



## JSA Prism Employment Law

May 2025

### Telangana introduces draft bill for the welfare and protection of gig and platform workers

In a pioneering move and preceding the implementation of the Code of Social Security, 2020 (“**SS Code**”), the state of Telangana has followed Rajasthan and Karnataka<sup>1</sup> in securing the rights and welfare of gig and platform workers with the introduction of a draft bill, which once enacted, will be called the Telangana Gig and Platform Workers (Registration, Social Security and Welfare) Act, 2025 (“**Draft Telangana Gig and Platform Workers Bill**”). This legislation seeks to address the needs of gig and platform workers who have long been excluded from traditional labour protections by providing them with essential social security, safety measures, and employment-related entitlements, setting a strong precedent for other states.

Stakeholders were encouraged to submit their suggestions by April 28, 2025<sup>2</sup>, however, this timeline has been extended by another 3 (three) weeks in view of multiple requests from stakeholders<sup>3</sup>.

### Applicability of the Draft Telangana Gig and Platform Workers Bill

The applicability of the Draft Telangana Gig and Platform Workers Bill extends to aggregators<sup>4</sup>, platforms<sup>5</sup> and primary employers<sup>6</sup> operating within the state of Telangana. This includes entities offering a wide range of services such as ride-sharing, food and grocery delivery, logistics, e-marketplaces (both marketplace and inventory models) for wholesale or retail sale of goods and/or services in a business-to-business or business-to-consumer format, professional activity providers, healthcare services, travel and hospitality, content and media services, and any other platform offering goods and services, within the state of Telangana.

In terms of the beneficiaries under the law, the Draft Telangana Gig and Platform Workers Bill applies to ‘gig workers’, defined as individuals who engage in non-traditional work arrangements, earning compensation based on terms set

<sup>1</sup> The state of Rajasthan has already implemented a similar act, while Karnataka has also introduced its own bill addressing the rights of platform-based gig workers.

<sup>2</sup> [https://labour.telangana.gov.in/content/Downloads/Gig\\_workers\\_Press\\_Note\\_2025.pdf](https://labour.telangana.gov.in/content/Downloads/Gig_workers_Press_Note_2025.pdf)

<sup>3</sup> [Press Note Extension.pdf](#)

<sup>4</sup> As defined under Section 2(a) of the Draft Telangana Gig and Platform Workers Bill: “aggregator” means a *digital intermediary or a marketplace for a buyer or user of a service to connect with the seller or the service provider, and includes any entity that coordinates with one or more aggregators for providing the services.*

<sup>5</sup> As defined under Section 2(k) of the Draft Telangana Gig and Platform Workers Bill: “platform” means *any arrangement providing a service through electronic means, at the request of a recipient of the service, involving the organization of work performed by individuals at a certain location in return for payment, and involving the use of automated monitoring and decision-making systems or human decision making that relies on data.*

<sup>6</sup> As defined under Section 2(n) of the Draft Telangana Gig and Platform Workers Bill: “primary employer” means *those individuals or organizations who directly engage gig and platform workers for a particular task against payment.*

out in contractual agreements, and includes piece-rate work. These workers do not have a fixed employer-employee relationship but instead work on contracts that outline their payment structure and terms. The Draft Telangana Gig and Platform Workers Bill also covers 'platform workers', who are engaged or undertake 'platform work'. However, the Draft Telangana Gig and Platform Workers Bill does not offer a precise definition of 'platform work', leaving room for interpretation and potential inconsistencies in enforcement. Having said that, the SS Code, defines 'platform work' as any arrangement where individuals or organisations use an online platform to connect with other individuals or organisations to provide services, in exchange for payment.

## Key takeaways from the Draft Telangana Gig and Platform Workers Bill

The Draft Telangana Gig and Platform Workers Bill imposes several obligations and mandatory compliance requirements on 'aggregators' and 'platforms' to ensure a formalised relationship and secure working arrangements for gig and platform workers. Some of the key features of the Draft Telangana Gig and Platform Workers Bill are:

1. **Establishment of a welfare board:** The Draft Telangana Gig and Platform Workers Bill mandates the creation of the Telangana Gig and Platform Workers Welfare Board (the "**Board**"), which will be headquartered in Hyderabad, to perform such duties and exercise such powers as conferred upon the Board under the Draft Telangana Gig and Platform Workers Bill. The Board will be chaired by the state's labour minister and will include representatives from gig and platform workers, aggregator platforms, civil society, and relevant government departments. The Board will oversee the implementation of welfare measures and ensure compliance with the Draft Telangana Gig and Platform Workers Bill.
2. **Registration of gig and platform workers:** All the gig and platform workers must be registered to avail the benefits under the Draft Telangana Gig and Platform Workers Bill. Aggregators and platforms are required to submit their existing database of gig and platform workers to the Board within 60 (sixty) days from the commencement of the law. Thereafter, data on all new gig and platform workers onboarded post-commencement must be electronically shared with the Board within 30 (thirty) days of their onboarding. Each registered gig and platform worker will be issued a Unique Identification Number (UID).
3. **Registration of aggregators/platforms:** Every platform or aggregator must register with the Board within 45 (forty-five) days of enactment of the law.
4. **Welfare fund contributions by aggregator platforms:** Aggregator platforms are required to contribute between 1% and 2% of each transaction payout made to gig and platform workers into a dedicated welfare fund. This contribution must be deposited at the end of each quarter. In the event of non-payment, the aggregator or platform will be liable to pay simple interest on the outstanding amount, calculated at a rate prescribed by the State Government, from time to time.
5. **Grievance redressal mechanism:** Any gig or platform worker registered under the law may submit a grievance application, either in person or through the designated web portal, regarding entitlements, social security payments, or any other benefits provided thereunder. A grievance redressal officer, appointed by the government, will inquire into the matter and issue a reasoned order within 30 (thirty) days of receiving the application.
6. **Internal dispute resolution committee:** Every aggregator or platform with 100 (hundred) or more registered gig and platform workers must establish an Internal Dispute Resolution Committee ("**IDRC**") to address specified worker-related grievances. These include issues such as:
  - a) failure to provide requested information about automated systems used for monitoring or decision-making;
  - b) termination of work on grounds not specified in the contract;
  - c) termination without notice;
  - d) unexplained deductions in pay; and
  - e) non-compliance with sector-specific working conditions.

The IDRC must complete its proceedings and provide a resolution within 30 (thirty) days of receiving the complaint.

7. **Termination protocols:** Gig or platform workers can only be terminated after holding a proper inquiry which follows the principles of natural justice, only by giving valid reasons in writing. Additionally, workers must be given at least 7 (seven) days' notice prior to termination. A gig worker may be terminated immediately in case there is a foreseen threat (physical or mental) to the end customer.
8. **Nomination of point of contact:** Each aggregator is required to designate a person as a point of contact within their platform, to address queries, concerns, and provide clarifications to gig and platform workers.
9. **Deductions:** In cases where a deduction is made from the final payout made to the gig or platform worker, the aggregator/platform is obligated to inform the rationale for such deduction within the invoice raised.
10. **Working conditions and non-discrimination measures:** The Aggregator is liable to provide and maintain a working environment that is safe and without risk to the health of the platform-based gig worker. Aggregator platforms are obligated to prevent discrimination based on religion, race, caste, gender, place of birth, or disability. They must also ensure that automated systems do not perpetuate biases.
11. **Penalty:** Unlike the Karnataka Platform based Gig Workers (Social Security and Welfare) Bill, 2024, and the Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023, which primarily impose monetary penalties, the Draft Telangana Gig and Platform Workers Bill prescribes stricter consequences for non-compliance. Failure to pay the welfare fund fee may attract imprisonment for a term which may extend to 1 (one) year. Additionally, a fine may also be imposed which may extend to INR 2,00,000 (Indian Rupees two lakh). Moreover, failure or refusal to submit any return, report, statement, or other required information may attract a penalty of up to INR 50,000 (Indian Rupees fifty thousand).

## Conclusion

The Draft Telangana Gig and Platform Workers Bill marks a progressive and much-needed shift towards formally acknowledging gig and platform workers as a distinct and deserving category within the labour force. By aiming to provide structured social security, enforceable service conditions, grievance redressal mechanisms, and safeguards against arbitrary termination, the state has taken a commendable step in extending protections to a workforce that has long operated in regulatory grey zones.

While this legislative move is undoubtedly a welcome change, it places significant compliance responsibilities on aggregators and platforms, many of which operate on thin margins and at scale. For instance, the obligation to contribute 1–2% of every transaction to a welfare fund, maintain and update detailed worker databases, and follow stringent termination protocols such as conducting an inquiry and providing written justification for each case, can be administratively cumbersome and resource-intensive. This requirement, while promoting fairness, may be operationally challenging for employers as not all cases warrant a full inquiry, especially in instances involving minor infractions or performance-related issues where swift action might be necessary to maintain efficiency.

Further, the threat of penal consequences such as imprisonment for failure to deposit welfare contributions or submit mandated reports may create an atmosphere of operational uncertainty, particularly for smaller or emerging platforms that may lack the legal and administrative infrastructure of larger players.

At present, the Draft Telangana Gig and Platform Workers Bill has been made available for public review, and the government is seeking feedback to finalise the same. As India's labour ecosystem continues to evolve, input from stakeholders during the consultation period will be vital in shaping a more balanced and pragmatic framework wherein protections for workers are paired with practical implementation frameworks for businesses. The road ahead must be one of collaboration, where worker rights and business viability are treated not as opposing priorities, but as two sides of the same sustainable coin.

## Employment Practice

JSA has a team of experienced employment law specialists who work with clients from a wide range of sectors, to tackle local and cross-border, contentious and non-contentious employment law issues. Our key areas of advice include (a) advising on boardroom disputes including issues with directors, both executive and non-executive; (b) providing support for business restructuring and turnaround transactions, addressing employment and labour aspects of a deal, to minimize associated risks and ensure legal compliance; (c) providing transaction support with reference to employment law aspects of all corporate finance transactions, including the transfer of undertakings, transfer of accumulated employee benefits of outgoing employees to a new employer, redundancies, and dismissals; (d) advising on compliance and investigations, including creating compliance programs and policy, compliance evaluation assessment, procedure development and providing support for conducting internal investigations into alleged wrongful conduct; (e) designing, documenting, reviewing, and operating all types of employee benefit plans and arrangements, including incentive, bonus and severance programs; and (f) advising on international employment issues, including immigration, residency, social security benefits, taxation issues, Indian laws applicable to spouses and children of expatriates, and other legal requirements that arise when sending employees to India and recruiting from India, including body shopping situations.

JSA also has significant experience in assisting employers to ensure that they provide focused and proactive counselling to comply with the obligations placed on employees under the prevention of sexual harassment regime in India. We advise and assist clients in cases involving sexual harassment at the workplace, intra-office consensual relationships, including drafting of prevention of sexual harassment (POSH) policies, participating in POSH proceedings, conducting training for employees as well as Internal Complaints Committee members, and acting as external members of POSH Committees.

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18 Practices and  
41 Ranked Lawyers



7 Ranked Practices,  
21 Ranked Lawyers



12 Practices and 50 Ranked  
Lawyers



14 Practices and  
12 Ranked Lawyers



20 Practices and  
22 Ranked Lawyers



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