Labour Law Developments in India

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Haryana Allows Single Registration Under OSH Code, Avoiding Duplicate Shops and Establishments Registration

On 4 May 2026, the Haryana Labour Department issued a notification under the Haryana Shops and Commercial Establishments Act, 1958 ("**Haryana S&E Act**") enabling establishments situated in Haryana to rely on registration under Section 3 of the Occupational Safety, Health and Working Conditions Code, 2020 ("**OSH Code**") instead of obtaining a separate Shops and Establishments registration or filing business commencement intimations under the Haryana S&E Act. In effect, establishments that are registered under the OSH Code in Haryana are exempted from duplicative registration and commencement filings under the Haryana S&E Act, with the stated objective of simplifying processes and eliminating overlap in registration requirements.

The exemption is, however, limited to registration and business commencement obligations. The notification clarifies that establishments must continue to comply with other substantive provisions of the Haryana S&E Act, except to the extent of any inconsistency with the OSH Code and its rules. For employers operating in Haryana, this effectively creates a single primary registration framework under the OSH Code, while preserving day-to-day working conditions obligations (such as hours of work, weekly offs and leave) under the S&E Act. Businesses may therefore consider updating their internal compliance matrices and documentation to reflect the new alignment between the S&E and OSH regimes in the State.

Furnishing Returns Not Necessary for Certain Classes of Enrolled Persons Under the Karnataka Tax on Professionals, Trades, Callings and Employment Act, 1976

The Commissioner of Commercial Taxes, Government of Karnataka, on 4 May 2026, in accordance with the provisions of the Karnataka Tax on Professions, Trades, Callings and Employments Act, 1976, exempted certain classes of enrolled persons from furnishing returns. This exemption is subject to the submission of certain supporting documents through the E-*Prerana* Portal.

The classes of enrolled persons who can avail such exemption are senior citizens over 60 years of age, individuals having a single child who underwent sterilisation operation, institutes teaching Kannada or English shorthand or typewriting, individuals engaged in any profession, trade, callings and employment who are physically challenged and have permanent disability of not less than 40% of both upper and lower extremity deformities, amongst others. Most classes of persons are required to furnish the supporting documents only once, while certain classes of persons are required to furnish the documents annually.

Central Rules Officially Finalized by the Ministry of Labour and Employment

The Ministry of Labour and Employment, on 8 May 2026, notified the Central Rules under the four Labour Codes thereby easing compliance for employers under the new legislative framework. These are the Code on Wages (Central) Rules, 2026, the Social Security (Central) Rules, 2026, the Industrial Relations (Central) Rules, 2026 and the Occupational Safety, Health and Working Conditions (Central) Rules, 2026.

The Central Rules apply to establishments where the Central Government is the 'appropriate government' under the Labour Codes for the particular establishment. Therefore, the applicability of the Central Rules to an establishment is to be determined on the basis of whether the State Government or Central Government is designated as the 'appropriate government' for the establishment as per the definition under the Labour Codes.

Typically, for ports, mines, railways, banking and insurance, and public sector undertakings ("**PSUs**") amongst others, the Central Government is provided as the 'appropriate government'. Hence, the Central Rules will apply to these establishments. On the other hand, for other establishments such as shops, commercial establishments, factories, etc. as provided in the labour codes, the 'appropriate government' is the relevant State government and as such, the State Rules will apply to these establishments, except in some cases. Therefore, the applicability of the Central Rules to an establishment will need to be assessed on a case-to-case basis.

The Ministry of Labour and Employment also appointed and authorised various authorities and officers including certifying officers, conciliation officers, appellate authorities, and Inspector-cum-Facilitators under the Industrial Relations Code, 2020 and the Code on Social Security, 2020. These officers have been conferred with various powers such as conducting inspections and inquiries, recovering contributions and damages, imposing penalties, sanctioning and initiating prosecution, and compounding offences under the Labour Codes. This step is pertinent as it puts in place the enforcement machinery necessary for the Labour Codes to function effectively at the Central level when most States are yet to formally implement their state level rules, as they remain in draft stage.

Ministry of Labour and Employment Establishes Mandatory Rest Intervals

The Ministry of Labour and Employment, on 13 May 2026, issued a notification under Section 25(1)(b) of OSH Code mandating that no worker will be required or permitted to work continuously for more than 5 hours at a stretch without a break of at least 30 minutes. It is pertinent to note that this notification is relevant for establishments where the 'appropriate government' is the Central Government.

Maharashtra Authorises POSH Compliance Inspections and Checklist-Based Monitoring Across Establishments

On 14 May 2026, the Women and Child Development Department, Government of Maharashtra, issued a circular under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**POSH Act**"), empowering a broad range of officials to conduct inspections of workplaces of government, semi-government and private establishments in the State to verify compliance with the POSH framework

The circular mandates that inspections must adhere to a government-prescribed checklist, which covers a range of parameters such as adoption and dissemination of a POSH policy, constitution of an Internal Committee with the mandated composition (including an external member), availability of complaint channels (including registration on the SHe-Box portal), conduct of awareness programmes and training, maintenance of records, timelines and processes for inquiry, provision of interim relief to complainants, confidentiality safeguards and submission of annual reports. Coordination responsibilities are allocated between the State Coordination Officer (Commissioner, Women and Child Development, Pune), Divisional Deputy Commissioners and district-level nodal officers to plan and supervise inspections, with a single-team principle to avoid multiple agencies inspecting the same establishment simultaneously.

For employers in Maharashtra, the circular significantly heightens the enforcement environment around POSH compliance and moves inspection responsibility firmly into an active, checklist-driven regime. Establishments may therefore need to immediately review the constitution and functioning of their Internal Committees, ensure that policies, training, complaint redressal processes and documentation match the checklist requirements, and maintain inspection-ready records across all locations within the State.

Government of West Bengal Notifies 24x7 Operations for Registered Shops and Establishments, With Exemptions from Statutory Working Hour Limits.

The government of West Bengal, by two notifications dated 29 May 2026 issued under section 4(2)(a) of the West Bengal Shops and Establishments Act, 1963 ("**West Bengal S&E Act**"), has permitted establishments registered under the law, and employing twenty or more persons to remain open 24x7, every day of the year, for a period of three years from the date of publication, i.e., till 2029. Establishments availing this permission continue to be bound by the regular requirements of providing rest intervals to employees, i.e., at least one hour of rest after no more than five and a half hours of continuous work.

Establishments seeking to operate on a 24x7 basis are required to comply with various conditions which include without limitation, that every employee is entitled to avail the prescribed weekly holiday (i.e., at least 1 day of rest in a week) and if needed, the employer must appoint additional staff to allow such requirement. The details of every employee including those on a holiday on any given day shall be exhibited by the employer at a conspicuous place in the shop or establishment. Furthermore, employees found working on a holiday or without approved overtime can result in penal action initiated against the employer. Employers must issue appointment letters to employees and furnish copies to the relevant inspector, provide amenities including adequate restrooms, medical facilities etc. and constitute an Internal Committee under the POSH Act, where women employees are engaged. Overtime is capped at 144 hours per quarter.

Central Government Operationalizes Key Provisions Under the Code on Social Security, 2020

On 29 May 2026, the Central Government issued a series of notifications ("**Notifications**") aimed towards operationalizing some of the key provisions under Chapter III (Employees' Provident Fund) of the Code on Social Security, 2020 ("**SS Code**").

These Notifications establish an institutional framework, enforcement machinery and compliance parameters necessary for the effective implementation of the provident fund regime under the SS Code. These notifications signify a clear transition from the erstwhile regime under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("**EPF Act**") to the framework contemplated under the SS Code.

As per the Notifications, the Ministry of Labour has notified INR 15,000 (approx. USD 157) per month as the wage ceiling for the purposes of Chapter III (Employees' Provident Fund) of the SS Code. The threshold remains the same as was previously applicable under the EPF Act. This wage ceiling helps the employers in gaining clarity regarding their contribution obligations.

Furthermore, pursuant to the Notifications, employers are liable to pay simple interest at the rate of 12% per annum on any amount which has remained unpaid, calculated from the original due date until the actual payment. The relevant notification has a retrospective effect, i.e., it is effective from November 21, 2025 (the date on which the SS Code came into effect). Hence, any outstanding dues at any time on or after the date would attract an interest as per the notified rate. This notification clarifies the existing ambiguity regarding whether any interest was payable by the employer during the transition period. The 12% interest rate is in consonance with the interest prescribed under the EPF Act.

The other Notifications designate the various authorities envisaged under the SS Code such as the Central Provident Fund Commissioner and Additional Central Provident Fund Commissioner, Regional Provident Fund Commissioner and Assistant Provident Fund Commissioner as authorized officers for Chapter III, recovery officers empowered to recover arrears, inspector-cum-facilitators with jurisdiction over the whole of India, and officers authorised to levy and recover damages from defaulting employers.

Bihar's Ordinance Repeals its Shops and Establishments Act Entirely in the Wake of the New Labour Codes

Bihar promulgated the Bihar Shops and Establishments (Repeal) Ordinance, 2026 (effective 1 June 2026), repealing the newly enacted Bihar Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2025. The Ordinance states that the provisions of the repealed State-level law overlap those contained in the OSH Code, and given the Government's objective to make Bihar more attractive for investments, it was necessary to repeal the said law.

Practically, this means that in the State of Bihar, shops and commercial establishments are no longer governed by a separate state law- they now fall under the OSH Code and the Bihar Occupational Safety, Health and Working Conditions Rules, 2025 ("**Bihar OSHWC Rules**"). Any ongoing proceedings or cases that had already started under the repealed law will continue as if the law had not been repealed.

Please note that an ordinance ceases to be in effect upon the expiry of six weeks from the reassembly of the Legislature unless it is replaced by a legislative enactment. Accordingly, for the repeal to have a permanent effect, the Ordinance will need to be replaced by a law duly passed by the Government of Bihar.

Karnataka Government Notifies Revision of Minimum Wages for 81 Scheduled Employments Amidst Prolonged Litigation

The Government of Karnataka, through notification dated 22 May 2026, issued the revised rate of minimum wages applicable to 81 scheduled employments throughout the state with zone-wise structure and Variable Dearness Allowance ("**VDA**") frameworks. The revision is the culmination of a prolonged litigation before the Karnataka High Court and is a result of subsequent directions from the court regarding fresh computation, consultation and issuance of a final notification.

Under the notification, the wages have been revised for 81 existing employments (Schedules 1 & 2) as well as newly added employments (Schedule 3), covering sectors such as manufacturing, construction, services, transport, healthcare, agriculture, and emerging sectors such as e-commerce and cyber centres.

Employer associations have now challenged this notification before the Karnataka High Court, arguing that the State used the wrong (now repealed) law to issue this notification despite the Code on Wages, 2019 having been passed, and resultantly the notification is rendered infructuous and is a nullity in law. The case remains pending, and now the High Court has issued notice to the Central Government in the case too, since the argument hinges on how the Central Labour Codes are interpreted. Given that the notification's enforcement has not been expressly stayed, the revised wages remain technically enforceable as on date.

Delhi High Court: Verbal Promises Of "Deferred Salary" Not Enough, Paper Trail Needed For Enforcement In Courts

In ***Sanjay Verma vs. Aithent Technologies Pvt. Ltd***[1], an employee who resigned in March 2005 sued the company later for around INR 16.5 lakhs (approx. USD 17,200), claiming that his salary had been "deferred" during a financial crunch in 2002-2003, and that he was promised a bonus, transfer allowance, and gratuity. His case rested largely on internal communications and management's alleged assurances that the said amounts would be eventually paid to the employee. The company's position was different and said this was not a case of deferment at all, instead, it was a straightforward salary restructuring with no obligation to pay any arrears.

The Trial Court had already dismissed the claim for lack of documentation and the Delhi High Court largely agreed on appeal. Given that the employee failed to prove the existence of any document stating that such amounts will be paid by the employer, and the observation that employee did not insist on receiving such payment of the alleged amounts by employer during his employment - the Court came to the conclusion that there was no formal agreed policy of the employer. Accordingly, the employee's claims were rejected and the case was dismissed.

National Commission For Women Calls For Mandatory Annual POSH Audits Nationwide To All Stakeholders

On 19 June 2026, the National Commission for Women ("**NCW**") issued an advisory to all states and Union Territories calling for stronger enforcement of the POSH Act across governments, private, organised, unorganised workplaces alike. It was sent down to the Chief Secretaries, Directors General of Police, District Magistrates and Commissioners of Police, signalling enforcement is meant to reach grassroots-level.

[1]RFA 600/2024 and CM Appl. 29628/2025

The advisory *inter alia* recommends mandatory annual POSH audits for all establishments employing ten or more persons. The audits will assess Internal Committee functioning, complaint handling, confidentiality safeguards, workplace safety infrastructure etc. All institutions have been encouraged to promote awareness of the government's She-Box portal for online registration, tracking and monitoring of workplace sexual harassment complaints, and non-conduct of audits being treated as non-compliance.

Certain State-level actions have been prescribed which include, a requirement that District officers are to be appointed as nodal points for local enforcement, and dedicated POSH monitoring cells or compliance dashboards are to be set up to track implementation of the law. Employers are also advised to publicly display Internal Committee details and grievance procedures, adopt a zero-tolerance approach to sexual harassment, and strengthen their workplace environment through timely compliance, sensitization programmes, training of Internal Committee members and other actions for prevention and redressal of sexual harassment in the workplace.

Rajasthan Exempts Shops and Commercial Establishments from fixed Weekly Closure and Working Hour Restrictions

By notification dated 19 June 2026, the Rajasthan Labour Department exempted all shops and commercial establishments registered under the Rajasthan Shops and Commercial Establishment Act, 1958 ("**Rajasthan S&E Act**") from Section 11(1) and 12(1) of the Act, the provisions that otherwise fix daily/weekly working hours and require a mandatory weekly closure day. In practice, this gives establishments the flexibility to stay open every day and structure working hours more freely.

The exemption is subject to compliance by employer with certain conditions prescribed under the notification. Employees must still be given one paid day off per week on rotational basis, and working hours are capped at 10 hours a day and 48 hours a week, with any extra work separately recorded by the employer and paid as overtime in accordance with the law. Employers are also required to issue appointment letters to every employee, send a copy to the local labour inspector, and retain the acknowledgement on file. Employees continue to be entitled to all benefits under the Rajasthan S&E Act, except as expressly modified by this notification. The notification also expressly declares that if an employer violates any of these conditions, the exemption shall be deemed automatically revoked and the employer will be liable for legal action under the Rajasthan S&E Act.

New EPF Scheme, 2026 Now in Force

The Government has replaced the old Employees' Provident Fund Scheme, 1952 with the new EPF Scheme, 2026, notified 29 June 2026. If any employees were already Provident Fund ("**PF**") members, nothing changes for them automatically meaning that their membership and accumulated balance simply carry over to the new scheme.

The core framework of the EPF remains unchanged. The wage ceiling for mandatory coverage remains INR 15,000 (approx. USD 157) per month, and contribution rates stay unchanged at 12% from both the employer and the employee. Voluntary contributions above the ceiling are still allowed, and either party can reduce or stop them at the same time.

A key change under the EPF Scheme is the express codification of liability of PF contributions in respect of employees employed by or through a contractor. When a contractor is not independently PF registered, and the employer engages resources through them- then, the contractor shall recover the contribution payable by such employee and pay to the principal employer, the amount of member's contribution so deducted together with an equal amount of contribution. It will be the principal employer’s responsibility to pay the contributions along with the associated charges to the authorities. This comes with new paperwork- a declaration of all contractors (Form X) by employer, information from contractor to employer about PF deductions made for concerned employees (Form XI) and monthly returns tracking recoveries from contract labour (Form XII).

If International Workers are employed, then mandatory PF coverage continues for them too, based on the country having signed bilateral agreement on social security contributions with India and being subject to the Code.

Rajasthan Occupational Safety, Health and Working Conditions Rules, 2026 Notified

On 30 June 2026, the Government of Rajasthan notified the Rajasthan Occupational Safety, Health and Working Conditions Rules, 2026 (“**Rajasthan OSH Rules**”), effective immediately.

Registration and licensing for commercial establishments in Rajasthan, spanning factories, contract labour, beedi/cigar establishments and others now move fully online, with an express provision that establishments registered under these Rules shall be deemed to have been registered under the Rajasthan S&E Act. Among many of the prescribed conditions, the OSH Rules provide that every employee must receive an appointment letter in a prescribed format containing details such as employee’s Aadhaar number, Labour Identification Number of the establishment, UAN/ESIC number, designation, category of skill. If there are any employees who have not been issued appointment letters with such details, such employees shall be issued the prescribed appointment letter within 3 months of enforcement of these Rules.

Working-hours provisions remain consistent with the central framework and include a 48-hour weekly cap on regular working hours, double rate of wages for overtime, and a ceiling of 144 overtime hours per quarter. Night work for women is now permitted before 6 AM or after 7 PM, subject to written consent, safe transportation, safe and well-lit workspaces and facilities such as the entry and exit to the premises or adequate washroom facilities, CCTV surveillance in the public areas, visibly displayed emergency contact numbers, and compliance with the POSH Act among the other conditions. Employers based in Rajasthan would need to start complying with the new law with immediate effect and ensure effective adoption of the Labour Codes.

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