

Employment Newsletter

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Introduction

We welcome you to the July-August 2025 Edition of CMS INDUSLAW's Employment Corner Bulletin. In this issue, we have discussed key statutory and judicial updates in the employment and anti-corruption/anti-bribery space for the months of July and August of 2025.

On the regulatory front, the ESIC has launched the SPREE Scheme to bring contractual and temporary workers under the social security framework of the ESI Act. The Union Cabinet has notified the ELI Scheme to extend social security benefits to first-time employees. India and the UK have signed the Comprehensive Economic Trade Agreement, designed to eliminate dual social security contributions for employees working between the two countries. The SEBI has introduced comprehensive digital accessibility compliances across all SEBI-regulated entities for persons with disabilities. The Ministry of Labour and Employment has introduced the Private Placement Agency Bill to regulate the operations of private placement agencies. Several states in India, including Haryana, Delhi, Odisha, Punjab, Rajasthan, Himachal Pradesh, and Goa, have issued notifications permitting women employees to work during night shifts subject to safety conditions. For ease of doing business, multiple states like Punjab, Gujarat, Telangana and Chandigarh have revised the daily working hours, opening and closing hours, overtime hours, rest intervals, spread over, etc.

In this Bulletin, we have included a dedicated section on the anti-bribery and anti-corruption developments. This includes the implementation of the offence of failure to prevent fraud by the UK government, and the significant decision by the US Department of Justice in pressing criminal charges against Mexican businessmen for violations of the FCPA.

On the judicial front, the Supreme Court has delivered significant decisions expanding the scope of "out of and in the course of employment" under the Employees' Compensation Act; determining whether separate business units constitute a single establishment under the EPF Act; and directing States and Union Territories to complete a comprehensive survey to monitor compliance with the POSH Act.

Legal Updates



Central

ESIC Launches SPREE: One-Time Registration Window to Expand Social Security Coverage

To expand social security coverage and encourage voluntary compliance with the Employees' State Insurance Act, 1948 ("**ESI Act**"), the Employees' State Insurance Corporation ("**ESIC**") has launched the Scheme for Promotion of Registration of Employers and Employees ("**SPREE**"). SPREE aims at bringing unregistered employers and employees, including contractual and temporary workers, under the social security framework of the ESI Act. The SPREE is operative from July 1, 2025, to December 31, 2025.

SPREE offers a one-time registration window for employers who have not yet registered under the ESI Act despite being eligible. Employers must digitally register their units and employees through the ESIC portal, Shram Suvidha portal, or the Ministry of Corporate Affairs portal. Any registrations completed on such portals will be considered valid from the date as declared by the employer.

Employers are granted a complete exemption from past liabilities, including no contribution or benefit obligations for any period prior to registration, and no inspection demands or requirements to produce past records for the pre-registration period.

The scheme eliminates the fear of retrospective penalties and simplifies the registration process to promote voluntary compliance.

Union Cabinet Approves the Employment Linked Incentive Scheme, 2025 to Extend Provident Fund Social Security Coverage Across All Sectors

The Union Cabinet notified the Employment Linked Incentive Scheme, 2025 ("**ELI Scheme**") on July 1, 2025, to extend social security coverage across all sectors. The ELI Scheme will be operational from August 1, 2025, to July 31, 2027. The scheme adopts a dual-approach framework as follows:

Part A: Incentive to First-Time Employees

First-time employees registered with the Employee Provident Fund Organization ("**EPFO**") and earning up to INR 1,00,000 per month will be eligible for an incentive equivalent to 1 month's employee provident fund ("**EPF**") wage, subject to a maximum cap of INR 15,000.

Instalments will be provided on completion of 6 and 12 months of service respectively, subject to completion of a financial literacy program by the employee.

Part B: Support to Employers

Employers will receive incentives of up to INR 3,000 per month for each additional employee earning up to INR 1,00,000 per month, for a period of 2 years. For manufacturing sector employers, the incentive period will additionally include the third and fourth years.

Employers must meet minimum hiring thresholds in order to be eligible for the incentive:

- i. Establishments with less than 50 employees must hire at least 2 additional employees.
- ii. Establishments with greater than 50 employees must hire at least 5 additional employees.

UK-India Comprehensive Economic Trade Agreement and Double Contributions Convention

On July 24, 2025, India and the United Kingdom signed the Comprehensive Economic Trade Agreement (“**CETA**”) as part of their Free Trade Agreement, establishing a framework for enhanced economic integration. Concurrently, both countries agreed to a reciprocal UK-India Double Contributions Convention, a bilateral Social Security Agreement designed to eliminate dual social security contribution obligations for employees working between the two countries. Our note on the CETA is available at [Employment law corner- UK-India/CETA](#).

Securities Exchange Board of India Mandate to Protect the Rights of Persons with Disability in the Indian Securities Market

The Securities and Exchange Board of India (“**SEBI**”) issued a circular on July 31, 2025 (“**Circular**”), mandating comprehensive digital accessibility compliance across all SEBI-regulated entities to protect the rights of persons with disabilities. The Circular applies to registered intermediaries, including stockbrokers, mutual funds, know your customer registration agencies, and qualified registrar to an issue and share transfer agent (QRTAs), as well as market infrastructure institutions such as stock exchanges, depositories, and clearing corporations. Our note on the same is available at [Employment law corner-SEBI Mandates](#).

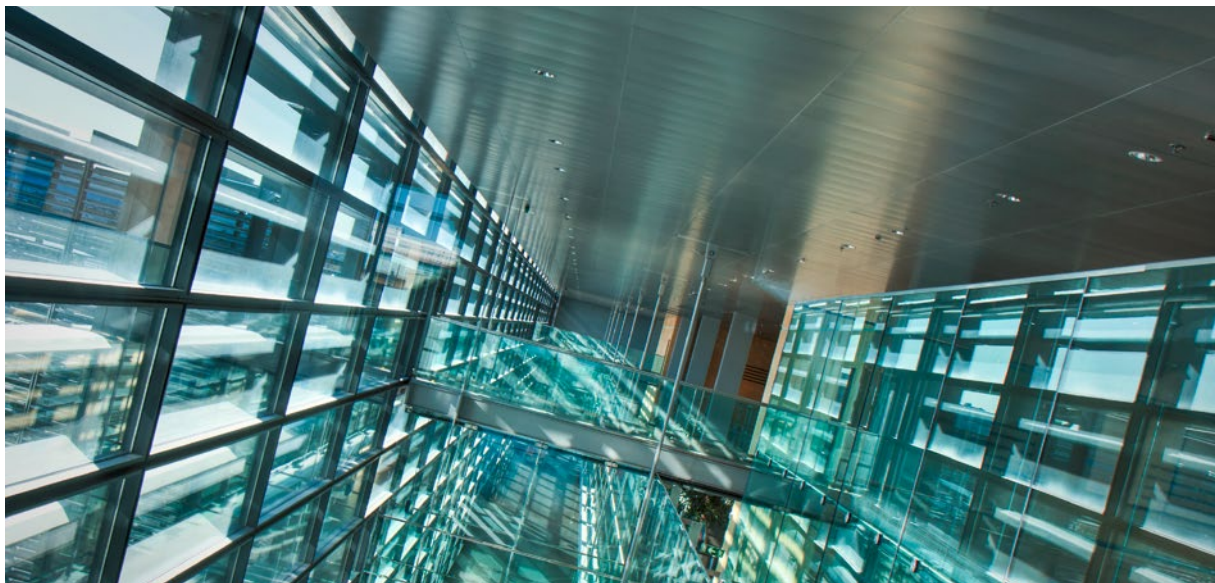
Ministry of Labour and Employment Introduces the Private Placement Agency (Regulation) Bill, 2025

The Ministry of Labour and Employment has introduced the Private Placement Agency (Regulation) Bill, 2025 (the “**Bill**”) dated August 14, 2025, aiming at regulating operations of private placement agencies (“**PPAs**”). The Bill is open to public consultation till September 12, 2025. The Bill applies to all private placement agencies operating in India, including domestic recruitment firms, executive search companies, overseas employment consultants, labour contractors, and staffing agencies engaged in placement activities both within India and abroad. The following are the key features of the Bill:

- i. **Registration Requirements:** All PPAs must register with either the Central Placement Support Authority (“**CPSA**”) or designated State Placement Support Authorities (“**SPSA**”) before commencing operations. Agencies operating across multiple states will require central registration, while those operating within a single state may register with the respective SPSA.

PPA engaged in overseas placements must additionally obtain authorization from the Ministry of External Affairs.
- ii. **Regulatory Framework:** A comprehensive regulatory structure is established through the constitution of a CPSA and corresponding SPSAs. These authorities will be responsible for registering, monitoring, and regulating PPAs.
- iii. **Database Management and Compliance Obligations:** Registered PPAs need to maintain comprehensive databases of job seekers and employers, which must be linked to the Integrated Career Service portal. PPAs must upload all placement details within 30 days of successful placements.

In case of violation of these terms and conditions, necessary enforcement actions shall be initiated against the PPAs including potential suspension or cancellation of registration.



State

State of Punjab and Union Territory of Chandigarh Allows 24x7 Operations for Shops and Commercial Establishments

Punjab and Chandigarh have issued a notification dated August 14, 2025, exempting all shops and commercial establishments registered under the Punjab Shops and Commercial Establishment Act, 1958 (“PSEA”) from the operation of provisions of Section 9 (opening and closing hours), Section 10(1) (close day), and Section 30 (conditions of employment of women) of the PSEA.

This allows establishments to operate 24/7, subject to the following conditions:

- i. Every employee must be given 1 day of rest per week without wage deduction, with a monthly schedule displayed in advance.
- ii. No employee shall work more than 10 hours per day or 48 hours per week. The spread over of an employee shall not exceed 12 hours in a day, inclusive of the interval for rest.
- iii. Establishments open after 10:00 p.m. must ensure adequate safety and security arrangements and must comply with conditions for the employment of women in night shifts.
- iv. Employees shall be given paid national and festival holidays.

State of Telangana Permits 10-Hour Daily Shifts in Commercial Establishments

Amidst the drive for ease of doing business in the state, the government of Telangana has issued a notification dated July 5, 2025, exempting only commercial establishments from Section 16 (daily and weekly hours of work) and Section 17 (interval of rest) of the Telangana Shops and Establishments Act, 1988.

The notification allows employees to work for 10 hours per day. The weekly limit on working hours remains capped at 48 hours, with overtime wages mandatory for work exceeding this threshold. Employees may be permitted to work beyond the standard 48 hours per week with appropriate overtime compensation, subject to a quarterly maximum of 144 hours. This is a change from the requirement of a maximum limit of 6 hours per week.

The notification maintains essential worker protections, including mandatory rest intervals of at least 30 minutes for employees working more than 6 hours daily, and ensures that total work periods, including rest intervals, do not exceed 12 hours in a day.

Any violation of these conditions will result in immediate revocation of the exemption without prior notice.

Gujarat Amends Factories Act to Increase Working Hours and Overtime Limits

Gujarat has promulgated the Factories (Gujarat Amendment) Ordinance, 2025 ("**Ordinance**") on July 01, 2025, to amend the Factories Act, 1948, in its application to Gujarat. The Ordinance will remain in force for a period of 6 months from the date of promulgation.

Key amendments include:

- i. **Extended Working Hours:** The state government can extend the daily maximum working hours from 9 to 12 hours per day (inclusive of rest intervals), subject to a maximum of 48 hours in any week. This is subject to written consent from workers, and the remaining days of the week are paid holidays.
- ii. **Rest Interval Modifications:** The state government may extend the total number of working hours without an interval from 5 to 6 hours in respect of any group, class, or description of factories.
- iii. **Increased Spread Over:** The spread over period may be increased up to 12 hours, up from the current 10 hours and 30 minutes by way of notification.
- iv. **Revised Overtime Calculation:** Overtime wage calculation formula has been modified for different weekly work patterns:
 - For 6-day weeks: Overtime applies after 9 hours in a day or 48 hours in a week
 - For 5-day weeks: Overtime applies after 9 hours in a day or 48 hours in a week
 - For 4-day weeks: Overtime applies after 11 hours and 30 minutes in a day.
 - In all cases, overtime work on paid holidays is compensated at twice the ordinary rate of wages.
- v. **Enhanced Overtime Limits:** The quarterly overtime limit has been increased from 75 hours to 125 hours, providing greater flexibility for factories to manage production demands. Additionally, workers may be required to work overtime, subject to their written consent.

vi. **Women's Night Shift Employment:**

Comprehensive provisions for employing women in factories between 7:00 p.m. and 6:00 a.m. have been included in relation to conditions for their safety.

Several States Permit Engagement of Women in Night Shifts in Factories, Shops and Commercial Establishments

Several states in India including Haryana, Punjab, Rajasthan, Himachal Pradesh, and Goa, have issued notifications under the Factories Act, 1948 and/or their respective Shops and Commercial Establishments Acts in July 2025, permitting the engagement of women employees during night shifts, subject to specific safety and welfare conditions. The common compliances for an employer include:

- i. Mandatory written consent from women employees before engaging them in night shifts.
- ii. Safe transportation arrangements to be provided by the employer, with safety measures such as GPS tracking systems.
- iii. Workplace safety measures by the employer, including adequate lighting within the workplace and surrounding areas, CCTV surveillance in work areas where women are employed.
- iv. Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**POSH Act**").
- v. Provision of adequate and safe sanitation and rest facilities for women employees working during night shifts.

The following are illustrative additional state-specific requirements that the employer must comply with:

i. **Haryana**

- Employers can employ women between 8:00 p.m. and 6:00 a.m. in IT/ITeS establishments, banking establishments, three-star or above hotels, 100% export-oriented establishments, and logistics and warehousing establishments.
- Employers must apply for exemption through online portals at least 2 weeks before employing women on night shifts. Based on self-

certification, such an exemption will be granted in auto mode. The exemption will be valid for 1 year unless there are substantive changes to security, transportation facilities, or key personnel details that would necessitate a fresh notification.

- During night shifts, women employees must be employed in batches of at least four, though this requirement is specifically relaxed for senior women professionals in the IT/ITeS sector who earn more than INR 1,00,000 per month and have provided their consent to work individually during night shifts.
- Comprehensive medical facilities must be provided either by engaging an on-site doctor or female nurse during night shifts, or alternatively, through formal tie-ups with nearby hospitals that can provide emergency medical services when required.
- Employers must submit a copy of their annual return under the POSH Act to the state's Labour Commissioner.

ii. **Delhi**

- Employers can employ women on night shifts (between 9:00 p.m. to 7:00 a.m. during the summer season and between 8:00 p.m. to 8:00 a.m. during the winter season) in all shops and commercial establishments except liquor shops.
- The CCTV recording must be preserved for at least 1 month, which must be submitted on demand to the Chief Inspector of Shops.
- Women employees must not be forced to work only night shifts, ensuring rotation of shifts where applicable and preventing permanent assignment to night hours.
- A copy of the notification must be prominently displayed at employee entrances/exits of the establishment, ensuring awareness of the conditions and rights among all staff members.

iii. **Punjab**

- Women can be employed for night shifts (between 10:00 p.m. to 5:00 a.m.) in factories, shops and commercial establishments.

- During night shifts, women employees must work in batches of at least 5 women or two-thirds of the total shift strength, whichever is less.
- All CCTV surveillance recordings of night shifts must be securely stored and maintained for a minimum period of 45 days.
- A minimum of 2 women security personnel must be deployed during each night shift to provide gender-sensitive security support and assistance to women workers.
- Female workers who work both regular and night shifts must have structured monthly grievance meetings with the principal employer once every 8 weeks in case of factories and once a month in case of shops and commercial establishments to address concerns of working conditions.
- The approval process for exemptions has been streamlined through an automated online system that generates permissions within 24 hours of application submission, though authorities retain the right to revoke such exemptions with a 15 day notice period and after providing an opportunity for the employer to be heard.
- Employers must ensure that annual self-defence workshops/training for women employees are provided.

iv. **Odisha**

- The Odisha government's notification permits employment of women between 7:00 p.m. and 6:00 a.m. in factories registered under the Factories Act, 1948.
- The transportation vehicles must be equipped with GPS tracking systems and have female security guards.
- Dedicated telephone numbers of the establishment, along with the government toll-free Helpline number for Women (181) and the Labour and ESI Department helpline number, must be prominently displayed at the establishment and in transportation vehicles.
- Employers must ensure that such employees receive 8 consecutive hours of rest between day and night shifts.

State of Bihar Notifies the Bihar Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2025

The Government of Bihar notified the Bihar Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2025 ("**Bihar Act**") on August 12, 2025. This new legislation repeals the Bihar Shops and Establishment Act, 1953, and introduces significant changes to regulate employment conditions in shops and establishments across the state.

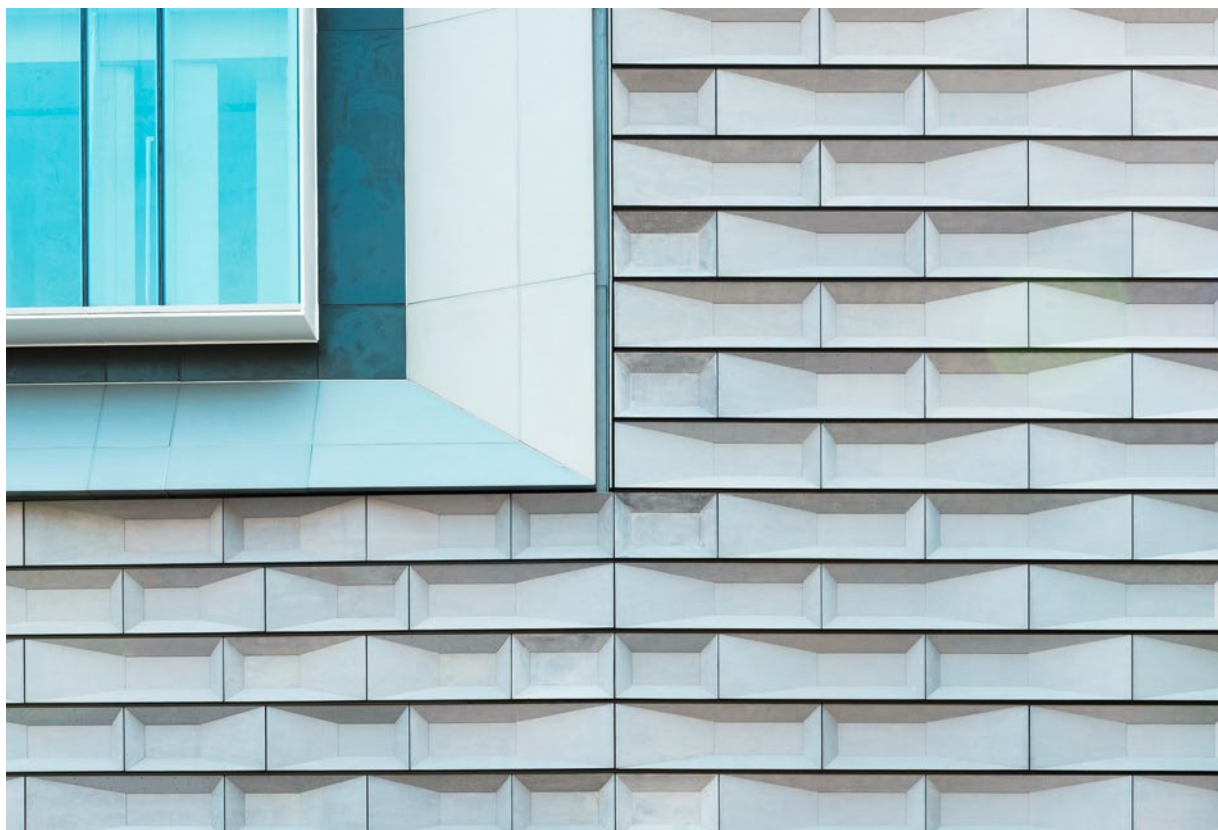
Employers must note that the Bihar Act does not take away any right or privilege a worker is entitled to under any law, award, agreement, contract, custom or usage. Where establishments provide benefits more favorable than those prescribed under the Bihar Act, such better benefits will prevail over the statutory provisions.

State of Punjab amends the Punjab Shops and Commercial Establishments Act, 1958

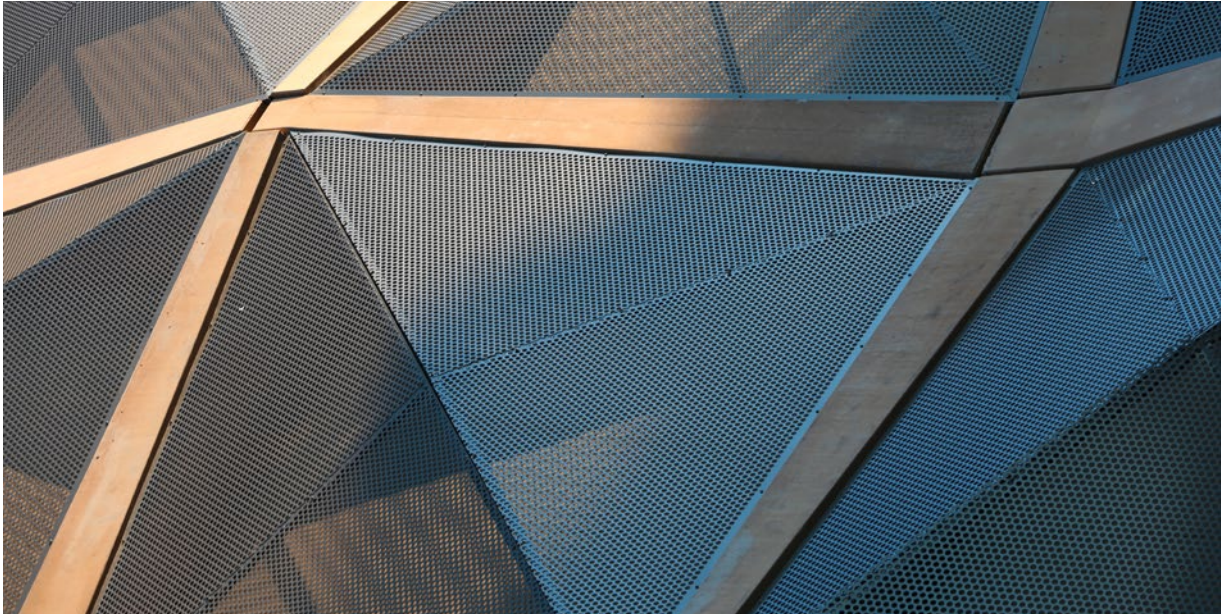
The Government of Punjab has notified the Punjab Shops and Commercial Establishments (Amendment) Act, 2025 on August 28, 2025, introducing significant

changes to the regulatory framework for shops and commercial establishments in the state. The following are the key amendments:

- i. **Application Threshold:** The PSEA will now apply only to establishments employing 20 or more workers. For establishments with fewer than 20 workers, only the newly inserted Section 13-A regarding intimation of business will be applicable
- ii. **Working Hours Revision:** The maximum daily working hours have been increased from 9 hours to 10 hours. The weekly limit on working hours remains at 48 hours.
- iii. **Overtime Limit:** The maximum limit for overtime during any quarter has increased from 50 hours to 144 hours.
- iv. **Spread Over Period:** The maximum spread-over period has increased from 10 hours to 12 hours.
- v. **Penalties:** For contravention of the provisions of PSEA, the employer will be liable to pay a maximum of INR 2,000 for the first offence and a maximum of INR 30,000 for the subsequent offence.



Anti-Bribery and Anti-Corruption Updates



UK Implements the Failure to Prevent Fraud Offence

The offence of failure to prevent fraud ("**Offence**"), established under the UK's Economic Crime and Corporate Transparency Act 2023, became effective on September 1, 2025. It makes large organizations liable when an employee, agent, subsidiary, or other associated person commits fraud intended to benefit the organization. The Offence represents a significant development in corporate criminal liability in the UK and applies unless the organization has reasonable fraud prevention procedures in place.

The following are the key features of the Offence:

- i. The Offence applies to "large organizations," defined as those meeting at least 2 of the 3 thresholds: (a) more than 250 employees, (b) more than £36 million turnover, or (c) more than £18 million in total assets. The Offence applies across the UK and can have extra-territorial reach in specific circumstances.
- ii. The Offence also has an extraterritorial application, and UK-based organizations could face prosecution for fraud committed by associated persons abroad if there is a UK nexus, while overseas organizations could be liable if their employees commit fraud in the UK or target UK victims. However, the Offence does not apply to the UK.
- iii. The Offence covers various types of fraud such as fraud by false representation, failing to disclose information, abuse of a position of trust, and participation in a fraudulent business. The specific offences vary slightly between jurisdictions within the UK. The Offence applies only when fraud is committed by a person, including an associated person's act for or on behalf of the organization and not in their private capacity. Importantly, it is enough that fraud was intended to benefit the organization or its clients, even if no advantage was actually gained. The benefit can be financial, such as profit, or non-financial, such as securing an unfair competitive advantage or disadvantaging a competitor.
- iv. Similar to adequate procedure defence under the UK Bribery Act, 2010, organizations can defend themselves if they can prove on the balance of probabilities that they had "reasonable fraud prevention procedures" in place at the time the fraud was committed, or that it was not reasonable to expect such procedures in the circumstances. The guidance published by the UK government also outlines 6 principles for building an effective fraud prevention framework: (a) top-level commitment, (b) risk assessment, (c) proportionate risk-based prevention procedures, (d) due diligence, (e) communication (including training), and (f) monitoring and review.

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- v. There may be overlaps between the Offence and other existing laws, such as the failure to prevent bribery offence under the UK's Bribery Act, 2010. For example, while anti-bribery measures such as due diligence on agents, anti-bribery clauses in contracts, training for staff and whistleblowing mechanisms are important for defending against the failure to prevent bribery offences, organizations would need to expand these procedures to address the broader range of fraud risks such as false accounting or fraudulent misrepresentation, which go beyond bribery and require a more comprehensive fraud prevention approach.

The US Department of Justice Unsealed an Indictment Against Two Mexican Businessmen for Alleged Violations under the Foreign Corrupt Practices Act, 1977

On August 11, 2025, the Department of Justice **US** unveiled criminal charges against two Mexican businessmen, Alexandro Rovirosa Martinez and Mario

Alberto Avila Lizarraga, permanent US residents, for allegedly violating the Foreign Corrupt Practices Act, 1977 ("**FCPA**").

Between 2019 and 2021, they allegedly paid or offered approximately USD 150,000 in bribes to officials, including cash, luxury watches, handbags, and other high-end items, to secure around USD 2.5 million in contracts with Petróleos Mexicanos (PEMEX) and its subsidiary, PEMEX Exploración y Producción (PEP). Each charge carries a potential 5-year prison term.

This case represents the first such action following a months-long pause in FCPA enforcement ordered by the Trump administration and the implementation of new enforcement guidelines in June. Prosecutors are instructed to prioritize cases involving national security concerns, cartel connections, or significant economic harm to US interests while reducing focus on minor business courtesies. Allegations that Alexandro Rovirosa Martinez has connections to Mexican cartel members may explain the case's prioritization under these rules.



Judicial Developments



SUPREME COURT		
Sl. No.	Ratio	Brief details
1.	<p>When determining whether separate business units constitute a single establishment under the EPF Act, courts must cumulatively evaluate multiple factors, including unity of ownership, management, finance, labour, purpose, and functional integrity, based on the specific circumstances of each case.</p> <p><i>M/s. Torino Laboratories Pvt. Ltd. v. Union of India & Ors., 2025 LLR WEB 499</i></p>	<p>Torino Laboratories Private Limited ("Torino") manufactured tablets and syrups, while another entity, M/s Vindas Chemical Industries Private Limited ("Vindas"), manufactured injections and capsules. While both entities operated in the pharmaceutical sector, separate legal identities with distinct registrations were maintained under various laws, including the Drugs and Cosmetics Act, 1940.</p> <p>The EPFO conducted inspections of Torino's unit in January 2005, initially focusing on the numerical strength of employees exceeding 20, which the company contested. However, a subsequent inspection on March 28, 2005, introduced the aspect of clubbing Torino with Vindas for provident fund purposes. The EPFO sought to treat these separate legal entities as one establishment for EPF purposes.</p> <p>Torino contended that both entities were separately registered under the Drugs and Cosmetics Act, 1940 maintained separate accounts, had independent financial statements, and functioned as distinct business operations despite being in the same industry.</p> <p>The SC identified several factors to be considered for determining when units should be treated as one:</p> <ul style="list-style-type: none">• Unity of ownership: whether the same person or group owns both entities• Unity of management and control: whether the entities share common management or supervisory structures

SUPREME COURT		
Sl. No.	Ratio	Brief details
		<ul style="list-style-type: none"> • Unity of finance: whether there is commingling of funds or financial resources • Unity of labour: whether employees work interchangeably between entities • Unity of purpose: whether the entities serve a common business objective • Functional integrity: whether the operations of one entity are integral to or dependent on the other <p>The SC further clarified that mere separate registration under different statutes cannot be a basis for claiming that units are separate, and similarly, maintenance of separate accounts and independent financial statements is also not conclusive.</p> <p>The SC held that Torino and Vindas should be treated as one establishment for the purpose of the EPF Act. The SC's reasoning centered on the cumulative reading of the following factors: (a) common premises, (b) shared communication systems, (c) identical administrative offices, (d) unified management (with overlapping directors from the same family), and (e) common financial backing. Despite having separate legal registrations, these factors conclusively established that the two entities constituted one integrated whole.</p>
2.	<p>An accident occurring to an employee while commuting from residence to workplace or vice versa is deemed to arise "out of and in the course of employment" under the Employees' Compensation Act, 1923 ("EC Act") provided there exists a nexus between the circumstances, time, place of the accident and the employment.</p> <p><i>Daivshala and Ors. v. The Oriental Insurance Co. Ltd. and Anr., 2025 INSC 904</i></p>	<p>The case involved a watchman employee who died in an accident while commuting to work for his night shift at a factory. The family members of the deceased filed a claim under the EC Act.</p> <p>The employer and the insurance company contested the liability, arguing that the accident did not arise "<i>out of and in the course of employment</i>" as required for compensation under the EC Act because the accident had not occurred at the workplace, the employee had not yet begun his work duties, and he was travelling 3 hours before his shift was to begin.</p> <p>In its analysis, the SC compared the EC Act with the ESI Act. The SC noted that while the ESI Act had been amended in 2010 to include Section 51E, which explicitly deemed accidents during commuting to be accidents arising out of and in the course of employment, the EC Act contained no such explicit provision.</p> <p>In a significant legal reasoning, the SC held that when two statutes are "<i>in pari materia</i>" (on the same subject matter) and use the same language, an amendment to one can be read as an amendment to the other, especially if the amendment is declaratory in nature (clarifying existing law rather than creating new law). The Court</p>

SUPREME COURT		
Sl. No.	Ratio	Brief details
		<p>determined that Section 51E of the ESI Act was declaratory and therefore applied retrospectively, making it applicable to the interpretation of the EC Act as well.</p> <p>The SC further ruled that accidents occurring when an employee is commuting to work are now deemed to have occurred "<i>out of and in the course of employment</i>," even if the employee is using their own vehicle, provided there is a clear nexus between the accident and the employment (in terms of time and place). Further, the SC recognised the "<i>theory of notional extension</i>", which extends the concept of workplace beyond the physical boundaries of the establishment. This theory allows for considering a reasonable extension in both time and place, allowing a workman to be regarded as in the course of employment even when not physically at the workplace.</p> <p>The SC found that considering that the deceased was a night watchman and was dutifully proceeding to his workplace to be well on time, there was a clear nexus between the circumstances, time and place in which the accident occurred and his employment as watchman.</p>
3.	<p>The SC directed all States and Union Territories to complete a comprehensive survey within 6 weeks to ascertain compliance with the POSH Act, specifically regarding the constitution of internal committees ("ICs") in private sector organisations.</p> <p>The Court emphasised the mandatory role of Labour Commissioners in data collection and warned of potential license cancellation for non-compliant employers under Section 26 of the POSH Act.</p> <p><i>Aureliano Fernandes v. State of Goa, 2025 SCC OnLine SC 1749</i></p>	<p>The order arose from ongoing monitoring of the POSH Act implementation across India.</p> <p>In this context, the SC had directed states and union territories to conduct surveys to determine whether private sector organisations had established the required ICs under Section 4 of the POSH Act on December 3, 2024. However, the Court noted that despite the directions, the same has not been conducted.</p> <p>The Court specifically referenced Section 26 of the POSH Act, which provides penalties for non-compliance, including fines up to INR 50,000, enhanced penalties for repeat offenders, and, crucially, cancellation, withdrawal, or non-renewal of business licenses for serious violations.</p> <p>The Court directed that the survey exercise be completed within 6 weeks from August 12, 2025, with Labour Commissioners assisting in data collection. States were instructed to ensure collected data is integrated into the SHe-box platform.</p>

HIGH COURT		
Sl. No.	Ratio	Brief details
1.	<p>Digital communications, including WhatsApp and Facebook messages, can constitute sexual harassment under the POSH Act. Additionally, not every procedural irregularity in sexual harassment proceedings will invalidate the outcome; courts must apply the “<i>test of prejudice</i>” to determine if the alleged procedural lapses actually caused substantial injustice, with particular deference given to the IC findings under the POSH Act.</p> <p><i>Dr. Amit Kumar v. University of Delhi, 2025 LLR WEB 495</i></p>	<p>The petitioner, Dr. Amit Kumar, was an Assistant Professor in the Department of Political Science at Bharati college affiliated with Delhi University. Several complaints were received against him alleging sexual harassment. These complaints were filed by current students and an ex-student.</p> <p>A significant aspect of the case involved the petitioner’s digital communications with female students. The complaints included allegations that the petitioner had sent inappropriate WhatsApp messages to female students, made unwelcome comments on their Facebook posts, and engaged in other forms of digital communication that created a hostile educational environment. The IC examined these digital communications as part of its investigation, treating them as evidence of the alleged harassment.</p> <p>The petitioner challenged the admissibility and relevance of these digital communications, arguing that private messages sent outside college hours and premises should not fall within the purview of workplace harassment. He contended that considering such communications would improperly extend the scope of the POSH Act beyond its intended boundaries. The petitioner further raised various objections, including that the complaints were time-barred, that the IC was improperly constituted, and that he was denied access to original documents.</p> <p>The Delhi High Court rejected the petitioner’s argument that messages sent outside college hours or premises should be excluded from consideration. Instead, it adopted a contextual approach, holding that when digital communications occur within the framework of a professional relationship (such as professor-student), they remain relevant to determining whether harassment occurred, regardless of the time or technical location of the communication.</p> <p>The Court explicitly recognised that workplace sexual harassment is not limited to physical interactions but extends to digital and virtual communications, particularly in educational contexts where power dynamics are present. The Court held that WhatsApp messages, Facebook comments, and similar digital communications between a professor and students fall squarely within the scope of potential sexual harassment under the POSH Act. The Court noted that in the modern educational environment, teacher-student interactions often extend beyond physical classrooms into digital spaces, and the protections against harassment must similarly extend to these virtual interactions. The Court emphasised that the definition of sexual harassment under Section 2(n) of the POSH Act includes any</p>

HIGH COURT		
Sl. No.	Ratio	Brief details
		<p>unwelcome “<i>physical, verbal or non-verbal conduct of a sexual nature</i>”. Digital communications like WhatsApp messages and social media interactions constitute verbal or non-verbal conduct and must be evaluated within the context of the professional relationship between the parties. Regarding the broader procedural issues, the court applied the “<i>test of prejudice</i>” to determine whether any procedural irregularities had actually prejudiced the petitioner. Citing established jurisprudence, the Court noted that the test of prejudice applies even to procedural provisions that are fundamental in nature. The Court emphasised that not every infraction of statutory provisions would make the consequent action void. A distinction was made between substantive provisions, which must be strictly complied with and procedural provisions where the theory of substantial compliance may be applicable.</p> <p>On the specific issue of the IC condoning delay in filing complaints, the court found no irregularity. The Court accepted the IC’s reasoning that the delay was justified given the power dynamics between a professor and students, the continuous nature of the harassment, and the psychological barriers that often prevent immediate reporting of sexual harassment.</p>
2.	<p>While employers may terminate employment in accordance with contractual provisions, including defamatory remarks in termination letters without supporting evidence constitutes actionable defamation.</p> <p>Such defamatory content is legally actionable even without explicit publication to third parties when the employee would foreseeably be compelled to disclose the letter to future employers.</p> <p><i>Abhijit Mishra v. Wipro Limited, 2025 LLR WEB 505</i></p>	<p>The petitioner, Abhijit Mishra, who was a Principal Consultant at Wipro Limited (“Wipro”), received a termination letter containing statements describing his conduct as “<i>malicious</i>” and claiming that his actions had resulted in an “<i>irreparable breakdown in the employer-employee relationship</i>” due to a “<i>complete loss of trust</i>”.</p> <p>The petitioner argued these statements were unsubstantiated, defamatory, and contradicted his consistently positive performance evaluations. He filed suit seeking damages of INR 2.1 crores for defamation and requested a new discharge letter with the negative remarks expunged.</p> <p>Wipro contended that the termination was in accordance with the employment contract, which permitted termination without reason by either party upon serving the requisite notice period, and that the remarks were merely reflective of the petitioner’s conduct during his employment.</p> <p>While upholding an employer’s contractual right to terminate employment, the Delhi High Court found that the statements in the termination letter were demonstrably false and defamatory. The petitioner had provided evidence of consistently positive performance evaluations that directly contradicted the allegations in the termination letter. Wipro on the other hand failed to bring on record any documentary evidence, warnings, disciplinary findings, or inquiry reports to support their allegations.</p>

HIGH COURT		
Sl. No.	Ratio	Brief details
		<p>Although the termination letter was not explicitly published to third parties, the Court applied the doctrine of "<i>compelled self-publication</i>". The Court determined that the defamatory statements about "<i>malicious conduct</i>" would foreseeably surface during future employment processes, as the plaintiff would be compelled to disclose the termination letter to prospective employers.</p> <p>The Court awarded INR 2,00,000 as general compensatory damages to the petitioner for reputational harm, emotional hardship, and loss of professional credibility and directed Wipro to issue a fresh termination letter devoid of any defamatory content.</p>
3.	<p>In private employment with a determinable contract containing an express termination clause, reinstatement cannot be granted as a remedy even for wrongful termination; at most, an employee may be entitled to damages limited to the notice period compensation specified in the contract.</p> <p><i>Mr. Gaurav Rajgaria v. Maruti Suzuki India Limited & Ors., 2025 LLR WEB 491</i></p>	<p>The plaintiff, Gaurav Rajgaria, was employed in a managerial capacity with the defendant company, Maruti Suzuki India Limited. His services were terminated through a letter dated February 13, 2023. Aggrieved by this termination, he instituted a civil suit seeking a declaration that the termination was null and void, reinstatement to service with continuity and full back wages, and compensation of INR 2 crores for alleged loss of income, harassment, and undue hardship. The plaintiff further argued that his termination was not a "<i>simpliciter disengagement</i>" but followed a suspension order and chargesheet, making it a case of dismissal based on misconduct without a proper inquiry.</p> <p>The defendant company argued that the employment was governed by a contract with an express termination clause allowing either party to terminate the relationship by giving 3 months' notice or payment in lieu thereof. Since the plaintiff had received 3 months' salary in lieu of notice as per the contract, the defendant contended that the suit for reinstatement was not maintainable.</p> <p>The Delhi High Court primarily clarified that contracts of private employment are distinct from public employment and do not invoke public law principles. The Court emphasised that where a contract provides for termination by notice, only the pay corresponding to that notice period is recoverable in case of termination without notice.</p> <p>Regarding specific performance, the Court cited Section 14(1)(c) of the Specific Relief Act, 1963, which explicitly bars specific performance of contracts that are determinable. Since the employment contract was clearly determinable through its termination clause, the relief of reinstatement (which is a form of specific performance) was not legally tenable.</p>

What's Trending

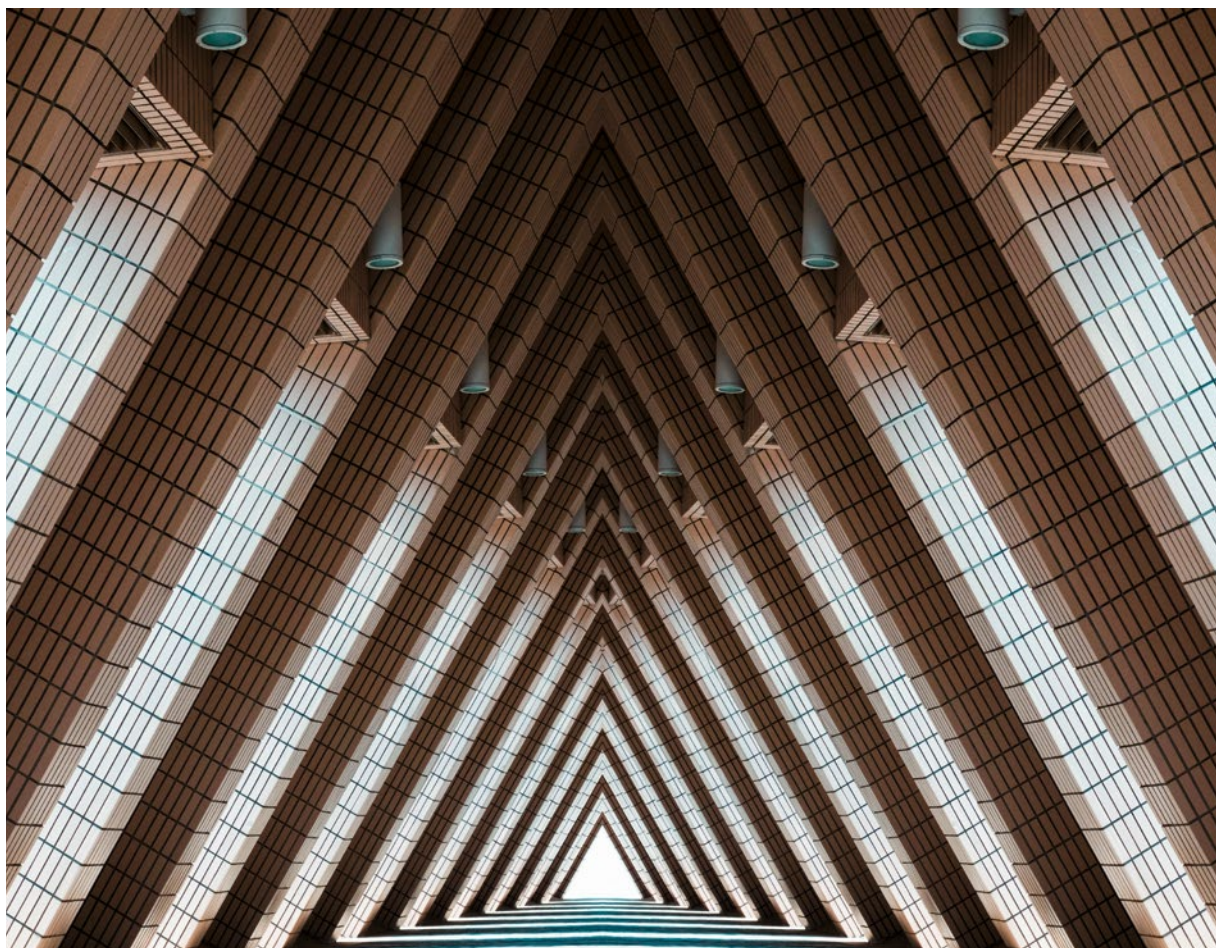
Rapido Introduces a Zero-Commission Bike Direct Model into the Bengaluru Bike Taxi Market

Rapido has launched 'Bike Direct' in Karnataka, a zero-commission ride-hailing model that directly connects bike taxi drivers (known as "Captains") with customers, enabling drivers to keep 100% of their earnings. This initiative comes at a time when the bike taxi industry faces significant regulatory challenges, with judicial clarification confirming that aggregators cannot resume motorcycle taxi operations. With Ola and Uber having stepped back from this segment, Bike Direct emerges as a potential lifeline for drivers navigating these challenging times.

Following the Karnataka High Court's prohibition on bike taxis, which resulted in a statewide ban from June 16, 2025, platforms including Rapido, Ola, and Uber were compelled to immediately suspend their bike taxi services, leaving over 1 lakh gig workers across Karnataka without their primary income source.

While the state has banned bike taxi operations, Karnataka has simultaneously introduced a progressive gig worker welfare ordinance aimed at recognizing and protecting platform-based ride-sharing service workers. This creates an unusual scenario where the government seeks to protect workers in a sector it has simultaneously prohibited from operating.

Against this backdrop, Bike Direct's zero-commission model represents more than just a business strategy. It is a response to an immediate crisis faced by a huge number of drivers. By allowing Captains to retain their full earnings, the platform aims to provide some financial relief during a period of regulatory uncertainty. While the broader questions around bike taxi regulation remain unresolved, this approach offers drivers a way to maintain their livelihoods while the industry awaits clearer policy direction.



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