



JSA Prism Employment Law

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Karnataka's legal leap for platform-based gig workers: Unpacking the Karnataka Platform Based Gig Workers (Social Security and Welfare) Act, 2025

The proliferation of digital platforms in India has redefined the nature of employment and labour relations. Needless to mention, cities like Bengaluru, the technological nerve center of India, have emerged as key hotspots for gig-based work, driven by various platforms. These platforms rely heavily on a vast workforce of platform-based gig workers who perform services ranging from transportation to food delivery to home-based services and logistics. Despite their integral role in the digital economy, such gig workers have long operated in a legal vacuum, excluded from the traditional labour protections such as minimum wages, social security coverage, safety standards, and protections against unfair termination.

In an effort to address these systemic gaps and bring formal recognition and protection to this emerging workforce, the Government of Karnataka has enacted the Karnataka Platform Based Gig Workers (Social Security and Welfare) Act, 2025 (the "**Karnataka Platform Workers Act**") with effect from May 30, 2025. Thereafter, on November 19, 2025, the Government of Karnataka has notified the Karnataka Platform Based Gig Workers (Social Security and Welfare) Rules, 2025 (the "**Karnataka Platform Workers Rules**").

By virtue of the Karnataka Platform Workers Act being brought into force, it replaces and repeals the Karnataka Platform Based Gig Workers (Social Security and Welfare) Ordinance, 2025, introduced on May 27, 2025, serving as the sole legal framework for platform-based gig work in the state of Karnataka.

Applicability of the Karnataka Gig Workers Act

The Karnataka Platform Workers Act extends to aggregators¹ and platforms² operating within the State of Karnataka. 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

¹ As defined under Section 2(b) of the Karnataka Platform Workers Act: "aggregator" means a digital intermediary for a buyer of goods 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;

² As defined under Section 2(g) of the Karnataka Platform Workers Act: "platform" means any arrangement providing a service through electronic means, at the request of a recipient of the service, involving the organisation 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.

hospitality, content and media services, within the state of Karnataka (“**Services**”). In terms of the beneficiaries under the law, the Karnataka Platform Workers Act applies to platform based ‘gig workers’³.

Salient features of the Karnataka Platform Workers Act

Creation of a Karnataka Platform Based Gig Workers Welfare Board

As per the Karnataka Platform Workers Act a Karnataka Platform Based Gig Workers Welfare Board (the “**Board**”), headquartered in Bengaluru will be constituted by the State Government, to perform such duties and exercise such powers as conferred upon the Board under the Karnataka Platform Workers Act. The Board will be chaired by the Minister in-charge of the Department of Labour, and will include representatives from gig and platform workers, aggregator platforms, civil society, and relevant government departments. A technical expert in the field of data collection and information technology systems may also be invited to provide inputs as necessary. The Board will oversee the implementation of welfare measures and ensure compliance with the Karnataka Platform Workers Act.

Registration of platform based gig workers

All platform-based gig workers in Karnataka must be registered with the Board to avail benefits under the Karnataka Gig Workers Act. For this purpose, aggregators and platforms must submit their existing database of all gig workers onboarded or registered with them to the Board within 45 (forty-five) days from the date of commencement of the Karnataka Platform Workers Act. Post-commencement, data on all new gig and platform workers onboarded must be electronically shared with the Board within 30 (thirty) days of their onboarding. The Karnataka Platform Workers Rules also specify that aggregators and platforms must update the Board of any changes in the number of platform-based gig workers, reflecting new additions or separations, within 7 (seven) days of such change. If technical issues or unavailability of the digital portal prevent timely compliance, the submission timeline will stand extended by 7 (seven) working days from the original due date.

The Board will generate a Unique Identification Number (“**UIN**”) for each registered platform-based gig worker and communicate the UIN to the worker via the mobile number provided, as well as to the concerned aggregator or platform.

All data relating to individual platform-based gig workers will be handled by the Board in accordance with the Digital Personal Data Protection Act, 2023 and the rules made thereunder, and will be used solely for statistical analysis and for providing social security benefits to such workers.

Registration of aggregators/platforms

Every platform or aggregator must register with the Board within 45 (forty-five) days of the commencement of the Karnataka Platform Workers Act.

Upon successful registration, the Board will issue a registration certificate along with a unique registration number. Where a body corporate or group operates multiple distinct aggregators or platforms falling within the scope of the Karnataka Platform Workers Act, a single registration will suffice for that legal entity. If, after registration, such an entity begins operating a new and distinct aggregator or platform within the State or brings an existing aggregator or platform under its control, it must notify the Board of this addition within 30 (thirty) working days from the commencement of operations of the new or newly acquired platform.

If an aggregator or platform is demonstrably unable to complete its registration within the prescribed timeline solely due to technical malfunctions or unavailability of the designated registration portal, the Board may, upon being

³ As defined under Section 2(e) of the Karnataka Platform Workers Act: “gig worker” means a person who performs work or participates in a work arrangement that results in a given rate of payment, based on terms and conditions laid down in such contract and includes all piece-rate work, and whose work is sourced through a platform, in the services specified in the Schedule;

satisfied of such circumstances, grant an extension not exceeding 30 (thirty) working days. In cases where an aggregator or platform fails to register, the Board will issue a notice directing it to complete registration, require submission of work histories of all gig workers engaged since commencement of the Karnataka Platform Workers Act, ensure deduction and deposit of the requisite welfare fee for relevant transactions, and recommend to the State Government the imposition of a penalty.

Where a registered aggregator or platform operates in more than one sector, it must provide disaggregated data based on each of its sectoral verticals, such as ride-hailing, food delivery, logistics, or home services, including distinct payout structures and the number of platform-based gig workers in each sector. The aggregator or platform must also deposit welfare fee contributions separately for each sector.

Contractual obligations

The Karnataka Platform Workers Act mandates that any contract entered into between gig workers and platforms or aggregators must comply with its provisions. Importantly, in the event of any proposed changes to the terms of the contract, the workers must be given prior notice of not less than 14 (fourteen) days. Furthermore, platforms and aggregators are obligated to ensure that the contract terms are transparent, comprehensive, and fair, particularly in relation to payment obligations, including any applicable deductions. Notably, the Karnataka Platform Workers Act also requires the contract to explicitly acknowledge the worker's right to refuse tasks offered by the platform or aggregator.

Automated monitoring and decision making systems

The platform based gig workers must be provided with clear and accessible information with respect to the procedure to request further details or clarification, regarding the automated systems used by aggregators or platforms to monitor or make decisions that affect their working conditions. This includes, but is not limited to, systems influencing fares, earnings, customer feedback, and other related metrics. The Karnataka Platform Workers Rules specify that the aggregators or platform will respond to the queries of the platform based gig worker within 5 (five) working days of receipt of the same.

Termination protocols

The Karnataka Platform Workers Act requires the contract executed between the workers and the aggregator or platform to contain an exhaustive list of grounds for termination of the contract by the aggregator or deactivation of the worker from the platform.

Further, the workers may only be terminated for valid reasons, which must be communicated to them in writing, and the principles of natural justice must be observed throughout the process. Aggregators and platforms are required to provide a minimum of 14 (fourteen) days' prior notice before terminating a platform based gig worker's engagement.

However, the Karnataka Platform Workers Act creates an exception in cases involving allegations of bodily harm. Additionally, the Karnataka Platform Workers Rules also empower an aggregator to terminate a platform-based gig worker with immediate effect, in the interest of buyers and the public at large. Such immediate termination is permitted in cases involving offences under Chapter V (Offences Against Women and Children) and Chapter VI (Offences Affecting the Human Body) of the Bharatiya Nyaya Sanhita, 2023, as well as in instances of material and financial fraud. The Board may also specify additional offences from time to time for which immediate termination may be effected.

Deductions

In cases where a deduction is made from the final payout made to a platform-based gig worker, the aggregator/platform is obligated to inform the rationale for such deduction within the invoice raised.

The Karnataka Platform Workers Act stipulates that aggregators or platforms are required to make payments in accordance with the terms of their contracts, with payout cycles either daily, weekly, biweekly, or monthly. However, it also mandates that they be compensated at least on a weekly basis, with no delays in payment disbursement.

This creates a potential contradiction between the flexibility provided in the payout cycle. While the platform could technically offer other payout cycles (like bi-weekly or monthly), the explicit provision to compensate on a weekly basis with no delays appears to suggest that weekly payouts are a minimum standard.

Working conditions

The aggregator is liable to provide and maintain a working environment that is safe and without risk to the health of the worker. This includes ensuring that platform-based gig workers have adequate periods of rest, access to sanitary and rest facilities, and reasonable travel time to and from such facilities.

Any additional sector-specific occupational safety and health standards or standard operating procedures prescribed by the Board from time to time will also need to be complied with within 3 (three) months from the date on which such standards are communicated or published on the Board's official portal.

Aggregators and platforms are also required to provide all platform-based gig workers with access to safety guidance and in-app panic button features, wherever applicable. They must further ensure that the workers receive information and training on occupational hazards and safe work practices, as well as access to first-aid guidance and emergency helpline numbers.

The Karnataka Platform Worker Rules also clarify that all complaints of sexual harassment faced by women will be addressed in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Point of contact

Each platform is required to provide a human point of contact to assist platform-based gig workers with any clarifications related to the provisions of the Karnataka Platform Workers Act. In addition to providing contact details, the aggregator/platform may also establish physical spaces where the workers can visit in person to seek clarifications regarding their rights and responsibilities under the Karnataka Platform Workers Act. The contact information for the point of contact must be made readily available on the platform worker's account within the platform application, ensuring easy access to support for any inquiries or concerns.

Social security and welfare fund

The State Government will establish the Karnataka Gig Workers' Social Security and Welfare Fund for the benefit of registered platform-based gig workers where monies for welfare fee are levied, contributions made by individual platform-based gig workers, and such other sums are received.

Under the Karnataka Platform Worker Rules, any voluntary contributions made by aggregators over and above the mandatory welfare fee (and deposited into the said fund) will be treated as a Corporate Social Responsibility initiative under the Companies Act, 2013. Such voluntary contributions will also be eligible for income-tax deductions under the Income-tax Act, 1961.

Welfare fund contributions

Aggregator platforms will be mandated to contribute a welfare fee, known as the Platform-Based Gig Workers Welfare Fee ("**Welfare Fee**"), ranging between 1% and 5% of each transaction payout made to platform-based gig workers. Within 5 (five) working days from the end of each quarter, every aggregator must automatically calculate and self-declare the Welfare Fee, which must then be deposited on a quarterly basis.

If an aggregator fails to deposit the Welfare Fee within the prescribed timeline, it will be liable to pay simple interest on the outstanding amount at a rate notified by the State Government. The Karnataka Platform Workers Act specifies that such failure will attract simple interest at 12% per annum, calculated from the date the payment became due until the date it is actually made. However, no interest will be levied if the aggregator's failure to make the payment arose solely due to a technical malfunction of the Payment and Welfare Fee Verification System ("**PWFVS**") portal and the payment is made within an extended period of 30 (thirty) days.

Where an aggregator or platform fails to make the required contributions under the Karnataka Platform Workers Act, the prescribed authority may issue a show-cause notice and provide a reasonable opportunity to explain the non-compliance before imposing any fine or penalty. In cases of outstanding or unpaid welfare fee, the Board will issue a notice to the aggregator and, after granting an opportunity of being heard, pass an order imposing the applicable fine.

Every payment made to platform-based gig workers, along with the corresponding Welfare Fee deducted by platforms, must be reported to PWFVS, together with any additional required information, within 7 (seven) days of each transaction, in the prescribed manner. Each aggregator must also reconcile its data and upload the reconciled information to the system designated by the Board by the end of every month.

If an aggregator or platform has made an excess contribution toward the Welfare Fee, it may submit a claim for refund of the excess amount to the Board within 90 (ninety) days. The designated officer appointed by the Board will examine the claim, provide a hearing where considered appropriate, and issue an order, either granting or rejecting the refund, within 30 (thirty) days from the date of receipt of the claim.

If, during reconciliation, the Board's finance section identifies any short or insufficient contribution of the Welfare Fee, the Board will issue a show-cause notice directing the concerned aggregator or platform to remit the deficit amount within the timeframe specified in the notice.

The Karnataka Platform Workers Act also specifies that the Welfare Fee collected will be counted as part of the total contribution payable under Section 114(4) of the Code on Social Security, 2020 ("**SS Code**"), which addresses the social security fund for gig and platform-based workers. In cases where there is a discrepancy between the Welfare Fee collected and the total contribution required, this difference may be reconciled on an annual basis. While the Karnataka Platform Workers Act permits reconciliation of any discrepancy between the Welfare Fee collected and the total contribution required on an annual basis, the Karnataka Platform Worker Rules mandate that such reconciliation be carried out quarterly. Aggregators must upload the relevant reconciliatory calculations to the PWFVS, and upon approval by the Board's auditor, the Board will adjust or refund the corresponding amount within ninety days of the aggregator's request.

Grievance redressal

Registered platform workers are entitled to a 2 (two) tier grievance redressal mechanism, which allows them to file complaints against: (a) aggregators and platforms; and/or (b) the Board.

In relation to issues such as payouts, deductions, terminations, or any other violations of their rights, platform based gig workers may file a grievance with the Internal Dispute Resolution Committee ("**IDRC**") to established by the respective aggregator/platform, along with supporting documents within a period of 7 (seven) working days from the receipt of intimation about such violation. The process for filing the grievance may be done either in person or *via* an online petition through the prescribed web portal, which must be provided on the platform application by the aggregator/platform.

The IDRC will consist of the following members: one Chairperson at a senior management level; 2 (two) management representatives; and not fewer than 3 (three) senior platform-based gig workers. At least 2 (two) members of the committee must be women. Additional IDRCs may be constituted at other units or branches as required. The IDRC must publish details of its grievance redressal procedures on the platform's portal and hold meetings at regular intervals to address and resolve worker grievances.

In terms of the process, the IDRC is required to resolve grievances within 14 (fourteen) days of receiving a petition, and a written action taken report must be provided to the complainant within this timeframe. If the worker does not receive the action taken report within 14 (fourteen) days, or if they are unsatisfied with the redressal provided by the IDRC, the grievance will be forwarded to the Board within 30 (thirty) days, whose decision will be final. The IDRC is required to dispose of the grievance by passing a redressal order within 45 (forty-five) days of receiving the petition. However, under the Karnataka Platform Worker Rules the IDRC will deal with such grievances and will make an endeavor to resolve them within 15 (fifteen) working days.

Additionally, if a grievance arises out of entitlements, social security payments, or other benefits provided by the Board, the platform-based gig worker may file a petition either in person before a grievance redressal officer appointed by the State Government or through the prescribed web portal.

Returns

The aggregator or platform will electronically submit quarterly returns to the Board, in the prescribed form, within 30 (thirty) working days from the end of each quarter. However, in the interest of promoting ease of doing business, the Government may, by notification, permit the submission of such returns on a half-yearly or annual basis.

Penalties

Contravention of the provisions of the Karnataka Platform Workers Act, may subject an aggregator or platform to a fine of up to INR 5,000 (Indian Rupees five thousand) for the first contravention and a fine up to INR 1,00,000 (Indian Rupees one lakh) for any subsequent contravention.

In case of any contravention of the provisions of the Karnataka Platform Workers Act or rules made there under, the Board will issue a notice to the concerned aggregator or platform. After providing an opportunity for the party to be heard, the Board may pass an order imposing the applicable fine. An aggregator or platform aggrieved by such an order may seek reconsideration from the State Government within 30 (thirty) days from the date of receipt of the order.

Conclusion

The Karnataka Platform Workers Act represents an ambitious attempt to introduce legislative protection for a class of workers who have remained outside the fold of conventional labour laws. While other states such as Rajasthan and Telangana have initiated similar legislative efforts, including the Rajasthan Platform Based Gig Workers (Registration and Welfare) Act, 2023 ("**Rajasthan Act**"), and the [Draft](#) Telangana Gig and Platform Workers (Registration, Social Security and Welfare) Act, 2025 ("**Telangana Draft Bill**"), Karnataka's approach distinguishes itself in 2 (two) significant ways.

The Karnataka Platform Workers Act uniquely enshrines the right of platform-based gig workers to refuse tasks offered by the aggregator or platform, a right that is not explicitly recognised under either the Rajasthan Act or the Telangana Draft Bill. This provision is noteworthy in light of common platform practices where task refusals can result in reduced visibility, lower incentives, or deactivation. By legally recognising this right, the law in Karnataka acknowledges the autonomy and agency of platform-based gig workers and takes an important step towards balancing platform control with worker independence, a progressive move absent from peer legislations.

Another notable feature is the Karnataka Platform Workers Act is the detailed termination protocols, which mandate that platform-based gig workers may be terminated only for valid and reasonable cause and by following the principles of natural justice, with such reasons communicated in writing. These provisions also echo the principles enshrined under the Karnataka Shops and Establishments Act, 1961, which requires termination to be based on a reasonable cause or for misconduct, thereby extending similar standards of procedural fairness to the gig economy.

However, the requirement for an exhaustive list of termination grounds to be included in contracts can be seen as a double-edged sword. While it promotes transparency and prevents arbitrary terminations, it may also limit flexibility for aggregators/platforms, as not all contingencies or circumstances that might justify a termination can be anticipated and contractually enumerated. This could lead to challenges in enforcement and interpretation in future disputes.

In sum, the Karnataka Platform Workers Act represents a strong and progressive step towards recognising gig workers as a legitimate workforce deserving of legal protection, welfare entitlements, and procedural safeguards. However, the success of the law will ultimately depend on its implementation, digital infrastructure, and the cooperation of platforms and workers alike in building a more equitable and secure future for gig workers.

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

This Prism is prepared by:



Preetha Soman

Partner



Rebecca Thomas

Associate



Sneha Mohanty

Associate



18 Practices and
41 Ranked Lawyers



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21 Ranked Lawyers



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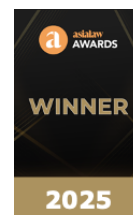
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