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# Regulatory updates

## Certain establishments are exempt from provisions of the Shops and Establishments (S&E) legislations in some states

Through a notification<sup>1</sup>, the government of Rajasthan has exempted smaller establishments that employ 0-10 workers, from the requirement of registration under the Rajasthan Shops and Commercial Establishments Act, 1958 (S&E).

Separately, the government of Punjab has also exempted<sup>2</sup> small businesses, i.e., employing less than 20 employees, from the provisions of the Punjab S&E Act, through a notification<sup>2</sup>.

This exemption is a part of the amendments introduced to the Punjab S&E Act on an overall basis.

On a related note, even the government of Karnataka has proposed an amendment to Rule 24 of the Karnataka Shops and Commercial Establishments Rules, 1963 which concerns the maintenance of registers and records by an employer. The Karnataka Shops and Commercial Establishments (Amendment) Rules, 2025 proposes to waive off the requirement for maintenance of such registers and records for establishments where less than 10 employees are employed.

<sup>1</sup> Notification No. F.14(11)(3)Registration Exemption/Labour/Law/2025/Part/002067Dated 20 August 2025

<sup>2</sup> Dated 29 August 2025.

# Regulatory updates

## Impact

All these amendments promote ease of business for establishments for which the employee count is low and for which extensive regulation is not required under the state legislation. These amendments thus provide leeway for smaller establishments from the regulatory ambit.

## EPFO issues a circular on updating personal details linked to Universal Account Number

The EPFO has issued<sup>3</sup> a circular where, for employees whose name, gender, date of birth provided matches the details provided in the Aadhaar, the employer can directly seed the Aadhaar with the employee's UAN, without any approval from the EPFO.

In case of any mismatch between the details provided / correction of Aadhaar details, employers are permitted to undertake rectification measures through the online Joint Declaration (JD) functionality.

This circular also permits the members to update their profile details directly by submission of an attested physical copy of the joint declaration functionality to the regional office, in case of unavailability of the employer.

## Impact

**Reduced procedural challenges** : The update eliminates multiple layers of approval for Aadhaar seeding when details match, making the process faster and less complex.

**Shift to online mode** Most rectifications can now be handled through the online joint declaration functionality, reducing reliance on physical paperwork and visits to EPFO offices.

**Lower administrative burden** : Employers no longer need to manage every compliance step manually. The process is streamlined, saving time and resources.

**Shared responsibility with employees**: In cases where the employer is unavailable or the establishment is closed, employees can directly approach EPFO with a physical JD form. This transfers part of the compliance responsibility to employees, reducing the employer's onus.

<sup>3</sup>Dated 13 August, 2025

## EPFO simplifies the settlement process for death claims vis-à-vis surviving minors

- Through a circular<sup>4</sup>, the EPFO has simplified the process for settlement of death claims for surviving minor children, by waiving off the pre-requisite of submission of a guardianship certificate, in case the settlement is being directly credited to the minor's bank account.
- Accordingly, the members are advised to open individual bank accounts in the names of the minor children to facilitate the transfer of settlement proceeds and pension.

## Impact

**Reduced documentation burden :** Employers no longer need to assist nominees in obtaining a guardianship certificate for minor children. This simplifies the claim settlement process and reduces delays.

**Faster claim processing :** Waiving the guardianship certificate requirement means quicker settlement of death claims, improving employee family support during critical times.

**Advisory role for employers:** Employers should inform members and nominees to open individual bank accounts in the names of minor children. This ensures smooth transfer of settlement proceeds and pension benefits.

**Lower administrative involvement :** The responsibility for compliance (opening bank accounts, providing correct details) shifts more to employees and their families. Employers mainly act as facilitators by sharing guidelines and ensuring accurate nominee details in PF records.

<sup>4</sup>Dated 13 August, 2025

## Ministry of Labour and Employment emphasises benefits of EPFO reforms for ease of living for crores of members

The recent decision<sup>5</sup> of the Central Board of Trustees (CBT) reflects a fine balance between liberal, simplified withdrawal options for various needs and maintaining a decent corpus at the time of retirement, while ensuring ease of living for members. The existing 13 types of partial withdrawal provisions have now been merged into one unified and simplified framework.

- 75 percent of the eligible amount (employer and employee contributions and interest earned) can now be withdrawn. This is much higher than the amount permissible for withdrawal under the previous provisions.
- Earlier, there were varying eligibility periods of up to seven years. They have now been uniformly set at 12 months for all kinds of withdrawals, creating ease of understanding and facilitating early withdrawal.
- 25 percent of the contribution would need to be retained to ensure respectable corpus at retirement as a safety net and to provide long-term social security.
- In case of unemployment, 75 percent PF balance (that includes employer and employee contribution and interest earned) can be withdrawn immediately. Remaining 25 percent can also be withdrawn after one year.
- Full withdrawal of the entire PF balance (including the minimum balance of 25percent) is also allowed in case of retirement after attaining 55 years of service, permanent disability, incapacity to work, retrenchment, voluntary retirement or leaving India permanently etc.
- The pension entitlement at the age of 58 years is completely unaffected by the proposed changes.
- To encourage members to meet the 10-year eligibility for getting pension and to allow his/her family to be eligible for benefits in case of his/her death, the proposed provision allows the member to withdraw pension accumulation after 36 months instead of 2 months. This will ensure long-term social security in the form of pension for the member and his family.

## Impact

Employees will now be able to withdraw higher amounts within a shorter timeframe, supporting ease of living and helping manage the cost of living. They will also have faster access to funds during emergencies.

**HR updates:** HR teams need to update internal SOPs for PF-related processes.

**Lower Dependency on Employer Intervention:** Employees can directly initiate withdrawals online, reducing employer involvement in routine claims.

<sup>5</sup> Dated 15 October 2025

## Government of India notifies new amendment rules to the Apprentices Act, 1961

Through a notification<sup>6</sup> published in the official gazette, the Ministry of Skill Development and Entrepreneurship (Ministry), has amended the Apprentices Act, 1961. These amendments encapsulate aspects such as: Clarification of the ambit of “contractual staff”, in line with the Code on Wages, 2019.

**Minimum gap between trainings:** Requirement of a gap of minimum 1 year between 2 apprenticeship engagements. Maximum of 2 apprenticeships per person (not in the same trade). Waiting period of 3 months for repeat apprenticeships in some cases (not applicable to women).

**Update of eligibility criteria:** Graduate/ degree/ technician/ technician-vocational apprentices must meet minimum qualifications in new Schedule IA. Degree apprentices are not eligible after final exam unless approved by apprenticeship/ regional adviser.

**Reservation for persons with disabilities:** Person with benchmark disability as per Rights of Persons with Disabilities Act, 2016. Training slots to be reserved for persons with benchmark disabilities in each trade/ subject. If unfilled, can be given to others meeting minimum physical fitness standards.

**Degree apprenticeship as a course with apprenticeship as an integrated curriculum component.**

**Sandwich course/ degree apprenticeship:** Practical training period counts as apprenticeship training duration.

**New minimum monthly stipends:** Stipend cost by government only for first-time apprenticeship. Revision of the minimum rate of stipend payable to apprentices per month:

<sup>6</sup> Dated 3 September 2025

## Government of India notifies new amendment rules to the Apprentices Act, 1961

- Class 5–9: INR 6,800
- Class 10: INR 8,200
- Class 12: INR 9,600
- Vocational/National/State Certificate: INR 9,600
- Technician (Diploma–sandwich): INR 10,900
- Graduate/Degree: INR 12,300
- Automatic increment: +10 percent in 2nd year, +15 percent in 3rd year.

Contract of apprenticeship (Rule 14 and Schedule III): New Format-1 introduced (detailed apprentice, employer, institution info). For degree apprentices, tripartite contract (Institution + Apprentice + Employer). Mandatory online registration on portal.

Degree apprentice conditions (Schedule VI): Employer must allow academic sessions during training. Joint accountability between industry and academic partners.

Basic/practical training delivery (Schedule V): This can be provided online/virtual/electronic/blended with government approval. Apprentices to be engaged only between 8:00 AM–6:00 PM (with Adviser’s approval for exceptions). New provisions for deployment at client sites in India or abroad, with extra stipend and benefits.

Separately, the ministry has also issued a notification published in the official gazette, which sets out different groups of industries to whom the provisions of the Apprentices Act, 1961 will become applicable. The list is extensive and includes sectors such as: agricultural production (e.g., cereals, pulses, oilseeds, sugarcane, vegetables), plantations (tea, coffee, rubber, tobacco), livestock and dairy (cattle, goats, pigs, poultry), forestry and logging, fishing and sea products manufacturing industries (metals, chemicals, textiles, machinery, etc.), service industries (IT, hospitality, healthcare, etc.)

## Impact

- **Clarification on contractual staff:** Employers must ensure compliance with the clarified definition of “contractual staff” aligned with the Code on Wages, 2019. This may affect how apprenticeship contracts are reported.
- **Eligibility criteria:** Employers must engage HR support in shortlisting candidates as apprentices, basis the updated minimum qualifications and for those who are degree apprentices only once approval from the apprenticeship/regional advisor is obtained. HR support must also be taken in reserving training slots for persons with benchmark disabilities in each trade/ subject. Further, HR must update the documentation for apprenticeship engagement and ensure online registration on the portal.
- **Mandatory gap between engagements:** A minimum 1-year gap between two apprenticeship engagements is now required. Employers need to track apprenticeship history to avoid violations.
- **Restriction on number of trainings:** apprentices can undergo a maximum of two apprenticeship trainings. Employers must verify prior apprenticeship records before onboarding.
- **Revised stipend rates:** employers must update payroll systems to reflect the new minimum stipend rates. Budget adjustments may be necessary for compliance.
- **Industry applicability:** the ministry has notified specific industry groups to which the act applies. Employers in these industries must review applicability and ensure compliance.

# Regulatory updates

## Karnataka notifies social security law to safeguard rights of gig workers

The government of Karnataka notified<sup>7</sup> the Karnataka Platform Based Gig Workers (Social Security and Welfare) Act, 2025 (Karnataka Workers Act) through a notification published in the official gazette. The Karnataka Workers Act is deemed to have come into force with effect from 30 May 2025. The Karnataka Workers Act includes provisions relating to the:

- establishment of a gig workers welfare board<sup>7</sup>;
- rights of the platform-based gig workers;
- registration of gig workers;
- automated monitoring and decision-making systems;
- working conditions for the gig workers; and
- grievance redressal procedure, among other aspects (discussed in detail in our previous newsletters)

## Impact

The act directly addresses the evolving nature of gig work by positioning aggregators and platforms as principal actors in workers' social security. The legal framework imposes a clear set of obligations on platforms:

- Mandatory registration with a state welfare board
- Payment of a statutory welfare fee
- Transparent contract terms
- Explicit requirements for transparency in automated decision-making systems

<sup>7</sup>Dated 12 September 2025

# Regulatory updates

## Impact

Notably, the act requires platforms to provide accessible information about algorithmic management, ensure human points of contact for worker support in multiple languages, and make grievance and dispute resolution easily available via app interfaces.

Employers must revisit contract structures, update HR and payroll systems, enhance data governance practices, and proactively engage with the Board.

## Goa introduces new legislation concerning working conditions for shops and establishments

- The government of Goa has enacted<sup>8</sup> the Goa Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2025 (Goa S&E Act). The act comes into force effective from the date of publication of the official gazette<sup>7</sup>. The Goa S&E Act repeals the extant Goa, Daman and Diu Shops and Establishments Act, 1973. The Goa S&E Act sets out provisions concerning:
  - Notice of intimation requirements for establishments with less than 20 workers
  - Decrease in the rest interval from 1 hour to 30 minutes
  - Increase in daily working hours for adult workers from 8 hours to 10 hours
  - Leave and welfare provisions: Mandatory 6 casual + 9 sick leave annually and 15 earned leave (for 240+ days of work). This can accumulative up to 45 days.

<sup>8</sup> RNI No. GOAENG/2002/6410 Dated 1 October 2025

# Regulatory updates

## Goa introduces new legislation concerning working conditions for shops and establishments

- Welfare measures: Creche for 50+ workers and canteen for 100+ workers are compulsory.
- Permission for women to work between 7:30 p.m. to 7:00 a.m., provided the employer has arranged for the requisite facilities for adequate protection and safety, including provision of shelters / restrooms and transportation facilities from the establishment to their residence.

## Impact

- **Registration and intimation:** Establishments with 20+ workers: Mandatory online registration within 60 days of commencement. Establishments with <20 workers: Must submit online intimation of commencement. Failure to comply can attract penalties up to INR 10,000.
- **Working hours and rest interval:** Daily working hours increased to 10 hours (weekly limit: 48 hours). Rest interval reduced to 30 minutes. Employers must update shift schedules and overtime policies accordingly.
- **Employment of women:** Employers must obtain written consent from women who are working between 7:30 p.m. and 7:00 a.m. Employers must budget for transportation and safety measures.
- **Leave and welfare provisions:** Employers must update Talent/HR policies and communicate the same to employees.
- **Welfare measures:** Employers must provide canteen facility if they meet the required thresholds mentioned.

# Regulatory updates

## Increase in working hours in establishments and factories of Maharashtra

- The Maharashtra government has approved<sup>9</sup> amendments to labour laws to increase the maximum daily working hours for private sector employees from 9 to 10 hours. This will be implemented by amending the Factories Act, 1948 and the Maharashtra Shops and Establishments Act, 20178. Key changes include:
  - Daily working hours:
    - Shops and establishments: Increased from 9 to 10 hours.
    - Factories: Increased from 9 to 12 hours (with conditions)
    - Overtime cap: Raised from 115 to 144 hours per quarter, with mandatory written consent from workers.
    - Rest breaks: Allowed after 6 hours instead of 5.
    - Weekly work hours: Extended up to 60 hours in certain cases.
    - Applicability: Establishments with 20+ workers must comply fully. Those with <20 workers only need to submit an intimation, not full registration.
    - Overtime pay: Extra hours will be treated as overtime at double wages.

## Impact

**Shift scheduling and payroll updates:** Employers must revise shift rosters and payroll systems to account for extended hours and overtime pay.

**Consent and documentation:** Written consent from employees is mandatory for extended hours. Employers need to maintain proper records for compliance.

<sup>9</sup> Dated 1 October 2025

# Regulatory updates

## Impact

- **Compliance with safety and welfare:** Longer hours may require additional welfare measures (breaks, facilities) to avoid fatigue and ensure worker safety.
- **Ease of doing business:** Flexibility during peak demand or labour shortages. Aligns Maharashtra with other states like Karnataka, Tamil Nadu, Telangana, etc.

## Chandigarh allows establishments to operate 24\*7 with safety measures for female employees

As per a notification<sup>10</sup>, the Union Territory of Chandigarh has permitted all establishments to be open 24\*7 on all days of the year, in furtherance to the Punjab Shops and Commercial Establishments Act, 1958 (Punjab S&E Act). Such establishments are subject to certain conditions including :

- Working hours: Maximum 9 hours per day and 48 hours per week.
- Mandatory rest break after 5 hours of continuous work.
- Weekly paid holiday and national/festival holidays.
- Safety measures: Install CCTV with 15-day backup, emergency alarms, and adequate lighting.
- Maintain attendance and wage records; wages to be paid via bank transfer.
- Female employee protection: Women can work after 8:00 PM only with written consent. Employers must provide safe transport with GPS tracking, escorts, and maintain transport registers. At least five women employees per night shift. Provide separate restrooms, lockers, and break facilities. Annual self-defense training workshops for women employees.
- Compliance with the Sexual Harassment of Women at Workplace Act, 2013 (POSH Act) is mandatory.
- Overtime: Up to 50 hours per quarter, paid at double wages.

<sup>10</sup> No. 12/2/149-HII(2)2025/12994 Dated 14 August 2025

# Regulatory updates

## Impact

**Operational flexibility:** Employers can now run businesses round-the-clock, improving productivity and catering to customer demand. This is particularly beneficial for IT, hospitality, retail, and e-commerce sectors.

**Compliance burden:** Employers must adhere to strict conditions like a maximum 9 hours per day, 48 hours per week for employees.

Maintain digital attendance and wage records

Ensure weekly holidays and festival holidays.

**Safety and welfare costs:** For women employees working after 8:00 p.m., employers need to provide safe transport with GPS tracking and escorts maintain transport registers, ensure minimum five women per night shift, install CCTV, emergency alarms, and adequate lighting and conduct annual self-defense training workshops. These measures increase operational costs but are mandatory for compliance.

**POSH compliance:** Employers must ensure full compliance by setting up internal complaints committees and carrying out awareness programs become critical.

**Overtime management:** Overtime allowed up to 50 hours per quarter, paid at double wages. Employers need to update payroll systems and maintain proper records.

## Implementation of ESIC Amnesty Scheme, 2025

The ESIC Amnesty Scheme, 2025 is a one-time compliance relief initiative launched<sup>11</sup> by the Employees' State Insurance Corporation to reduce litigation and promote ease of doing business.

<sup>11</sup> Dated 1 October 2025

# Regulatory updates

## Implementation of ESIC Amnesty Scheme, 2025

The objective is to resolve long-pending disputes under the ESI Act, withdraw prosecution cases and settle court cases outside the judiciary. Employers must apply within the scheme window (Oct 2025–Sept 2026) to voluntarily comply and reduce backlog. For contribution disputes, the scheme covers cases challenged under Sections 45A, 45AA, 75, 82, or Article 226 (without substantial legal questions). Employers must obtain court permission, apply in the prescribed format, and pay contributions (both employer's and employees' share) with interest as per records. Where records are missing, documents from the EPFO or income tax authorities may be relied upon for verification. The relief offered are no damages for most cases if dues and interest are paid. Disputes can be settled by paying 10 percent of assessed damages. Contribution disputes would be resolved by paying dues + interest; if records are missing, 30 percent of assessed contribution accepted.

Cases that are excluded from the ambit of the scheme include:

- Employers who voluntarily registered via Form-01 on ESIC portal
- Cases involving criminal conspiracy or forgery

## Impact

**Financial relief:** Employers must calculate liabilities eligible under the scheme. There are significant savings by avoiding heavy penalties and damages.

**Opportunity to clear old defaults at a fraction of the cost:** Employers must review past ESIC records for pending disputes or defaults. Prepare documentation (EPFO records, tax filings if ESIC records missing). Employers can settle long-pending litigation and prosecution cases, reducing legal risk.

# Regulatory updates

## Impact

**Compliance reset:** Creates a clean slate for future compliance under ESIC. Improves employer reputation and trust with regulators. Employers must communicate internally to ensure HR and compliance teams act promptly.

**Operational ease:** Reduces administrative burden of managing court cases. Encourages digitisation and structured dispute resolution.

## Introduction of menstrual leave in Karnataka

The Karnataka government has officially introduced<sup>12</sup> the Menstrual Leave Policy, 2025, granting one paid menstrual leave day per month to women employees across all sectors—government offices, private companies, IT firms, garment factories, and more. This amounts to 12 paid leave days annually. While the official notification remains unavailable in the public domain, basis media reports we understand the following to be applicable:

**Coverage:** Applies to both government and private sector employees in Karnataka.

**Leave entitlement:** 1 paid day per month during menstruation (12 days annually). Independent of sick leave or casual leave.

**Flexibility:** Women can take the leave monthly or cumulatively, as per their menstrual cycle.

<sup>12</sup> Dated October 9 2025

# Regulatory updates

## Impact

The main objective of the menstrual policy introduced in Karnataka would be to promote health, inclusivity, and gender-sensitive workplaces. Once implemented, employers would need to comply with the mandate of providing 12 days of menstrual leave to their female employees, to be used as per their discretion. It is important to note that such leaves cannot be encashed and hence do not have a cost-impact on employers.

A key concern would be the need to plan for potential absenteeism and adjust staffing accordingly.

HR policies, payroll and attendance systems, leave management systems and talent-related updates would require necessary amendments.

## Labour code related updates

In the past year, several key industrialised states such as Haryana, Delhi (the latest one), Maharashtra, Gujarat, Andhra Pradesh, Telangana, Tamil Nadu, and Karnataka released draft rules under some or all of the labour codes for public consultation.

As of now, 4 out of a total of 36 states and union territories are yet to publish draft rules on the code on wages, while 5 states have not released draft rules on code on industrial relations, social security and occupational safety, health and working conditions.

# Regulatory updates

## Impact

**Regulatory uncertainty:** Employers operating in states that have not yet published draft rules face ambiguity in planning compliance.

**Dual compliance burden:** Until the labour codes are fully implemented, employers must continue complying with existing state laws while preparing for new codes.

**Preparation for transition:** States that have released draft rules indicate imminent implementation. Employers should start reviewing draft rules and aligning policies on wages, working hours, social security, and safety.

## ii. Rulings

- **Exempted establishments cannot deny higher pension related entitlements if joint option exercised: Madras High Court**

In the case of *D Chandirasegar and Others vs. Union of India and Others*<sup>13</sup> the Madras High Court set aside the EPFO order which clarified that if the trust rules of an exempted establishment impose certain restrictions vis-à-vis the entitlements of the employees, it will continue to remain applicable, even if the employees are statutorily entitled to higher benefits.

Petitioners in the case were retired employees of Bharat Heavy Electricals Limited (BHEL), Trichy, which is an establishment exempted from the purview of the Employees' Provident Funds Scheme, 1952 (EPF Scheme). However, employees continued to remain covered by the Employees' Pension Scheme, 1995 (Pension Scheme) which allowed higher pension on "actual wages" instead of restrictions imposed by the statutory ceiling (as exemption was only limited to the EPF Scheme). As per the trust rules, members were to contribute 12 percent of the basic pay along with dearness allowance. They also had the option to contribute more voluntarily, and the employer was required to contribute an equal sum.

The Supreme Court in the case of *Employees' Provident Fund Organisation and Another vs. Sunil Kumar B and Others*<sup>14</sup> (Sunil Kumar) had stated that employees who are in service on 1 September 2014 may opt for pension on higher wages by contributing 8.33 percent of their actual salary if it exceeded the monthly ceiling of INR 15,000.

In the present case, the petitioners retired post 1 September 2014 and submitted a joint option application to the EPFO for higher pension. As per an EPFO circular dated 18 January 2025 (Circular), exempted establishments were not permitted to amend their trust rules with retrospective effect so as to bring the trust rules in consonance with the Supreme Court's judgment in the Sunil Kumar case.

<sup>13</sup> Writ Petition Number (Madurai) 29573 to 29578 of 2024

<sup>14</sup> (2023) 12 SCC 701

Accordingly, the joint applications submitted by the petitioners were rejected by the EPFO, upon referring to the trust rules, which capped the employer's contribution at INR 15,000 and the Circular, which restricted exempted establishment from amending their trust rules retroactively to align with Sunil Kumar case. The petitioners accordingly challenged such an order passed by the EPFO and filed an appeal with the Madras High Court. The Madras High Court set aside the Circular and the order passed by the EPFO, by noting that any amendment more beneficial to employees will be automatically applicable to them despite the verbiage set out in the trust rules and/or any requirement to amend such verbiage.

Accordingly, as the trust rules cannot deny benefits available to employees under the Pension Scheme, the rejection of the joint option applications was contrary to law.

**Key takeaways for employers:** This ruling by the Hon'ble Madras High Court has quashed the EPFO circular dated 18 January 2025 and related rejection orders that denied higher pension benefits to retired BHEL employees on the basis of the trust rules.

Until now, the position maintained by the EPFO was that wherever the PF trust has a clause that puts a cap on pension contribution up to the statutory wage ceiling, such employees of exempted establishments will not be eligible for higher pension benefits.

This ruling has now paved the way for employees of such establishments to claim pension on higher wages irrespective of the clauses in the trust rules. Additionally, the space needs to be closely watched as EPFO may file an appeal against the above-mentioned ruling.

- **Prolonged unauthorised absence constitutes voluntary resignation not retrenchment**

The High Court of Judicature at Bombay held<sup>15</sup> that prolonged unauthorised absence beyond the approved leave period, without intimation or valid explanation, constitutes voluntary abandonment of service, amounting to voluntary resignation. The court observed that such absence caused operational challenges, and the employer's actions, including deletion of names from the muster roll, were lawful and did not amount to retrenchment under the Industrial Disputes Act, 1947.

The court further held that in cases of long unauthorised absence, there is no requirement for the employer to conduct an inquiry or issue a notice, as such absence may be treated as a resignation. The court emphasised that abandonment or relinquishment of service is a matter of intention, and prolonged absence beyond the approved leave period without any communication from the employee can be construed as an intention to resign.

In the present case, the court noted that the employer had issued repeated notices to the employees requesting them to resume duty and provide an explanation for their absence. These notices were sent to the correct address of the employees, and the postal acknowledgment confirmed receipt of at least one of the letters. Despite this, the employees failed to respond or comply with the requests to resume duty. The court observed that the employees' failure to respond to the notices and their prolonged absence without any valid explanation demonstrated an intention to abandon their service voluntarily.

The court rejected the employees' argument, holding that the act of removing the employees' names from the muster roll was not a positive act of termination by the employer but rather a consequence of the employees' own conduct in failing to resume duty despite repeated notices. The court clarified that the principles of natural justice must be examined in the context of the facts of the case, and in situations of prolonged unauthorised absence, an inquiry may not be necessary.

<sup>15</sup> WP No. 2594/2017, etc., Dt/- 9-5-2025

**Key takeaway for employers:** The judgment underscores the importance of employee accountability in maintaining organisational operations. It gives the employer the right to terminate an existing employment relation basis the absence beyond approved period and the repeated notices sent to the employees requesting them to resume duty and provide an explanation for their absence. Considering that the employees failed to respond or comply with the requests to resume duty, the act of terminating their duties is seen valid in the judgment of the court, giving a more employer-centric verdict.

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