



JSA Prism Employment Law

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Telangana rolls out operational relaxations for commercial establishments

In a significant move, the Government of Telangana, has *vide* notification dated July 5, 2025 (“**Telangana Exemption 2025**”), rolled out certain relaxations for commercial establishments (other than shops) in the State by exempting them from select provisions of the Telangana Shops and Establishments Act, 1988 (“**Telangana S&E Act**”), specifically those governing daily and weekly work hours¹ and rest intervals².

This exemption has been granted under the government’s ease of doing business initiative and follows a similar notification issued on June 12, 2024, which granted a 4 (four) year relaxation to all Information Technology (“**IT**”) and IT-enabled service (“**ITeS**”) establishments in the State, effective May 30, 2024, from certain provisions of the Telangana S&E Act, subject to conditions stipulated therein (“**IT Exemption**”).

Key features and conditions of the Telangana Exemption 2025

The Telangana Exemption 2025 provides relaxations to commercial establishments from Section 16 (*weekly working hours*) and Section 17 (*Rest Intervals*) of the Telangana S&E Act. However, these relaxations are subject to the following conditions:

1. **Daily and weekly working hours:** While the Telangana S&E Act prescribes a standard workday of 8 (eight) hours and 48 (forty-eight) working hours per week, under the Telangana Exemption 2025, the permissible daily working hours have been extended up to 10 (ten) hours. However, the weekly work-hour limit of 48 (forty-eight) hours remains unchanged.
2. **Overtime:** As per the Telangana S&E Act, subject to payment of overtime wages (i.e., wages at twice their ordinary rate of wages), employers may require employees to work in an establishment for any period beyond the regular working hours, subject to a maximum of 6 (six) hours of overtime work in any week. This limit has been replaced with a quarterly cap of 144 (one hundred and forty-four) hours of overtime hours per quarter. The Telangana Exemption 2025 also makes it clear that any work performed in excess of 48 (forty-eight) hours a week will attract overtime wages.
3. **Interval for rest:** The Telangana S&E Act mandates that no employee will be required or allowed to work more than 5 (five) hours in a day without a rest interval of at least 1 (one) hour. The Telangana Exemption 2025 modifies this requirement, allowing employees to work up to 6 (six) hours a day without a break, provided that any period exceeding 6 (six) hours is followed by a rest interval of not less than 30 (thirty) minutes.

¹ Section 16, Telangana S&E Act.

² Section 17, Telangana S&E Act.

4. **Spread over of working hours:** Both the Telangana S&E Act and the Telangana Exemption 2025 stipulate that the total spread-over period of work, including the rest interval, will not exceed 12 (twelve) hours on any given day.

Any violation of the above conditions will result in immediate revocation of the exemption for such an employer, without any prior notice. Unlike the IT Exemption, which has been granted for a specific duration, the Telangana Exemption 2025 does not specify a time limit, implying its applicability until further notice.

Interplay between IT Exemption and Telangana Exemption 2025

The Telangana Exemption 2025, while broad in scope with respect to applicability to all commercial establishments (other than shops), does not expressly override or refer to the earlier IT Exemption dated June 12, 2024. While the Telangana Exemption 2025 may appear to be overlapping with the IT Exemption in terms of scope, their core intent remains aligned to ensure smooth and hassle-free operations for businesses. As a result, a harmonised reading of both notifications would be imperative. Therefore, IT/ITeS establishments, which are already covered under the IT Exemption, can enjoy the relaxations under the Telangana Exemption 2025 as well.

Conclusion

Building on the IT Exemption, the State Government of Telangana has now extended similar operational relaxations to other commercial establishments across the state, aiming to create a more business friendly ecosystem. However, it is interesting to note that since the definitions of 'commercial establishment' and 'shop' under the Telangana S&E Act encompass places where trade and business is carried out, there could be instances where a shop may also qualify as a commercial establishment, making the scope and application of the exemption potentially complex in practice.

Overall, this move by the Government of Telangana reflects a progressive intent to modernise labour regulations in line with evolving business needs. By allowing extended daily working hours, reduced rest intervals, and a rationalised overtime framework, it offers employers with greater scheduling flexibility while maintaining core worker protections. While this is definitely a positive move, it is essential that these relaxations are put to the right use by employers, by leveraging these provisions to improve operational efficiencies, enhance workforce productivity and foster a compliant yet flexible work environment.

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 minimise 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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41 Ranked Lawyers



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