



Labour Law Developments In India

Karnataka Issues Menstrual Leave Policy for Women Employees

The Karnataka Government has approved and issued a landmark Menstrual Leave Policy, 2025, entitling all women employees, across both government and private sectors, to one paid day of leave per month, amounting to 12 days annually, which will be in addition to existing leave entitlements under applicable law. This makes Karnataka the first Indian state to mandate paid menstrual leave for the private sector. The policy fills a legislative gap, as no central law currently provides for menstrual leave.

The Policy covers all women employees between 18 and 52 years of age, whether engaged as permanent employees, contractual staff, or outsourced workers. The leave cannot be carried forward to subsequent months, and no medical certificate or documentation is required to avail this leave.

Private employers in Karnataka must update their policies/handbooks to add a separate leave category of “menstrual leave”. The policy signals a broader shift towards workplace inclusivity and menstrual health awareness, setting a potential model for adoption by other states.

Supreme Court Reiterates Tests to Determine Employer–Employee Relationship

In *General Manager, U.P. Cooperative Bank Ltd. v. Achchey Lal & Anr.*,¹ the Supreme Court (“**SC**”) examined whether canteen workers employed by a cooperative society could be considered employees of the bank that hosted the canteen. The SC revisited four established tests, the control test, integration test, multifactor test, and refined multifactor test, to determine whether the workers were economically dependent on, or under the real control of, the bank. It found that the canteen was run independently by the employees’ cooperative society, which hired and paid the workers.

The SC held that mere infrastructural or financial support, such as subsidies or providing premises, does not create an employer-employee relationship. Since the bank had no statutory or contractual obligation to run the canteen, and exercised no direct control over the workers or their conditions of service, the labour court and high court had erred in ordering reinstatement. The decision underscores that businesses must maintain clear contractual boundaries when outsourcing functions to avoid unintended employment liabilities.

[1] Civil Appeal No. 2974/2016, Supreme Court of India, dated 11 September 2025.

Karnataka High Court Holds Liquidation Has No Effect on Jet Airways Worker's Claim

In *Jet Airways (India) Pvt. Ltd. v. Prashant Rao*,² the Karnataka High Court (“KHC”) held that an employee’s right to back wages crystallises when an Industrial Tribunal passes its award and cannot be nullified merely because the employer subsequently enters liquidation. The employee had been awarded reinstatement and 50% back wages in 2017, and although Jet Airways challenged the award, it only secured an interim stay by depositing the amount with the court. When the company later went into insolvency, the liquidator argued that the employee must claim dues under the Insolvency and Bankruptcy Code process.

The KHC rejected this argument, emphasising that an interested party cannot be prejudiced by delays caused by the employer’s own challenge. Once the writ petition was dismissed, the interim protection stood vacated automatically, and the deposit, along with accrued interest, belonged to the employee. The judgment affirms that labour adjudication rights, once finalised, are not overridden by later insolvency proceedings, safeguarding employees from the erosion of statutory labour protections due to corporate liquidation.

Employee Cannot Challenge ICC Composition After Participating in POSH Inquiry and Receiving Adverse Findings

The Bombay High Court (“BHC”) in the case of *Dr. Shyam Bihari v. Nuclear Power Corporation of India Ltd. & Ors.*³ held that an employee who has willingly participated in an Internal Complaints Committee (“ICC”) inquiry under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (“**POSH Act**”) cannot, after receiving an adverse finding, challenge the validity of the ICC’s constitution. The BHC rejected the petitioner’s argument that the ICC was improperly formed or that one of its members was biased due to proximity with the complainant’s family. It noted that throughout the inquiry, the petitioner raised no objections about the committee’s composition, its members, or its procedure. Only after the ICC found him guilty of sexual harassment did he seek to invalidate the inquiry on technical grounds. The BHC found that the employer had complied with the statutory requirements of the POSH Act, as well as the principles of natural justice and applicable service rules, and that no legal defect in the ICC’s formation was established.

The BHC further held that if the petitioner was dissatisfied with the findings, he could have pursued statutory appellate remedies under the POSH Act instead of attempting to undermine the process itself. By participating without hesitation, the petitioner effectively waived his right to object and is now estopped from raising procedural challenges after an unfavourable result. Dismissing the writ petition, the BHC clarified that employees cannot question the ICC’s constitution retrospectively as a strategy to escape the consequences of a legally compliant inquiry.

[2] W.P. No. 15526 of 2017, Karnataka High Court, dated 25 September 2025.

[3] W.P. No. 11696 of 2025, Bombay High Court, dated 14 October 2025.

Disclaimer: This publication is for general information purposes only. It is not and should not be construed as legal advice. If you would like to know more or seek specific legal advice, please reach out to our team.



G&W LEGAL | Advocates and Legal Advisors

Delhi (Regd.): C-9 / 9624, Vasant Kunj, New Delhi -110 070, India

Gurugram: Incuspaze#2, G.F., Plot No.13, Phase 4, Udyog Vihar,
Sector 18, Gurugram -122015

Ph.: +91 (124) 4402666 E. info@gnwlegal.com

www.gnwlegal.com