

Deloitte.



Social security newsletter

August 2025

In this edition

Regulations

- Establishments in Delhi are now exempted from permission requirements for certain work conditions.
- Maharashtra government considers increasing private sector employees' working hours to 10.



Rulings

- The Supreme Court directs a national survey of the ICC constitution under the POSH law.
- Contractual restraints are legal and valid during employment.



Regulatory updates

Establishments in Delhi are now exempted from permission requirements for certain work conditions

By way of a notification¹, the Lieutenant Governor of the National Capital Territory (NCT) of Delhi has exempted all establishments, other than liquor shops, from Sections 14, 15 and 16 of the Delhi Shops and Establishments Act, 1954 (Delhi S&E Act).

To date, if an establishment wanted to be exempt from the aforementioned requirements, it had to apply for permission from the state government through an online portal. If required, the details provided would be examined, and clarifications would be sought from the concerned establishment before the state government grants exemption under Section 4, subject to certain conditions.

Under Section 14 of the Delhi S&E Act, women cannot be engaged in night shifts (i.e., between 9 p.m. and 7 a.m. during the summer season and between 8 p.m. and 8 a.m. during the winter season).

Under Section 15, the opening and closing hours of shops and commercial establishments are such as may be prescribed by the state government. Generally, these hours are from 8 a.m. to 6 p.m. for commercial establishments within the urban, semi-urban and rural areas of the Union Territory (UT) of Delhi.

Section 16, read with related notification, requires every establishment to observe a closed day, (a) which would be every Sunday for commercial establishments, and (b) on three of the national holidays each year out of the national holidays notified by the state government.

The notification provides exemptions under certain conditions, which are largely the same as those imposed by the state government on individual establishments when granting them exemptions under the current regime.

¹ F No. 28/Addl. LC/Exempt/S&E Act/ 2021/2438, dated 7 August 2025

Regulatory updates

Establishments in Delhi are now exempted from permission requirements for certain work conditions

These conditions are:

- Adherence to daily and weekly working hour limits (i.e., 9 hours a day and 48 hours a week), unless overtime work is observed as per the law
- Appropriate safety and transportation arrangements for all employees who are required to work additional hours over the standard working hours
- Installation of CCTV cameras on the premises, and footage to be preserved for a minimum of one month
- Provision of compensatory off as well as overtime pay to employees working on national holidays
- Provision of a weekly off on a rotation basis
- Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
- Consent of women for working during night shifts
- Provision of statutory benefits under various labour laws and display of reference to such compliance on the website of the establishment
- Availability of washrooms, safety lockers and other basic amenities
- Display of the exemption notification at the establishment's entrance/exit area
- Furnishing of details of the establishment (name of the entity, nature of the business, number of employees, etc.) together with an undertaking addressed to the Labour Department, Government of NCT of Delhi, that the establishment shall follow the exemption conditions

Impact

This notification marks an important shift from a permission-based regime that has existed thus far. The new exemptions streamline the process by replacing the need for case-by-case government permissions with a standardised system of compliance.

It helps avoid administrative delays and discretion in granting government approvals and/or conditions to such approvals.

Maharashtra government considers increasing private sector employees' working hours to 10

The Maharashtra government is examining a proposal² that could extend the maximum number of daily working hours from 9 to 10. Among the key changes being studied is an increase in permissible overtime from the current 125 hours to 144 hours within a three-month period. The proposal also emphasizes revisions to continuous working hour provisions, including the introduction of mandatory breaks to reduce strain on employees.

The suggested amendments would require changes to the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017, which defines working hours and employment across the state.

The Labour Department recently presented the idea during a cabinet meeting in Mumbai, and it is being evaluated before a final decision is made.

Impact

While the final notifications on extending the working hours for the states of Andhra Pradesh and Karnataka are awaited, the Maharashtra government's proposal indicates a general trend across states to align their state practices. Employers in Maharashtra would need to update their HR policies on working hours, overtime, night shift, etc., as applicable.

Furthermore, this state-specific development would have implications for the interplay between the state-specific shops, establishment law and the upcoming labour codes. Once the codes are effective, the applicable employer obligation would be clearer.



⁴ As per Article '10 hours a day! Maharashtra reportedly planning to increase working hours for private sector employees. All you need to know'. Economic Times (ET Online) dated 28 August, 2025

ii. Rulings

Supreme Court (SC) directs national survey of ICC constitution under the POSH law

In the case of Aureliano Fernandes vs. the State of Goa and Others,³ the Court has examined the implementation of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH Act). The SC has issued several directives to ensure robust compliance with the POSH Act across India.

- A district-wise survey of all public and private institutions will ascertain compliance with the POSH Act,
- The survey, which must be completed within six weeks (i.e., by 23 September 2025), is intended to collect information on the constitution and composition of Internal Complaints Committees (ICCs) and ensure that other provisions of the POSH Act are being followed.
- The SC has also noted the availability of support helplines such as the National Woman Helpline (181), Cyber Crime Helpline (1930) and National Legal Aid Helpline (15100), which can assist aggrieved women in registering complaints and seeking legal aid.
- Non-compliance could lead to regulatory action, such as refusal of licence renewals.

This order follows the SC's previous directions from May 2023 in the same case, which highlighted significant lapses in the enforcement of the POSH Act. The case is still ongoing.

³ In C.A. No. 2482/2014 dated 12 August 2025

Key takeaway for employers: The case highlights a significant step by the SC to enforce the POSH Act and ensure that all workplaces are comply with its provisions, thereby fostering safer environments for women. It emphasizes the importance of compliance with the POSH Act by all employers (setting up of ICCs) across states and UTs to safeguard women's dignity and safety in workplaces.

The survey and reporting of its findings will be completed within six weeks from the date of the order, i.e., 12 August 2025. The results will then be collated and provided to the designated Amicus Curiae, who will compile it and share them with the counsels of the states and UTs.

The order implies that failure to comply with the POSH Act may lead to regulatory action, including the refusal to renew licences. Employers are advised to ensure compliance with the provisions of the POSH Act on an immediate basis to avoid penalties.

Contractual restraints are legal and valid during employment

In the case of *Vijaya Bank and Anr. vs. Prashant Nanware*,⁴ the issue of the validity of a restrictive covenant in an employment contract was adjudicated by the SC.

Prashant Nanware, a Vijaya Bank employee, was required to sign an indemnity bond agreeing to pay INR2 lakh if he resigned before completing three years of service. Nanware challenged the clause, arguing it was a restraint of trade and opposed to public policy. The Delhi High Court ruled in his favour, but Vijaya Bank appealed to the SC.

The SC ultimately decided that the restrictive covenant did not amount to a restraint of trade, as it only operated during the subsistence of the employment contract and did not inhibit future employability. It also held that the clause was not opposed to public policy, as it served a legitimate purpose in retaining specialised employees and reducing attrition rates.

The SC differentiated between restrictive covenants operating during employment and those operating after termination. It emphasized that public policy relates to matters involving public good and interest, and that what is considered “just, fair and reasonable” can vary with time.

Key takeaway for employers: The decision highlights the importance of drafting employment contracts, particularly those with restrictive covenants, to ensure they are reasonable and not opposed to public policy.

Employers are allowed to have restrictive covenants during employees' employment as long as they are reasonable and proportionate. Post-employment restrictive covenants, unless they are reasonable, would be invalid and illegal by the courts.

Employers may consider revisiting and checking their employment agreements and undertaking suitable changes.

⁴ Civil Appeal No. 11708 of 2016

For more information, please contact:

[Divya Baweja \(Partner\)](#)

Deloitte Touche Tohmatsu India LLP

[Alok Agrawal \(Partner\)](#)

Deloitte Touche Tohmatsu India LLP

[Sudhakar Sethuraman \(Partner\)](#)

Deloitte Touche Tohmatsu India LLP

[Radhika Viswanathan \(Executive Director\)](#)

Deloitte Touche Tohmatsu India LLP





Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which is a separate and independent legal entity, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Bengaluru, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Mumbai, New Delhi, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

This communication contains general information only, and none of DTTL, its global network of member firms or their related entities is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication.

© 2025 Deloitte Touche Tohmatsu India LLP. Member of Deloitte Touche Tohmatsu Limited