

## Delhi introduces conditional exemption for easing commercial operations

The Government of National Capital Territory of Delhi, *vide* notification dated August 7, 2025 (“**Delhi Exemption 2025**”), has exempted all shops and commercial establishments except liquor shops from select provisions of the Delhi Shops and Establishment Act, 1954 (“**Delhi S&E Act**”). The exemption relates to provisions governing women working during the night time, opening and closing hours of shops and commercial establishments, and the weekly close day, subject to certain conditions.

### Key features and conditions of the Delhi Exemption 2025

The Delhi Exemption 2025 provides relaxations to commercial establishments from Section 14 (*women to work during day time*), Section 15 (*opening and closing hours of shops and commercial establishments*), and Section 16 (*close day*) of the Delhi S&E Act. However, these relaxations are subject to the following conditions:

1. **Daily and weekly working hours:** The notification establishes that the standard working hours will not exceed 9 (nine) hours per day, inclusive of meal and rest breaks, and 48 (forty-eight) hours per week. This represents a departure from the original framework under the Delhi S&E Act, where 9 (nine) working hours per day did not include intervals of rest. Additionally, no employee is permitted to work for more than 5 (five) continuous hours without a break. Notably, matters such as daily and weekly hours, spread-over limits, rest intervals, and overtime will be governed by further notifications as issued from time to time.
2. **Overtime:** Employees required to work beyond the prescribed working hours must be compensated for overtime in accordance with the provisions of the Delhi S&E Act.
3. **Shift working:** Where shift work is adopted, employers must ensure that no employee is compelled to work exclusively during night shifts. The rotation of shifts must be structured in a manner that does not disproportionately assign inconvenient or late working hours to the same individuals on a consistent basis.
4. **Safety and security measures:** Employers are obligated to put in place appropriate safety, security, and transportation arrangements for all employees who are required to work beyond normal working hours prescribed under the Delhi S&E Act (i.e., between 9:00 pm to 7:00 am during summer and 8:00 pm to 8:00 am during winter). Furthermore, each establishment must install closed circuit television systems to record workplace activity and preserve these recordings for a minimum period of 1 (one) month. These recordings must be submitted to the Chief Inspector of Shops upon request.
5. **Work on national holidays:** In the event that employees are engaged on national holidays, they must be granted a compensatory day off in lieu of their service, along with payment of wages at twice the normal rate as overtime compensation. This condition ensures fair treatment and adequate rest for employees required to work during designated public holidays.

6. **Weekly Off in Rotation:** The weekly rest day for employees must be granted on a rotational basis. This ensures that while business operations can continue throughout the week, each employee is still provided with their mandated day of rest.
7. **Constitution of internal committee:** Every employer engaging women workers must constitute an internal committee in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. This committee must be functional and accessible to all women employees, thereby ensuring that any grievances related to workplace harassment are promptly addressed and resolved.
8. **Consent for night shifts:** The deployment of women employees during night shifts is permissible only upon obtaining their explicit consent.
9. **Notice requirement:** A copy of the Delhi Exemption 2025 notification will be prominently displayed at the entrance/exit of the establishment.
10. **Provision for basic facilities:** All establishments availing the exemption must provide their employees with essential amenities, including access to washrooms, safety lockers, and other basic amenities.

Unlike similar exemptions rolled out in other States, the Delhi Exemption 2025 requires establishments to submit a detailed information to the Labour Department of the Delhi Government as a pre-condition for availing the exemption. The required details include the establishment's registration number, name and address, contact details of the occupier or employer, nature of business, and the number of male and female employees. Employers can apply for the exemption online through the official online portal at <https://dlabourwelfareboard.delhi.gov.in/shopexemption>.

As per the Standard Operating Procedure<sup>1</sup> ("SOP") for dealing with exemption applications under the Delhi S&E Act, applications must be submitted electronically through the online portal by the authorised representative of the establishment. As part of the application process, employers are required to complete an online form and upload an undertaking along with the application form, affirming their commitment to comply with all conditions specified in the Delhi Exemption 2025.

The Labour Department will review the applications to verify the accuracy and consistency of the information provided. In case any discrepancies or mismatches are identified between the shop registration data and the exemption application, the applicants will be notified through letter or email and be given an opportunity to respond and rectify the issues.

Once the documentation is complete and any discrepancies have been resolved, the application proceeds through further processing by the Chief Inspector of Shops. The final approval is granted by the Hon'ble Lieutenant Governor of Delhi. Following this approval, the Labour Department will issue a formal gazette notification confirming the exemption. The approved exemption details will be subsequently published on the Labour Department's website for public reference.

## Conclusion

The Delhi Exemption 2025 marks a progressive step towards fostering more flexible business operations in Delhi, while continuing to safeguard employee rights and welfare. Although the exemption application portal has been operational prior to this notification, the current framework formalises and clarifies the conditions under which these relaxations are granted.

The exemption granted under the Delhi Exemption 2025 does not override any other existing orders, notifications, advisories, or circulars issued by other government departments, authorities, or agencies, including law enforcement. Employers must remain mindful of all such obligations and ensure that no conflict arises between this exemption and other prevailing regulations.

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<sup>1</sup> <https://dlabourwelfareboard.delhi.gov.in/shopexemption/public/pdf/SOP.pdf>

By easing specific restrictions, the government is encouraging a more inclusive and efficient commercial environment. However, the benefits of these exemptions remain conditional upon strict compliance with the prescribed requirements. Establishments seeking to avail themselves of these exemptions must ensure full adherence to the stipulated terms and stay vigilant for any further updates or instructions issued by the authorities.

## 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  
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7 Ranked Practices,  
21 Ranked Lawyers



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Ranked Lawyers



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