



Sakshi Singhal
Senior Associate

WORKING HOURS EXEMPTION FOR CERTAIN SECTORS IN GUJARAT

On February 5, 2024, the Government of Gujarat issued a notification (**Notification**),¹ exempting the IT, ITeS, and financial services companies (**Exempted Establishments**) from certain provisions of the Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2019 (**the Act**). These relate to working hours and the spread-over of work for employees working in Exempted Establishments.

Overview

Section 12 of the Act² mandates an employee's working hours to be limited to nine hours in a day and 48 hours in a week. Employers must seek prior permission from the Inspector (appointed under the Act) to relax these limits in case of any urgent work.

Section 14³ limits the spread-over of an employee to ten and half hours in any day. However, in cases where the nature of work is intermittent or urgent, this can be extended up to twelve hours.

With this Notification, the Exempted Establishments receive an exemption for a period of two years from the date of its issuance. As per the Notification, the Exempted Establishments are allowed to enforce longer working hours for its employees, provided they adhere to the other provisions of the Act that continue to remain applicable on them.

Analysis

The Notification permits Exempted Establishments to extend their working hours beyond the limits set in the Act, thereby offering greater operational flexibility. However, to qualify for this exemption, Exempted Entities must continue to comply with the remaining provisions of the Act. Consequently, they must adhere to the provisions related to weekly holidays, leaves, safety, welfare measures, and overtime wages.

While the Notification allows Exempted Establishments to exceed the Act's prescribed working hours by paying overtime wages, the total overtime hours must not exceed 125 hours in a three-month period.⁴

This *Counselence Connect* contains information in a nutshell on a recent change in law.

This is not legal advice and must not be treated so. For any clarifications, please contact us at: info@counselence.com. Past issues of *Counselence Connect* are available at the 'Newsletters' page of our website (www.counselence.com).

¹ Notification no. GHR/2024/19/LED/TGS/e-file/11/2023/2453/M.3, available [here](#).

² Section 12 - *Fixing of hours of work*.

³ Section 14 - *Spread-over of hours of work*.

⁴ Section 15- *Payment of wages for overtime*.