



# Labour Law Developments in India

## Supreme Court Expands Maternity Benefits for Adoptive Mothers

In *Hamsaanandini Nanduri v. Union of India & Ors.*<sup>1</sup>, the Supreme Court examined the constitutional validity of Section 60(4) of the Code on Social Security, 2020 (“**SS Code**”) which restricted maternity benefits for adoptive mothers to cases where the adopted child was below three months of age. The Apex court has held the provision to be unconstitutional for creating an arbitrary and unreasonable classification.

The Supreme Court observed that the need for maternal care does not diminish merely because the adopted child is older than three months. It observed that the responsibilities and caregiving obligations of an adoptive mother remains substantially similar irrespective of the age of the child at the time of adoption. Furthermore, the process of integration and adjustment within the adoptive family for the parents as well as the child also remains largely the same. As such, the age-based distinction under Section 60(4) was found to have no rational nexus with the object sought to be achieved under the SS Code and therefore, violative of Articles 14 and 21 of the Constitution.

The Court, in its ruling, directed that Section 60(4) of the SS Code must be interpreted to grant 12 weeks of maternity benefit to a woman who legally adopts a child or is a commissioning mother, from the date the child is handed over, regardless of whether the child is below or above three months of age.

This judgment marks a significant step towards a more inclusive and equitable understanding of parenthood and caregiving within the framework of employment laws. Employers may need to reassess existing leave policies to ensure alignment with evolving judicial standards and recognizing diverse forms of parenthood.

## Key Changes Introduced Under the Delhi Shops and Establishments (Amendment) Act, 2026

The Government of Delhi vide notification dated 11<sup>th</sup> March 2026, has introduced the Delhi Shops and Establishments (Amendment) Act, 2026 bringing significant changes aimed at enhancing operational flexibility for employers while also strengthening employee protection measures. The amendment revises key aspects related to working hours, overtime, applicability thresholds and safeguards for women employees engaged in night shifts.

One of the most notable changes is the revised applicability threshold of the Delhi Shops and Establishments legislation. The amended Delhi Shops and Establishments Act will now only apply to establishments employing more than twenty employees, as opposed to the earlier framework where the legislation applied irrespective of the workforce size. This change is expected to provide compliance relief to smaller establishments and startups operating in Delhi.

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[1] WP (C) No. 960 of 2021

The amendment further revises the permissible daily working hours from 9 hours to 10 hours inclusive of rest intervals, thereby increasing the corresponding weekly hours limit from 54 to 60 hours. The overtime limits have also been revised from 150 hours per quarter to 144 hours. The permissible continuous working period has been increased from 5 hours to 6 hours, while a uniform spread-over limit of 12 hours has also been introduced across establishments.

The amendment also introduces greater safeguards in relation to the employment of women during night shifts by requiring prior written consent from women and imposes enhanced employer obligations in relation to safety and welfare. These include CCTV surveillance, safe transport facilities, and ensuring the presence of at least two women employees during nightshifts. For the purpose of the amendment, “night shift” has been defined as the period between 9:00 p.m. and 7:00 a.m. during summers, and 8:00 p.m. and 8:00 a.m. during winters. The amendment expressly prohibits the engagement of children during night shifts.

These changes reflect a broader regulatory approach towards balancing business efficiency with employee welfare and workplace safety. The strengthened safeguards for women employees also compliment employer obligations under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Employers in Delhi will therefore need to consider reviewing their existing working hours policy, shift structures and internal policies to comply with the amended framework.

### Ministry of Labour Issues Additional FAQs on Implementation of the Labour Codes

The Ministry of Labour and Employment has issued further clarifications pertaining to the implementation of the Labour Codes vide Frequently Asked Questions (“**FAQs**”) released on 16<sup>th</sup> March 2026. These FAQs have been issued in response to representations and queries raised by various stakeholders navigating the evolving framework pertaining to labour laws in India.

The FAQs have addressed some key ambiguities under the Labour Codes and clarified that annual performance based incentives are to be excluded from the computation of ‘wages’, overtime wages are to be paid to all employees whose minimum rate of wages are fixed by the appropriate government, benefits such as food coupons, ration items, mobile recharge, etc. are to be considered as ‘remuneration in kind’ for the purposes of calculation of ‘wages’, and creche facility is to be provided to all employees irrespective of gender, amongst other issues.

Previously, the Ministry of Labour and Employment had issued another set of FAQs in December 2025. Both the FAQs aim towards streamlining compliance for employers and addressing practical and interpretational concerns arising out of the Labour Codes.

### Supreme Court to Consider and Decide on the International Workers Regime Under Employees’ Provident Fund

In March 2026, the Supreme Court issued notice to the Union Government in the matter of **LG Electronics India Limited v. Union of India & Ors.**<sup>2</sup> which challenges the requirement for foreign employees to be inducted under the Employees' Provident Funds Scheme, 1952 and the Employees' Pension Scheme, 1995 (“**EPF Scheme**”).

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[2] Diary No. 9651 of 2026

The EPF scheme is a retirement scheme for employees which requires the employer as well as employees to make mandatory contributions. The appeal was filed by LG after the Delhi High Court dismissed its petition and held that the Central Government has the power to extend the EPF Scheme to foreign nationals working in India.

The main issue revolves around Paragraph 83 of the EPF Scheme pertaining to special provisions for 'international workers', i.e., foreign nationals working in establishments where the EPF law is applicable which had been introduced through government notifications. According to the rules, foreign employees, unless classified as excluded employees, must contribute to the EPF Scheme. The exemption is only available to foreign nationals from countries that have a Social Security Agreement with India and are already making social security contributions in their home country. The implication being that foreign nationals must make mandatory contributions to EPF irrespective of their salary, which is different from Indian employees whose mandatory EPF contributions are calculated up to a statutory wage ceiling of INR 15,000 (although there is an option to contribute on higher salaries). Companies who employ foreign nationals contend that this rule is unfair as the EPF law does not differentiate between Indian and foreign employees and thereby violates the principle of equality.

This matter is significant given the divergent judicial positions taken by the various high courts. While the Delhi High Court has upheld the validity of the notifications, the Karnataka High Court, in a separate proceeding, struck down the very same notifications as unconstitutional. The decision of the Karnataka High Court is currently under appeal before a Division Bench with no interim stay having been granted.

The Supreme Court's intervention assumes considerable significance as its eventual decision is expected to conclusively determine whether foreign employees will need to continue contributing to the EPF Scheme regardless of their salary. Given the continuing legal uncertainty, employers employing foreign workers in India may consider closely monitoring the developments in this matter and assessing existing social security practices to ensure compliance with evolving legal position.

### **Government Fully Operationalizes the Labour Codes Framework**

The Ministry of Labour and Employment on 8<sup>th</sup> May 2026 notified the final rules under the four Labour Codes at the Central Government level, marking a significant milestone in India's labour law reform journey and effectively operationalising the new labour law framework across the country. The move concludes a long-awaited transition from the existing fragmented regime of 29 central labour legislations to a consolidated framework into four Labour Codes at the Central level.

The reforms seek to simplify compliance obligations for employers while simultaneously expanding the scope of worker protections, particularly in relation to wages, social security, occupational safety, and dispute resolution mechanisms.

Some of the key aspects under the operationalised framework are digitised compliance and record maintenance requirements, enhanced protections for gig and platform workers, provisions governing standing orders, and guidance pertaining to calculation of minimum wages.

While the operationalisation of the Labour Codes is aimed at improving ease of doing business and modernising India's employment framework, the implementation process is expected to require significant organisational preparedness. It is pertinent to note that these Central Rules are applicable only to establishments where the Central Government is the 'appropriate government' such as banking, major ports, mines, oil fields, telecom, etc. Furthermore, given that labour remains a concurrent subject under the Constitution, businesses should also continue monitoring state-level rules and notifications which will play an important role in determining the practical implementation of the Codes across different states in India.

### **Maharashtra Clarifies Registration Requirements under the OSH Code and Maharashtra Shops and Establishments Act**

The Government of Maharashtra, vide clarification dated 30<sup>th</sup> April 2026, has provided guidance regarding the registration requirements applicable to establishments under the Occupational Safety, Health and Working Conditions Code, 2020 ("**OSH Code**") and the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 ("**Maharashtra S&E legislation**"). The clarification seeks to streamline the registration framework and reduce duplicative compliance obligations for establishments operating within the State.

Under the clarification, establishments employing 10 or more employees are required to obtain registration under the OSH Code, which is intended to function as a unified compliance framework for applicable establishments. The Government has further clarified that once such registration is obtained under the OSH Code, a separate registration under the Maharashtra S&E legislation would not be required.

At the same time, the clarification emphasises that establishments registered under the OSH Code must continue to comply with the provisions of the Maharashtra S&E legislation to the extent such provisions are not inconsistent with the OSH Code framework. This approach is intended to ensure continuity of employee welfare protections while reducing overlapping procedural requirements.

For establishments employing fewer than 10 employees, the Government has clarified that only an intimation regarding commencement of business is required under the Maharashtra S&E legislation, instead of a formal registration process.

The clarification is likely to provide operational relief and greater regulatory clarity for businesses in Maharashtra, particularly in relation to registration and ongoing compliance obligations. Employers may nevertheless consider reviewing their existing registrations, workforce thresholds, and compliance processes to ensure alignment with the revised framework and avoid duplication or gaps in statutory compliance.

### **Haryana Notifies Revised Minimum Wage Rates Effective 1<sup>st</sup> April 2026**

The Government of Haryana, vide notification dated 9<sup>th</sup> April 2026, has revised the minimum wages applicable in the State with effect from 1<sup>st</sup> April 2026 under the framework of the Code on Wages, 2019. The revised wage rates apply across all categories of workers and establishments within the State and replace the earlier wage notification issued in October 2015.

The notification introduces a revised wage structure intended to provide greater uniformity and wage protection across industries and categories of employment.

The revised framework also reiterates key principles relating to wage fairness and statutory compliance, including the prohibition on gender-based wage discrimination and the obligation upon employers to ensure payment of wages not less than the prescribed minimum rates applicable to the relevant skill category. The notification further clarifies that apprentices will continue to be governed separately under the Apprentices Act, 1961.

In addition, the notification prescribes specific operational norms relating to wage computation. For instance, per-day wage calculations are required to be derived by dividing monthly wages by 26 days. The notification also provides that trainees must be paid at least 75% of the applicable minimum wages, subject to a minimum threshold equivalent to unskilled wage rates, for a maximum training period of one (1) year.

The revision is likely to have significant payroll and compliance implications for employers operating in Haryana. Businesses may therefore consider reviewing existing compensation structures, payroll processes, trainee arrangements, and wage practices to ensure alignment with the revised statutory requirements.

### **Maharashtra and Haryana Notify Draft Rules under the Labour Codes**

The Governments of Maharashtra and Haryana have taken significant steps toward state-level implementation of the new Labour Codes framework by notifying draft rules under all four Labour Codes. The draft rules under the Labour Codes have been notified by each State on a rolling basis across different dates.

The draft Social Security Rules proposed by both Maharashtra and Haryana seek to establish frameworks for registration of establishments and workers, contribution mechanisms, and the delivery of statutory benefits including gratuity, maternity benefits, and provident fund. The draft rules under the Code on Wages, 2019 address minimum wage fixation, permissible deductions etc. The draft OSH rules in both States seek to consolidate safety and working condition standards across sectors, with provisions covering welfare amenities, health examinations, working hours, and protections extended to contract and migrant workers. The draft rules under the Industrial Relations Code, 2020 further address retrenchment procedures, standing orders, and dispute resolution mechanisms.

It is important to note that the rules notified by both States remain at the draft stage and have not yet been brought into force. Employers with operations in Maharashtra and Haryana may consider reviewing the draft provisions at this stage to assess the potential impact on their existing compliance frameworks- so as to be better positioned to respond once the rules are finalised and enforced.

## Unproven Documentary Evidence in Departmental Proceedings Cannot be Grounds for Dismissal – Supreme Court

In a recent case of **Jai Prakash Saini V. Managing Director, UP Cooperative Federation Ltd.**<sup>3</sup>, the Supreme Court opined upon procedural fairness in departmental enquiries. The Court observed that when an employee does not admit to the charges labelled against him, he cannot be dismissed from the services based solely on documentary evidence without examining other witnesses or holding an oral inquiry.

The case arose from the dismissal of an employee who was accused of embezzlement and discrepancies in paddy procurement records (“Appellant”). Following an internal inquiry, the charges were held to be proved, leading to his dismissal and a recovery order. The Court, while examining the records, noted that no witness had been produced by the employer during the inquiry.

Reaffirming a settled principle of law, the Court held that where charges are denied, the burden of proof lies on the employer. This burden cannot be discharged merely by relying on documents unless those documents are duly proved. The Court also emphasized that even in cases based on documentary evidence, where the documents were not admitted by the Appellant, they must have been proved through witnesses who were also made available for cross-examination.

Consequently, the dismissal of the Appellant and the recovery order were set aside, thereby, reinstating his service by placing him under suspension until the completion of inquiry along with payment of subsistence allowance in accordance with law.

## The Karnataka Government Has Notified Minimum Wages Rates for the Year 2026-2027

The Government of Karnataka has revised the rates of minimum wages, i.e., the amount of wages that an employer is legally mandated to pay their employees at the least. The new wage rates are now effective from 1st April 2026 to 31st March 2027.

Minimum wages in Karnataka are composed of a Basic Wage as well as a Variable Dearness Allowance (VDA). The wages are classified on the basis of industries and are further sub-classified within industries based on the class of employment, as well as the zone in which the notified area lies. The minimum wages in shops and commercial establishments currently range from INR 559 to INR 805 per day, depending on the category and the zones.

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[3] SLP (Civil) No. 2900 / 2020

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