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## **KARNATAKA EXTENDS LABOUR LAW EXEMPTION TO TECH COMPANIES**

### **Overview**

The Government of Karnataka has issued a notification extending the exemption granted the IT, ITeS, and other companies from applicability of the Industrial Employment (Standing Orders) Act, 1946, (**Act**), subject to certain conditions.

On June 10, 2024, the Labour Department, Government of Karnataka issued a notification<sup>1</sup> (**Notification**) extending the previous time-bound exemption to IT, ITeS, startups, animation, gaming, computer graphics, telecom, BPO, KPO and other knowledge-based industries (**Exempted Establishments**) for additional five years from applicability of the Act. The previous exemption had expired on May 25, 2024.

### **Conditions**

By the Notification, the Exempted Establishments will continue to enjoy the exemption subject to the following conditions as imposed earlier *i.e.*, they must:

- Constitute Internal Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder.
- Constitute Grievance Redressal Committee (**GRC**) empowered to handle all types of complaints or grievances of employee with a reasonable time frame. The GRC must consist of equal number of persons representing employer and employees.
- Intimate the jurisdictional Deputy Labour Commissioner and Commissioner of Labour in Karnataka (**Authorities**) about cases of disciplinary action like suspension, discharge, termination, demotion, and dismissal of its employees.
- Submit promptly and fully any information sought by the Authorities regarding service conditions of the employees within the reasonable time frame fixed by the Authorities.

The Notification additionally mandates that in the event the Industrial Relations Code, 2020 is brought into force, the Exempted Establishments must comply with the Code.

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

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<sup>1</sup> Notification No. LD 328 LET 2023, dated June 10, 2024.