



JSA Prism Employment Law

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Gujarat promulgates ordinance to ease compliances for shops and establishments

The Governor of Gujarat, *vide* notification dated December 16, 2025, has promulgated the Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) (Amendment) Ordinance, 2025 (“**2025 Ordinance**”) with an intent to ease compliances under the Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019 (“**Gujarat S&E Act**”) and promote ease of doing business in Gujarat.

For the period of operation of the 2025 Ordinance, the Gujarat S&E Act is intended to remain operational along with the amendments introduced *via* the 2025 Ordinance, which aims to reduce certain regulatory burden for shops and establishments in the State by: (i) increasing applicability threshold of the Gujarat S&E Act and rules; (ii) easing business hours and overtime limits; and (iii) strengthening existing safeguards for women to work at night.

Key highlights of the 2025 Ordinance

Applicability of the Gujarat S&E Act

Pursuant to the 2025 Ordinance, with effect from December 16, 2025, shops and establishments in Gujarat employing less than 20 (twenty) workers are exempt from compliance under the Gujarat S&E Act, except for Section 7, which requires such shops and establishments to intimate the commencement of business to the jurisdictional inspector in prescribed manner, within sixty (60) days from the date on which the Gujarat S&E Act came into force or from the date of commencement of business, as applicable.

Previously, registration and other compliances under the Gujarat S&E Act applied to shops and establishments employing 10 (ten) or more workers. The 2025 Ordinance expands the scope of exemption by covering shops and establishments with less than 20 (twenty) workers, potentially relieving a broader segment of small businesses from statutory obligations relating to registration, working hours, leave entitlements, and other operational conditions. This regulatory relaxation could afford entrepreneurs greater flexibility to structure workplace policies aligned with operational requirements and growth strategies.

Revised working hours and increased quarterly limits of overtime

The 2025 Ordinance revises the framework governing working hours by increasing the maximum permissible daily working hours to 10 (ten) hours, from the earlier limit of 9 (nine) hours. It also extends the maximum period of continuous work after which a break is to be provided, to 6 (six) hours, from the earlier threshold of 5 (five) hours. Quarterly overtime limit has also been increased to 144 (one hundred and forty-four) hours, from the earlier limit of 125 (one hundred and twenty-five) hours.

Women working at night

Earlier, the Gujarat S&E Act required shops and establishments to obtain a specific order from the inspector (or any person authorised in this behalf) to permit women (with their consent) to work during night hours i.e., between 9:00 p.m. and 6:00 a.m. Such permission was granted only upon the inspector, or any authorised person, being satisfied that adequate safeguards such as provision of shelter, rest room, night crèche, protection against sexual harassment, and safe transportation from the shop or establishment to the doorstep of the woman worker's residence, were in place, along with any additional conditions specified in the order.

However, the 2025 Ordinance removes this prior approval requirement and replaces it with a more facilitative framework, where, if an employer ensures the provision of essential welfare and safety measures similar to those provided under the Gujarat S&E Act such as rest rooms, night crèche facilities, ladies' toilets, adequate protection of dignity, honour and safety, protection against sexual harassment, and transportation from the shop or establishment to the doorstep of the woman worker's residence, women may be employed during night hours (between 9:00 p.m. and 6:00 a.m.) with their consent, without the need for a separate order from the inspector or any authorised person.

The 2025 Ordinance has also introduced a sub-subsection (3) to Section 13 (*prohibition of discrimination of women*) which empowers the State Government to prohibit or regulate the employment of women during night hours (9:00 p.m. to 6:00 a.m.) in specified shops, establishments, or areas, notwithstanding the general permission framework.

Conclusion

The 2025 Ordinance has been promulgated to provide temporary relief to businesses from certain provisions of the Gujarat S&E Act. It has been promulgated by the Governor of Gujarat in exercise of powers conferred under Article 213 of the Constitution of India, in view of the Gujarat Legislative Assembly not being in session and the Governor being satisfied that circumstances existed necessitating immediate legislative action.

The 2025 Ordinance is temporary in nature and will cease to operate upon expiration of 6 (six) weeks from the date on which the Gujarat Legislative Assembly reassembles, unless it is earlier withdrawn or is replaced with an amendment by the Gujarat Legislature within this period. By introducing enhanced flexibility in working hours and easing regulatory burdens for small businesses, the 2025 Ordinance aims to foster a more business-conducive environment while maintaining essential worker protections, especially for women. Even though the 2025 Ordinance provides for more flexible working hours, this enhanced flexibility is balanced by the retention of the overall weekly working hour ceiling at 48 (forty-eight) hours, which remains unchanged. By maintaining the weekly cap under the Gujarat S&E Act, the 2025 Ordinance ensures that any extended daily engagement does not translate into excessive workweeks and ensures that any additional hours worked beyond the prescribed limits continue to attract overtime compensation, thereby maintaining statutory protections for workers notwithstanding the enhanced daily flexibility. By increasing the total permissible overtime hours in a quarter, the 2025 Ordinance allows businesses to better manage any seasonal spike in business needs without affecting operations while ensuring workers are paid fairly for their extra work harmonising business efficiency with core labour welfare safeguards.

By removing regulatory constraints that disproportionately affected women, the 2025 Ordinance also enables women workforce participation while preserving core welfare principles, thereby advancing substantive workplace equality in a legally balanced manner.

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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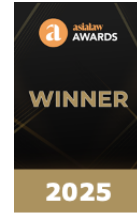
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