed format containing the employee's name, date of birth, Aadhaar number, establishment details, designation, type of employment, wages, social security applicability, and other particulars. However, Andhra Pradesh additionally requires welfare board registration numbers and health check-up details. Bihar includes the nature of employment and requires issuance of an identity card to all workers except

daily wage workers. Lakshadweep and Ladakh prescribe a comparatively shorter format, omitting certain fields such as date of birth and type of employment. Uttar Pradesh additionally requires the employee's distinct number or code.

(iii) Annual Health Examination:

Some of the Notified OSH Rules require employers to arrange free-of-cost annual medical examinations for employees who have completed forty years of age, generally within one hundred and twenty days from the commencement of the calendar year. However, Arunachal Pradesh, Gujarat, Jammu & Kashmir, Ladakh, and Lakshadweep set the age threshold at forty-five years. Uttar Pradesh additionally requires pre-employment examinations and examinations of employees who have suffered serious bodily injury, with detailed components including vision, hearing, pulmonary function, Complete Blood Count (CBC), and lipid profile. Lakshadweep and Ladakh additionally require bi-annual examination for employees engaged in hazardous processes or dangerous operations.

(iv) Safety Committee:

Some of the Notified OSH Rules require establishments with five hundred or more workers to constitute a Safety Committee with equal employer and worker representation, a three-year tenure, quarterly meetings (monthly for mines), and a maximum of twenty members. Andhra Pradesh, Arunachal Pradesh, Gujarat, Ladakh, Lakshadweep, and Uttar Pradesh lower the threshold to two hundred and fifty or more workers. Bihar prescribes the lowest threshold at one hundred or more workers and caps total membership at thirty rather than twenty. Lakshadweep and Ladakh prescribe a two-year tenure rather than three years.



Labour Codes

3. OSH Code

(v) Working Hours and Overtime:

Some of the Notified OSH Rules prescribe a forty-eight-hour weekly working limit and an eight-hour normal working day, with overtime payable at twice the ordinary rate of wages and quarterly overtime capped at one hundred and forty-four hours. Arunachal Pradesh, Gujarat, and Jammu & Kashmir prescribe a quarterly overtime cap of one hundred and twenty-five hours. Lakshadweep and Ladakh cap overtime at one hundred and fifty hours per quarter. Uttar Pradesh caps overtime at one hundred and fifteen hours per quarter, extendable to one hundred and forty-four hours with State Government approval. Andhra Pradesh additionally caps overtime at eight hours per day, twenty-four hours per week, and forty-eight hours per month.

(vi) Consolidation of Registers and Annual Return:

The Notified OSH Rules require employers to maintain an employee register, attendance register-cum-muster roll, wages/overtime/deductions register, and wage slips, with registers maintained under the Code on Wages deemed maintained under the Central OSH Rules, and file a unified annual return. Andhra Pradesh, Arunachal Pradesh, Rajasthan, Gujarat, Bihar, and Jammu & Kashmir prescribe a unified return covering all four Labour Codes.

(vii) Crèche Facilities:

The Notified OSH Rules require crèche facilities in establishments where more than fifty workers are ordinarily employed. Common or pooled crèche facilities are permitted across jurisdictions. The Central OSH Rules apply this requirement to every factory, mine, building or other construction work, industrial premise for manufacture of beedi and cigar, motor transport undertaking, dock work, and plantation, and additionally require a mobile crèche wherever required, free and accessible facilities, CCTV monitoring, police verification of crèche staff, detailed child safety protocols, and a feeding room. Andhra Pradesh prescribes detailed crèche

standards for plantations including at least 1.5 square metres of floor area per child, a trained woman crèche-in-charge, provision of at least 300 millilitres of milk per child per day, and two sets of clothing per child annually. Uttar Pradesh prescribes the lowest threshold at thirty or more workers for industrial premises and thirty or more women workers for plantations, with detailed construction, staffing, and facility standards including a minimum of 1.9 square metres per child, and separate requirements for contract labour establishments. Arunachal Pradesh applies the plantation crèche requirement to establishments with fifty or more women workers and prescribes at least fifteen square feet per child and at least 250 millilitres of milk per child per day. Lakshadweep and Ladakh prescribe plantation crèche facilities for children between the ages of two and six years, with at least fifteen square feet per child.

(viii) Employment of Women during Night Shifts:

Some of the Notified OSH Rules permit employment of women before 6.00 a.m. and beyond 7.00 p.m., subject to specified conditions including the woman employee's consent in writing, adequate transportation, well-lit workplaces, proximity of washroom and drinking water facilities, CCTV surveillance on the way to washroom and drinking water facilities, and compliance with the Sexual Harassment of Women at Workplace Act, 2013 ("**POSH Act**"). Bihar prescribes that the CCTV footage must be preserved for a minimum of forty-five days and prescribes a minimum of two women employees on duty at any workplace at the same time. Uttar Pradesh mandates not less than four women employees on the premises during night shifts, provision of supper, a seven-day advance intimation to the Inspector-cum-Facilitator, monthly reporting on women employed during night shifts, additional paid leave during menstruation, provision of sanitary napkins, and disposal arrangements for used napkins. Andhra Pradesh similarly requires provision of sanitary napkins and disposal arrangements.



Labour Codes

3. OSH Code

Jammu & Kashmir additionally requires installation of CCTV cameras with a standard operating procedure regarding safety, without compromising the privacy of women employees. For below-ground mine work, the Central OSH Rules, Lakshadweep, Ladakh, Arunachal Pradesh, and Jammu & Kashmir require not less than three women employees to be on duty at any place.

(ix) Experience Certificate for Contract Labour:

The Notified OSH Rules require every contractor to issue, on demand, an experience certificate to contract labour detailing the period of employment, work performed, and experience gained. Lakshadweep and Ladakh prescribe a more detailed format, specifying that the certificate must be on the contractor's letterhead, include the date of issue, a "to whom it may concern" declaration, the employee's name as per record, period of employment, designation, remarks, and the contractor's seal and signature. Uttar Pradesh similarly requires the certificate to be issued on the contractor's letterhead with signature and seal.

(x) Journey Allowance for Inter-State Migrant Workers:

The Notified OSH Rules require the employer to pay a lump-sum amount on account of fare for a to-and-fro journey to an inter-state migrant worker by train (not less than second-class sleeper) or by bus or any other mode of passenger transport, from the place of employment to the place of residence in the home state, provided the worker has worked for a period of not less than one hundred and eighty days in the preceding twelve months. The journey allowance is payable once in twelve months across all jurisdictions. Where the worker changes employer mid-period and has not availed the allowance from the previous employer, the present employer must pay the allowance if the combined service reaches one hundred and eighty days. Arunachal Pradesh additionally enumerates specific triggering events including termination, incapacity,

cessation of work not attributable to the worker, and resignation due to non-fulfilment of employment terms by the contractor. Uttar Pradesh additionally provides for such allowance after the expiry of every six months where the migrant worker is employed for more than six months, payable by the principal employer electronically as far as practicable.

(xi) Grievance Redressal Mechanism for Contract Labour:

The Central OSH Rules and Andhra Pradesh expressly provide that contract labour may submit grievances relating to health, working conditions, and wages at the level of the principal employer. The principal employer must constitute a committee comprising a chairman who is the authorised representative of the principal employer, along with representatives of the principal employer and contractor. The committee must hear and dispose of the grievance within a period of thirty days, failing which the principal employer must forward the grievance electronically to the Inspector-cum-Facilitator, who must ensure resolution within a further period not exceeding sixty days. The remaining jurisdictions such as do not provide for an equivalent express contract-labour grievance committee mechanism in their rules.

(xii) Annual Increment for Regular Workers of a Contractor:

The Central Rules and Andhra Pradesh provide that a worker who is regularly employed by a contractor shall receive an annual increment of not less than two per cent of their wages. The remaining jurisdictions do not expressly replicate this provision in their respective rules.



Labour Codes

4. SS Code

The Central Government notified the Social Security (Central) Rules, 2026 on May 8, 2026. Additionally, the respective State Governments/Union Territory Administrations of Andhra Pradesh, Arunachal Pradesh, Bihar, Gujarat, Ladakh, Lakshadweep, and Uttar Pradesh have notified final rules under the SS Code. The following sets out the key compliance requirements under the foregoing rules (collectively, the “**Notified SS Rules**”).

(i) Gratuity for Fixed-Term Employees:

Some of the Notified SS Rules provide that an employee on fixed-term employment shall be eligible for gratuity upon rendering service under the contract for a specified minimum period of at least one year, with any subsequent period in excess of six months but less than one year rounded off to one additional year. Arunachal Pradesh, Lakshadweep, Ladakh, and Uttar Pradesh require a minimum period of one year, with gratuity payable at the rate of fifteen days’ wages based on the rate of wages last drawn for every completed year of service or part thereof in excess of six months. Gujarat prescribes a materially higher threshold of five years of service under the contract, with gratuity thereafter payable at fifteen days’ wages for every completed year of service or part thereof in excess of six months.

(ii) Gross Misconduct Justifying Deprivation of Maternity Benefit:

The Notified SS Rules prescribe acts constituting gross misconduct for the purposes of deprivation of maternity benefit under section 68 of the SS Code. The five acts of such gross misconduct are: (a) wilful destruction of employer’s goods or property; (b) assaulting any superior or co-employee at the place of work; (c) criminal offence involving moral turpitude resulting in conviction in a court of law; (d) theft, fraud, or dishonesty in connection with the employer’s business or property; and (e) wilful non-observance of safety measures or rules on the subject or wilful interference with safety devices or with firefighting equipment. Where an employee

dismissed for any such act is deprived of maternity benefit, the woman may appeal within sixty days to the competent authority, whose decision shall be final. The remaining Notified SS Rules do not independently prescribe the gross misconduct list, thus relying on the central framework.

(iii) Crèche Facility:

The Central SS Rules and Andhra Pradesh require every establishment with fifty or more employees to provide a crèche facility within one kilometre, with detailed standards including a minimum area of ten square feet per child, trained staff, and comprehensive facilities. Both also permit a crèche allowance of not less than five hundred rupees per month per child in lieu of the facility, admissible for two children only. The remaining Notified SS Rules do mention crèche facility in their annual return requirements but do not independently prescribe the detailed crèche facility standards in their rules.

(iv) Social Security for Gig and Platform Workers:

The Central SS Rules prescribe a comprehensive registration, eligibility, and contribution framework for gig and platform workers. Every gig and platform worker who has completed sixteen years of age must register with Aadhaar and other prescribed documents on the Central Government’s designated portal. Every aggregator must share the details of gig and platform workers engaged with it within forty-five days of commencement of the rules, and register new workers in real time or on a daily basis through API or other electronic modes, and share exit details similarly. A worker must have been engaged as a gig and platform worker for not less than ninety days with an aggregator, or in the case of multiple aggregators, not less than one hundred and twenty days, in the last financial year to be eligible for scheme benefits. A registered gig and platform worker shall cease to be eligible for benefits when he attains the age of sixty years, or when he is not engaged with any aggregator for a period not less than ninety days, or in the case of multiple aggregators, not less than one hundred and



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4. SS Code

twenty days in the last financial year. The remaining Notified SS Rules do not contain separate jurisdiction-specific provisions on gig and platform workers, as the Central framework governs registration, eligibility, and cessation uniformly.

(v) Building and Construction Cess:

The Central SS Rules requires cess levied under section 100(1) of the SS Code to be paid by the employer in advance, on the basis of self-assessment duly certified by a chartered engineer, at the time of approval or before the commencement of the work. The cost of construction is calculated using the applicable rates of the State's Public Works Department, CPWD, RERA, or other notified schedule of rates for the year of commencement. The cess collected must be transferred electronically to the bank account of the State Building Workers' Welfare Board, and the collected amount must be transferred to the Board's fund within thirty days of collection. Delayed cess attracts interest at one per cent per month or part thereof. Gujarat requires cess to be paid electronically in advance or before commencement of work, and specifically requires payment at the time of plan approval for houses valued at fifty lakh rupees or more and for private builders, developers, and contractors at the time the plan is submitted for approval. Bihar, Lakshadweep, and Ladakh each require cess to be paid within thirty days of completion of the project or within thirty days of the date on which cess assessment is finished, whichever is earlier, with annual payments where the project exceeds one year. Uttar Pradesh provides a sixty-day timeline from completion for cess payment, with every application for plan approval to be accompanied by a crossed demand draft in favour of the Uttar Pradesh Building and Other Construction Workers Welfare Board, and annual payment for projects exceeding one year within sixty days after each completed year. Andhra Pradesh provides that the time limit for cess payment shall be as notified by the State Government or Commissioner of Labour.

(vi) Funeral Expenses under Employee Compensation:

The Notified SS Rules prescribe varying funeral-expense amounts between Rs. 15000 to Rs. 25000 to be paid by the employer, where an employee's injury results in death.

(vi) Interest on Delayed Compensation Payments:

The Central SS Rules and Andhra Pradesh provide that where the amount of compensation payable under sub-section (3) of section 77 is not paid within thirty days, the employer shall pay simple interest at the rate of twelve per cent per annum, or any other rate notified by the Central Government from time to time, from the date the compensation becomes payable until the date of actual payment. The remaining Notified SS Rules do not independently prescribe the rate of interest in the retrieved provisions, relying on the SS Code and the Central notification framework.

(iv) Voluntary Exit from Provident Fund and ESI Coverage:

The Central SS Rules provide that an employer of an establishment to which the provisions of Chapter III (Provident Fund) or Chapter IV (ESI) have been made applicable under section 1(5) or 1(7) may apply electronically to the Central Provident Fund Commissioner or the Director General for making such provisions inapplicable, subject to the condition that the employer and the majority of the employees agree in writing to such request. The authority must decide within sixty days; if no decision is taken within that period, permission shall be deemed to have been granted. No such application is entertainable if the provisions have subsequently become applicable under section 1(4) of the SS Code and neither can the employer apply before five years of coverage is completed. For exemption under section 143, the Central SS Rules requires the establishment to have complied with the applicable Chapter continuously for three years without contribution default, have a minimum of five hundred contributory members or



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employees, and furnish majority employee consent for Chapter III purposes. The remaining Notified SS Rules do not independently prescribe voluntary exit or exemption conditions, as these provisions fall within the Central framework.

(vi) Reporting Vacancies to Career Centres:

The Notified SS Rules require employers to report vacancies at least fifteen days before the last date for applications to the regional career centre, and forty days for the central career centre, with the unique vacancy number issued within three working days. However, Uttar Pradesh prescribes a forty-day reporting period for regional vacancies. Gujarat requires the career centre to issue the unique vacancy number within ten working days rather than three. All jurisdictions require annual employment information returns within thirty days of 31 March, except Gujarat, which requires submission up to 31 May.





Repeal and Harmonisation

Update

April 30, 2026; May 4, 2026

Maharashtra and Haryana Exempt OSH Code-Registered Establishments from S&E Registration.

Haryana and Maharashtra have issued notifications clarifying that establishments registered under Section 3 of the OSH Code are not required to obtain separate registration under the respective state Shops and Establishments ("S&E") Acts. In Haryana, the Governor has exempted all OSH Code-registered establishments from the registration and intimation requirements under Sections 13 and 13A of the Haryana Shop and Commercial Establishments Act, 1958. In Maharashtra, a government circular confirms that the requirement of separate registration under the Maharashtra Shops and Establishments Act, 2017 is not mandated for establishments engaging 10 or more employees once OSH Code registration is obtained. Both states require continued compliance with other provisions of the respective S&E Acts to the extent not inconsistent with the OSH Code. Maharashtra further clarifies that establishments employing fewer than 10 workers must continue to intimate business commencement under Section 7 of the Maharashtra Act.

May 28, 2026; July 23, 2026

Bihar Repeals its S&E Act to Eliminate Overlap with Labour Codes.

Bihar has repealed the Bihar Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2025, which was initially repealed through an Ordinance and subsequently replaced by the Bihar Shops and Establishments (Regulation of Employment and Conditions of Service) (Repeal) Act, 2026. The repeal is intended to address the substantial overlap between the state S&E framework and the Labour Codes. Actions already taken under the repealed legislation have been preserved.

P.O.V.

These amendments reduce duplicative registration requirements for establishments covered by the OSH Code, while preserving other applicable state-level requirements.

Key next steps include the following:

- Employers should assess their establishment-wise registration position and, where applicable, rely on OSH Code registration in lieu of maintaining separate S&E registration.
- In Maharashtra, new establishments with fewer than 10 workers must intimate business commencement under the S&E Act.
- Ensure compliance with other S&E obligations such as working hours, leave and conditions of service.



- The repeal removes a separate state level framework that substantially overlapped with the Labour Code regime.
- Employers should map existing Bihar-specific S&E policies, registers and compliance processes against the applicable Labour Code requirements and determine which legacy processes continue to be relevant.
- Companies to frame policies to govern terms and conditions of non-worker category employees.



Repeal and Harmonisation

Update

August 12, 2026

Andaman and Nicobar Islands Harmonise S&E Regulations with OSH Code.

The Andaman and Nicobar Islands Shops and Establishments (Amendment) Rules, 2026 align the S&E framework with the OSH Code.

Key changes include:

- The OSH Code applies to all shops and establishments with 10 or more workers;
- Establishments with 20 or more workers holding OSH Code registration are deemed compliant with S&E registration (no dual registration required);
- Establishments with 10 to 19 workers are governed by the OSH Code and exempt from S&E registration;
- Where both the OSH Code and the Regulation apply, the OSH Code governs safety, health and working conditions, and in case of inconsistency, the provision more beneficial to the employee prevails.
- Introduction of lifetime-valid registration on auto-approval mode, 24×7 operations subject to weekly offs and a 48-hour weekly cap, and detailed conditions for employment of women during night shifts including consent, safe transport, CCTV, crèche facilities and prohibition on employment of pregnant women in hazardous processes.

P.O.V.

- Employers with 20 or more workers may obtain OSH Code registration and not pursue separate S&E registration.
- Establishments with 10 to 19 workers fall under the OSH Code, and S&E registration requirements stand exempted.





Repeal and Harmonisation

Update

September 2, 2026

Assam Overhauls S&E Act to Align with Labour Codes.

The Assam Shops and Establishment (Amendment) Act, 2026 amends the Assam S&E Act, 2022 to align with the Labour Codes. The amendment grants relaxations in terms of registration to establishments with less than 10 workers. The amendment further, amongst other things, introduces an adjudication and appeal framework, substantially increases penalties and updates statutory definitions.

September 4, 2026

Karnataka Exempts OSH Code-Registered Establishments from S&E Act and Modernises Compliance Framework.

The Karnataka Shops and Commercial Establishments (Amendment) Act, 2026 exempts establishments employing 10 or more workers that are already registered under the OSH Code from the purview of the Karnataka S&E Act. The amendment also introduces lifetime-valid registration, mandatory digital filings, a compressed 7-day timeline for notifying changes, mandatory service certificates within 7 days, a prohibition on retention of original employee documents, a compounding mechanism for offences, and substantially increased penalties. Cross-references to legacy statutes have been updated to reflect the Labour Codes.

P.O.V.

- For establishments with 10 or more workers, OSH Code provisions apply. For establishments with fewer than 10 workers, a simple online intimation replaces formal registration.
- Update closure and retrenchment policies to reflect the 60-day closure notice requirement and retrenchment compensation at 15 days' wages per completed year of service.
- Issue appointment letters and identity cards to all employees within the prescribed timelines.
- Employers should continue existing S&E compliances until the OSH Code registration framework is operationalised in Karnataka.
- Once OSH Code registration is obtained or recognised, eligible establishments can rely on the exemption from the S&E Act.
- Employers should also prepare for simpler, time-bound compliance processes, including online filings and notifying changes and issuing service certificates within 7 days.





Social Security: EPF and ESI Developments

Update

June 29, 2026

New EPF, EPS and EDLI Schemes Under the SS Code.

The Ministry of Labour and Employment notified the EPF Scheme 2026, EPS Scheme 2026 and EDLI Scheme 2026 under the SS Code, replacing the corresponding erstwhile schemes under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("**EPF Act**"). However, the SS Code provides that the erstwhile schemes remain in force for one year from the date of commencement of the SS Code, to the extent not inconsistent with it. How the newly notified schemes will operate alongside the existing ones during this transition period, and how any overlap or inconsistency will be reconciled, remains to be seen.

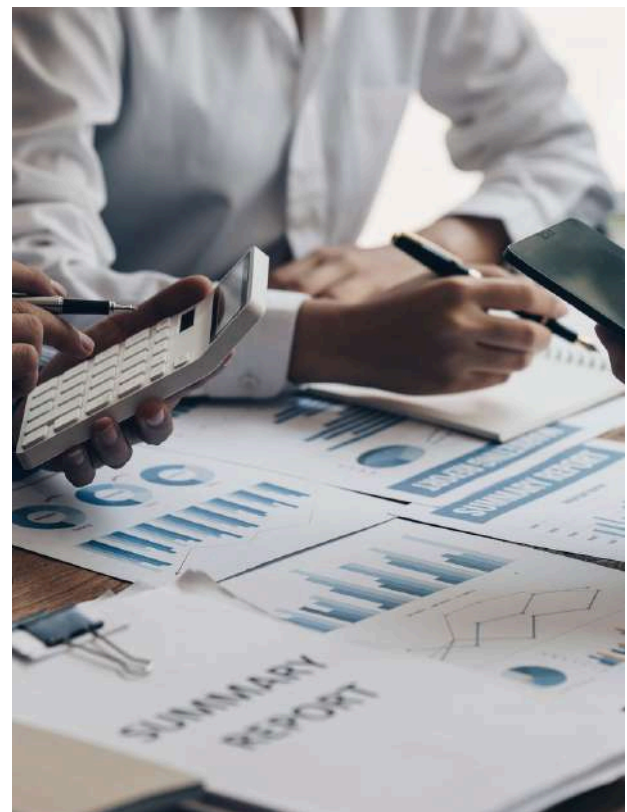
Key reforms include:

(i) EPF Scheme 2026

- Contributions to be calculated on the basis of "wages" as defined under the SS Code.
- In the event of a merger, demerger, acquisition, sale, amalgamation or formation of a subsidiary, exemption status to be governed by the order of the competent legal forum, and the employer of the resultant establishment at liberty to either continue the exemption or surrender it in accordance with the procedure to be specified by the Central Provident Fund Commissioner.
- Order of exemption from the EPF Scheme 2026 to be granted initially for a period of 3 years, with renewal automatic, upon application by the employer and the trust, if the conditions of exemption continue to be satisfied and the net worth of the establishment is not negative during each of the preceding 3 years.
- Upon surrender or cessation of exemption, establishments barred from re-applying on the same account within a period of 10 years.

P.O.V.

- Employers should review payroll and HRIS configurations to ensure that provident fund contributions are mapped to "wages" and compliant with the new wage ceiling.
- Exempted establishments to undertake regular compliance checks and ensure continued satisfaction of the prescribed exemption conditions.
- Employers to update onboarding process to include UAN generation support for employees unable to generate it independently.





Social Security: EPF and ESI Developments

Update

Key reforms include:

(ii) EDLI Scheme 2026

- Requirements related to contribution by the Central Government omitted.
- Employees continue to make zero contributions in respect of EDLI.
- Maximum assurance benefit (INR 7,00,000) and minimum assurance benefit (INR 2,50,000) remains same.
- Exemption granted under the EDLI Scheme 1976 to continue to be valid and establishments may file an application for renewal.
- In respect of grant of exemption: (i) consent of majority employees required; (ii) establishment required to purchase an IRDAI-approved group insurance policy; (iii) employer to certify in writing that: (a) benefits provided by them are more beneficial than that available under the EDLI Scheme 2026; and (b) employees are not making separate contribution/premium.

(iii) EPS Scheme 2026

- Central Government continues to contribute at 1.16% of pay of members.
- Rate of employer's contribution continues to be 8.33%. However, it is now calculated basis wages (instead of pay under the earlier regime).
- Claims in respect of pension continue to be settled within 20 days; interest at the rate of 12% (in respect of delay in claim settlement) continues to apply.
- Formula of calculating pension remains unchanged. However, it has to be basis pensionable wages (as opposed to pensionable salary earlier).
- In case of exit before superannuation by a member who has not rendered eligible service, the member becomes eligible for withdrawal benefit only after the lapse of 36 months from the date the last contribution became due, or on attaining age of superannuation, whichever is earlier.
- Damages to be levied basis rates specified in the EPF Scheme 2026.





Social Security: EPF and ESI Developments

Update

April 13, 2026

EPFO Extends De-Linking Functionality for Erroneously Linked Member IDs.

The EPFO extended its existing de-linking functionality to cover cases where wrong Member IDs (MIDs) were created without the member's knowledge and contributions have also been remitted against such IDs. Members may raise a de-linking request through the Member Portal, which is then forwarded to the employer for acceptance or refusal. If the employer accepts and contributions have been received not more than twice, the MID is de-linked at the employer level. If the employer refuses, does not act within 2 weeks, or contributions have been received more than twice but up to 6 times, the request escalates to the Regional Office for examination by the Compliance division, culminating in a decision by the RPFC (Compliance). MIDs against which claims have already been processed, settled, are pending, or have received contributions more than 6 times are not eligible for de-linking.

May 6, 2026

EPFO Introduces Structured Framework for Handling Compliance Complaints.

The EPFO's Central Analysis and Intelligence Unit issued a circular prescribing a uniform procedure for handling complaints and grievances relating to EPF compliance matters, superseding earlier circulars of 2008 and 2017. This framework introduces clear timelines and escalation triggers to be aware of. Once a complaint is registered, regardless of where it originates, the concerned Regional Office has 5 days to verify it. If deemed genuine, the employer receives a 7-day window to rectify the issue, with a possible 7-day extension. Failure to act prompts a reminder, and continued non-compliance can escalate to a Zonal Office-approved inspection within a further 7 days. Inspections follow the Inspection Scheme under the SS Code. Employers should also note that complainants may request a review within 15 days if dissatisfied with the resolution, potentially reopening the matter.

P.O.V.

Employers should expect to receive de-linking requests from employees through the EPFO portal where erroneous MIDs have been created. Inaction within 2 weeks triggers automatic escalation to the Regional Office.

Key next steps include the following:

- Review internal processes for promptly identifying and responding to de-linking requests.
- Ensure payroll/HR teams verify the relevant employee and contribution records before accepting or refusing a request, since the EPFO has flagged that errors, delays and consequent grievances should be avoided.



The structured complaint-handling framework introduces greater predictability in the manner and timelines within which EPF compliance complaints may progress from verification to potential inspection.

Key next steps include the following:

- Ensure designated compliance contacts are responsive to EPFO communications, particularly email-based notices, as the circular mandates electronic communication wherever feasible.
- Digitise and update any ECR data, salary records and related documentation, as the Regional Office will cross-verify complaints against available systems and records before escalation.



Social Security: EPF and ESI Developments

Update

May 29, 2026

Inspection Charges Notified for Exempted Establishments Under the SS Code.

Establishments exempted from the Employees' Provident Fund Scheme, 1952 are required to pay inspection charges at 0.35% of wages, subject to a minimum of INR 8,750 per month, into the Provident Fund Administration Account. Establishments exempted from the Employees' Deposit-Linked Insurance Scheme, 1976 are required to pay inspection charges at 0.005% of wages, subject to a minimum of INR 1,250 per month, into the Insurance Fund Administration Account. The charges are payable within 15 days of the close of every month. The inspection charges has been updated to 0.18% of wages by way of a corrigendum dated August 20 2026.

July 1, 2026

EPF Interest Rate Fixed at 8.25% for FY 2025-26.

The Government approved the EPF interest rate at 8.25% for the financial year 2025-26, applicable to all members of the EPF Scheme, 1952.

July 15, 2026

India-UK Social Security Agreement Signed.

India entered into a Social Security Agreement (SSA) with the United Kingdom and Northern Ireland, addressing social security contributions for workers moving between the two countries. The agreement aims to prevent dual social security liability and ensure portability of benefits for employees deployed across jurisdictions.



P.O.V.

The revised inspection charges provide revised administrative costs applicable to establishments operating under EPF and EDLI exemptions. Exempted establishments should review their monthly payment processes and ensure that the applicable charges are calculated accurately and remitted to the prescribed administration accounts within 15 days of the close of each month.



The rate remains unchanged from FY 2024-25, providing continuity for employers in computing and communicating employee PF returns.

The India-UK Social Security Agreement is expected to ease the social security burden associated with cross-border assignments by addressing dual contribution requirements and facilitating portability of social security benefits. Employers should review their secondment arrangements and payroll processes, including by incorporating obtaining a Certificate of Coverage as a condition for secondments, to ensure that eligible employees are able to avail the benefits available under the SSA.



Social Security: EPF and ESI Developments

Update

August 4, 2026

ESIC Launches New Insured Person Registration Module on ERP.

The ESIC introduced a new Insured Person (IP) Registration functionality on its ERP system, designed to streamline registration of employees under the ESI Scheme. The module enables employers to process and facilitate registration-related activities directly, while employees can complete Aadhaar-based authentication through the ESIC Health Connect App. IP Aadhaar validation must be completed within 30 days of registration for the insured person to avail benefits without disruption.

August 31, 2026

SOP for Compounding of Offences Under Section 138 of the SS Code.

The ESIC issued a standard operating procedure (SOP) for compounding offences under Section 138 of the SS Code. The SOP details electronic compounding notices, application procedures and payment timelines, with applicants required to submit the application and deposit the compounding amount within 15 days of receipt of the notice. For first-time offences, offences punishable solely with fines may be compounded at 50% of the maximum fine, while offences punishable with imprisonment of up to one year and fine may be compounded at 75% of the maximum fine.

May 29, 2026; September 17, 2026

EPF Wage Ceiling Revised from INR 15,000 to INR 25,000.

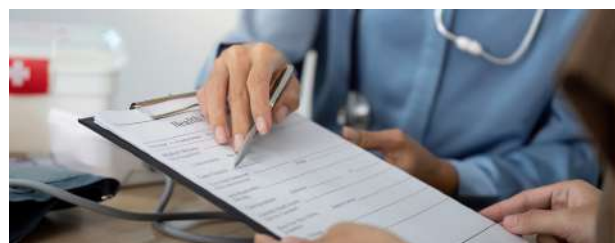
The Central Government initially notified a monthly wage ceiling of INR 15,000 for the purposes of Chapter III (EPF) of the SS Code, vide notification dated May 29, 2026. This has since been superseded vide notification dated September 17, 2026, the Central Government revised the wage ceiling to INR 25,000 per month with effect from the date of publication.

P.O.V.

The new IP Registration module streamlines the employer-led registration process, while enabling employees to complete Aadhaar authentication independently through the ESIC Health Connect App. Employers should ensure timely registration of eligible employees and coordinate with employees, where required, to ensure Aadhaar validation is completed within 30 days and access to ESI benefits remains uninterrupted.



The SOP operationalises the compounding mechanism under the Social Security Code, providing employers with a defined route to resolve eligible first-time offences without prosecution. Employers should assess the availability of compounding where applicable and ensure timely response to electronic compounding notices to avoid initiation of prosecution.



Employers to re-assess eligibility of non-covered employees earning wages in the range of INR 15,000 to INR 25,000.

Employers to re-assess contributions for covered employees earning wages less than INR 25,000.





Social Security: EPF and ESI Developments

Update

September 24, 2026

EPFO Issues FAQs on Revised Wage Ceiling.

The EPFO released detailed FAQs on the revision of the statutory wage ceiling from INR 15,000 to INR 25,000 per month, effective September 17, 2026. Key clarifications include the following:

- For September 2026, employers are required to calculate contributions in a single ECR by splitting the month into two periods, i.e., up to September 16, 2026 (subject to the earlier INR 15,000 ceiling) and from September 17, 2026 (subject to the revised INR 25,000 ceiling).
- Where the employee share deduction could not be processed in the September payroll for newly eligible employees, employers may defer recovery to the next payroll cycle without requiring prior approval from the Inspector-cum-Facilitator, provided the ECR is filed and the full statutory remittance is completed by October 15, 2026.
- Existing employees earning between INR 15,000 and INR 25,000 who were EPF members but excluded from EPS are now required to be enrolled in EPS with effect from September 17, 2026.
- The employer's statutory contribution cannot be treated as an employee deduction by describing it as part of CTC.

P.O.V.

With the effective date falling mid-month, the September 2026 transition requires employers to act promptly on payroll reconfiguration, employee enrolment and ECR filing to avoid interest and penalty exposure.

Key next steps include the following:

- Map all employees in the INR 15,000-25,000 wage band and identify those who become newly eligible for EPF, EPS and EDLI coverage from September 17, 2026, including employees of contractors.
- Reconfigure payroll systems to split September 2026 contributions into two periods and file a single ECR by October 15, 2026.
- Review statutory wage components used for PF purposes against the definition of wages under the Labour Codes to ensure the revised ceiling is applied to the correct wage base.



Other Legislative Updates



Shardul Amarchand Mangaldas

Update

Labour Codes

May 8, 2026

Central Labour Rules and Model Standing Orders Notified.

The Central Government has notified Central Rules under the four Labour Codes, namely – the Code on Wages (Central) Rules, 2026, the Code on Social Security (Central) Rules, 2026, the Industrial Relations (Central) Rules, 2026 and, the Occupational Safety, Health and Working Conditions (Central) Rules, 2026. The Central Government also released the Model Standing Orders, 2026 in supersession of the erstwhile Industrial Employment (Standing Orders) Central Rules, 1946.

For more details, please refer to our update [here](#).

May 17, 2026

Mandatory Rest Intervals Notified under the OSH Code.

The Ministry of Labour and Employment notified, under Section 25(1)(b) of the OSH Code that no worker shall work continuously for more than five hours without a rest interval of at least 30 minutes.

May 29, 2026

Interest at 12% on Employer Defaults.

Employers are liable to pay simple interest at 12% per annum on any amount due under the SS Code, from the date on which such amount becomes due till the date of actual payment.

P.O.V.

The notification of Central Rules under all four Labour Codes, along with the Model Standing Orders, 2026, marks the operationalisation of the new labour law framework at the Central level. Employers should undertake a comprehensive review of their existing employment contracts, HR policies, payroll structures and standing orders to ensure alignment with the new rules. Given the breadth of the changes spanning wages, social security, industrial relations and occupational safety, a phased compliance assessment is advisable to identify gaps and implement necessary revisions in a timely manner.

The notification formalises the mandatory rest interval requirement under the OSH Code, prohibiting continuous work beyond five hours without a 30-minute break. Employers across all covered establishments should review shift patterns, production schedules and attendance systems to ensure that rest intervals are built into the working day and are being recorded, to avoid potential non-compliance and any consequent penalties.

The notification of a 12% per annum simple interest rate on defaults under the SS Code introduces a significant financial consequence for delayed or non-payment of statutory dues. Employers should strengthen their payroll and compliance monitoring mechanisms to ensure timely remittance of all contributions and dues under the SS Code, as any delay will now attract interest from the date the amount falls due until actual payment, increasing the overall cost of non-compliance.

Other Legislative Updates



Shardul Amarchand Mangaldas

Update

Labour Codes

August 25, 2026

Bonus Eligibility Wage Ceiling Notified at INR 21,000 Per Month.

The Central Government notified that every employee drawing wages not exceeding INR 21,000 per month shall be entitled to bonus under Section 26(1) of the Wages Code, effective from November 21, 2025.

August 25, 2026

Bonus Calculation Ceiling Notified at INR 7,000 Per Month.

The Central Government notified that for employees earning above INR 7,000 per month, the bonus payable shall be calculated as if their wages were INR 7,000 or the minimum wage fixed by the Central Government, whichever is higher, effective from November 21, 2025.

August 31, 2026

Bihar Notifies Risk-Based Classification Scheme for Establishment Inspection.

The Government of Bihar notified a risk-based inspection scheme under the OSH Code, 2020, classifying all establishments into High, Medium and Low Risk categories based on qualitative criteria and a risk score computed from 21 parameters. High-risk establishments face annual inspections; medium-risk establishments are subject to third-party audits every three years; and low-risk establishments benefit from self-certification with inspections once every five years.

P.O.V.

The notification sets the bonus eligibility wage ceiling at INR 21,000 per month under the Wages Code, with retrospective effect from November 21, 2025. Employers should review their payroll records to identify all employees falling within this ceiling and ensure that bonus obligations for the applicable period have been correctly computed and discharged. Any arrears arising on account of the retrospective applicability should be assessed and settled promptly.

The notification fixes the bonus calculation ceiling at INR 7,000 per month (or the applicable minimum wage, whichever is higher), also with retrospective effect from November 21, 2025. Employers should recalibrate their bonus computation methodology for employees earning above this threshold and verify that bonus payable has been correctly calculated on the notified basis. This ceiling should be read in conjunction with the eligibility ceiling of INR 21,000 to determine the full scope of bonus liability.

Bihar's risk-based inspection scheme introduces a graded compliance and enforcement framework under the OSH Code, with the frequency and mode of inspection determined by an establishment's risk classification. Employers with establishments in Bihar should evaluate which risk category their operations fall into based on the 21 prescribed parameters, and proactively prepare for the applicable compliance mechanism, whether annual inspections, third-party audits or self-certification to ensure readiness and minimise disruption during any inspection or audit cycle.



Other Legislative Updates



Shardul Amarchand Mangaldas

Update

Gig Workers

June 2, 2026

Telangana Gig Workers Act Comes into Force.

The Government of Telangana notified the commencement of the Telangana Platform Based Gig Workers (Registration, Social Security and Welfare) Act, 2026, with effect from June 2, 2026. The Act establishes a statutory framework for regulation of platform-based gig work in Telangana, including registration and sharing of gig worker data by aggregators, transparency in contractual terms and automated decision-making, and safeguards relating to remuneration and termination. It also provides for the Government to prescribe standard rates of remuneration for platform-based gig workers, and requires aggregators to comply with specified welfare fund and reporting requirements once the relevant rates and procedures are notified. The Act further provides for social security and welfare schemes for registered gig workers and grievance and dispute resolution mechanisms.

July 3, 2026

Maharashtra Introduces Gig and Platform Workers Bill.

The Maharashtra Gig and Platform Workers Rights and Protection Bill, 2026 was introduced in the Maharashtra Legislative Assembly, proposing a statutory framework for registration, fair remuneration, social security and welfare protections for gig and platform workers, along with a dedicated welfare board and obligations on aggregators. As the legislation is presently in bill form, its provisions may undergo changes before enactment.

P.O.V.

Aggregators and platforms operating in Telangana, as well as those operating elsewhere in India or overseas but providing services specified in Schedule I of the Act, should review their existing engagement models and contracts against the framework and monitor the rules and notifications required to operationalise the remuneration, welfare fund and other scheme-related provisions.

Key next steps include the following:

- Review gig worker contracts for transparency on remuneration, deductions, automated decision-making and contractual changes.
- Review worker-data processes to ensure the required information can be shared with the Government within the statutory timelines.
- Assess termination and payout practices, including the requirements relating to reasons for termination and notice.

The Bill signals the potential introduction of additional compliance requirements for aggregators and platforms operating in Maharashtra. Platforms should monitor the legislative process and assess the potential impact on their existing engagement models and contracts.



Other Legislative Updates



Shardul Amarchand Mangaldas

Update

Working Conditions

April 2, 2026

Madhya Pradesh Restricts Employment of Pregnant Women in Hazardous Processes.

The Government of Madhya Pradesh amended the Madhya Pradesh Factories Rules, 1962, prohibiting employment of pregnant women, lactating mothers and young persons in hazardous processes, while permitting employment of other women subject to enhanced safety requirements.

May 21, 2026

West Bengal Revises Factory Overtime Limits Under Ease of Doing Business Reforms.

The Government of West Bengal has issued a notification permitting adult workers in factories to work beyond the normal statutory working-hour limits in cases of exceptional pressure of work. The notification permits adult workers in factories to work up to 12 hours per day (inclusive of spread-over and rest), 72 hours per week, and up to 144 hours of overtime per quarter, subject to prior worker consent and double wages for overtime. However, no worker can be required to work overtime for more than 7 consecutive days.

P.O.V.

Employers in operating in Madhya Pradesh should review workforce deployment in hazardous processes to ensure that pregnant women, lactating mothers and young persons are not assigned to prohibited operations, while appropriate safety safeguards are maintained for other women workers.

Employers operating factories in West Bengal may update overtime policies and tracking systems to reflect the revised limits, while ensuring prior worker consent is obtained.



Other Legislative Updates



Shardul Amarchand Mangaldas

Update

Working Conditions

May 29, 2026

West Bengal Introduces Flexible Working Hours and 24x7 Operations for Shops and Establishments.

The Government of West Bengal issued two notifications under the West Bengal Shops and Establishments Act, 1963. They grant all registered establishments exemption from the existing working hours restrictions, permitting up to 8.5 hours of work per day, 48 hours per week, a spread-over of up to 12 hours per day and a quarterly overtime cap of 144 hours, and establishments employing 20 or more persons have been permitted to operate 24x7 on all days of the year for a period of three years, subject to conditions including weekly holidays on rotation, appointment letters for all employees, overtime cap of 144 hours per quarter, transport for women on shifts, adequate restroom and medical facilities, and constitution of Internal Complaints Committees under the POSH Act.

June 3, 2026; July 8, 2026

Chhattisgarh Increases Working Hours, Raises Applicability Threshold and Digitises S&E Registration.

The Government of Chhattisgarh notified amendments to the Chhattisgarh Shops and Establishments Act, 2017 and the rules framed thereunder. The amendments raise the applicability threshold from 10 to 20 workers, increase daily working hours from 9 to 10 hours (with opening hours extended from 5 AM to 6 AM), raise the daily spread-over from 10.5 to 12 hours, increase the quarterly overtime cap from 125 to 144 hours, and permit employment of women during night shifts (9 PM to 6 AM) subject to conditions notified by the state government. Further, the amendments also provide for a fully digital registration process, with Labour Identification Number certificates to now be issued within 24 hours through the web portal on auto-approval mode based on self-declaration.

P.O.V.

Registered establishments in West Bengal employing 20 or more persons may now operate round-the-clock on all days of the year, subject to compliance with the prescribed conditions. Employers may review shift rosters, workforce arrangements and POSH compliance to align with the prescribed framework.



The amendments offer operational flexibility by, inter alia, extending working hours, providing a higher overtime cap and reducing the compliance threshold for smaller establishments that now fall below the revised 20-worker threshold. Conditions for employment of women during night shifts are yet to be notified by the state government and should be monitored.



Other Legislative Updates



Shardul Amarchand Mangaldas

Update

Working Conditions

June 19, 2026

Rajasthan Permits Year-Round Operations for All Shops and Commercial Establishments.

The Government of Rajasthan has exempted all shops and commercial establishments registered under the Rajasthan Shops and Commercial Establishment Act, 1958 from the provisions governing opening and closing hours, with immediate effect. The exemption is subject to conditions including one paid weekly rest day on rotation, working hours not exceeding 10 hours per day and 48 hours per week, payment of overtime wages as per law, and issuance of appointment letters to all employees. The exemption supersedes the earlier notification of April 2024 and stands revoked automatically in the event of any violation.

August 7, 2026

Maharashtra Issues Amendment Under the Mathadi Hamal and Other Manual Workers Act, 1969.

The Government of Maharashtra amended the Schedule to the Mathadi, Hamal and Other Manual Workers (Regulation of Employment and Welfare) Act, 1969, modifying the classification of covered employments by excluding building and other construction work and work related to shifting of house or office from certain listed categories.

P.O.V.

Registered shops and commercial establishments in Rajasthan may now operate on all days of the year without opening and closing hour restrictions, provided the prescribed conditions are followed. The exemption stands revoked automatically in the event of any violation.



The amendment narrows the scope of specified employments covered under the Mathadi Act by excluding building and other construction work, as well as work related to shifting of houses or offices, from the relevant categories.



Other Legislative Updates



Shardul Amarchand Mangaldas

Update

Working Conditions

August 24, 2026

Tamil Nadu Extends 365-Day Operations Permission for All Establishments by Three Years.

The Government of Tamil Nadu renewed the permission for all establishments in the state to remain open on all 365 days of the year, for a further period of three years from August 24, 2026, under the Tamil Nadu Shops and Establishments Act, 1947. The conditions include one weekly holiday on rotation, working hours not exceeding 8 hours per day and 48 hours per week (with overtime, the spread-over must not exceed 10.5 hours per day and 57 hours per week), wages including overtime to be credited to savings bank accounts, written consent for women working between 8 PM and 6 AM with adequate transport and safety arrangements, and constitution of Internal Complaints Committees under the POSH Act.

P.O.V.

Key next steps include the following:

- Ensure overtime wages are credited to employees' savings bank accounts.
- Obtain written consent from women employees before assigning night shifts (8 PM to 6 AM) and ensure transport and safety arrangements are in place.
- Constitute or verify the Internal Complaints Committee under the POSH Act, if not already done.



Other Legislative Updates



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Update

Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

May 14, 2026

Maharashtra Establishes Formal POSH Inspection Framework.

The Government of Maharashtra has authorised District Officers and various officers of the Women and Child Development Department and associated district-level authorities to inspect establishments across the State for compliance with the POSH Act. The inspections are required to follow a prescribed checklist covering, among other matters, formulation and dissemination of the POSH policy (including for contractual staff and remote-working arrangements), constitution and composition of the Internal Committee ("IC"), availability of complaint mechanisms, confidentiality and protection against retaliation, interim relief, training and awareness programmes, timelines for completion of inquiries and implementation of IC recommendations, annual reporting and record-keeping, and onboarding of establishments and ICs on the SHe-Box portal. The checklist also requires verification of whether ICs submit annual reports and whether POSH compliance details are included in the employer's annual filings.

June 19, 2026

National Commission for Women Recommends Mandatory Annual POSH Audits Nationwide.

The National Commission for Women issued an advisory recommending mandatory annual POSH audits for establishments employing 10 or more persons, constitution of State-level monitoring cells, and public disclosure of IC details.

P.O.V.

Employers should undertake a comprehensive review of their POSH framework and maintain supporting documentation against the inspection checklist, particularly for IC constitution, training, annual reporting, complaint records and SHe-Box onboarding.



Employers should review their POSH compliance framework and maintain adequate documentation of IC constitution, training and awareness activities, complaints and annual reporting requirements in anticipation of enhanced monitoring.



Other Legislative Updates

Update

Apprentices

April 08, 2026

Apprenticeship Penalties Revised.

The Jan Vishwas (Amendment of Provisions) Act, 2026 decriminalises minor, procedural offences under the Apprentices Act, 1961, replacing direct fines (for lapses like refusing to furnish information or requiring overtime work) with a graded three-stage system: an advisory for the first contravention, a warning for the second, and a civil penalty only for subsequent ones. It also creates designated adjudicating and appellate authorities, so penalties are handled administratively rather than through criminal prosecution and builds in automatic periodic revision of penalty amounts.

Inclusivity and Accessibility

May 22, 2026

Central Government Expands Definition of Acid Attack Victim Under RPWD Act.

The Central Government amended the Schedule to the Rights of Persons with Disabilities Act, 2016 to expand the definition of “acid attack victim” under the physical disability category. The revised definition now covers any person disfigured externally or internally due to a violent assault, self-infliction or accident, by throwing, administering or spilling of acid or similar corrosive substance.

August 20, 2026

Rajasthan Amends Rules on Reservation in Promotion for Persons with Disabilities.

The Government of Rajasthan amended the Rajasthan Rights of Persons with Disabilities Rules, 2018, clarifying that reservation in promotion for persons with disabilities, effective from June 30, 2016, shall be in accordance with State Government instructions, with promotional benefits granted on a notional basis from that date until the amendment's commencement. Promotions already made shall not be reverted, with provision for creation of shadow posts if required.

P.O.V.

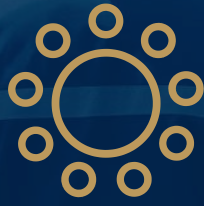
The revised framework provides employers with an opportunity to rectify specified apprenticeship contraventions before monetary penalties are imposed.



Employers should factor the expanded definition into their disability-related employment and inclusion policies and processes, particularly when assessing eligibility for statutory protections and benefits.



The amendment gives retrospective effect to reservation in promotion for persons with disabilities on a notional basis from June 30, 2016, while protecting promotions already granted from reversion. Employers should review the position of eligible employees and account for the possibility of shadow posts where required to give effect to the retrospective promotional benefits.



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