



TELANGANA STATE EMPLOYMENT LAW ADVISORY: EXEMPTION TO IT / ITES ESTABLISHMENTS

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The Government of Telangana has recently extended the exemption granted to IT/ITeS establishments in the State (including Hyderabad) from specific provisions of the local law, the Telangana Shops and Commercial Establishments Act, 1988 (“TSEA”) for a period of 4 years with effect from May 30, 2024, by way of notification dated June 7, 2024 (“2024 Notification”).

Exemption Conditions

The 2024 Notification exempts establishments in the IT/ITeS sector from the applicability of Section 15 (*Opening and closing hours*), Section 16 (*Daily and weekly hours of work*), Section 21 (*Special provisions for young person*), Section 23 (*Special provisions for women*) and Section 31 (*Other holidays*) of the TSEA.

While the exemption is automatic, impacted employers will need to adhere to the conditions provided in the 2024 Notification. We have briefly stated the conditions below:

- (a) **Working hours and Overtime:** Working hours should not exceed 48 hours per week, and if an employee works for more than 48 hours in a week, they are entitled to overtime wages.
- (b) **Weekly Off:** Every employee must be granted a weekly day off.
- (c) **Compensatory Holiday:** If an employee works on a notified holiday, they should be provided a compensatory holiday with wages in lieu of notified holiday within 30 days from the date of such holiday.
- (d) **Engaging women employees during night shifts:** Employers are allowed to engaged women employees during the night shift (8:00 p.m. to 6:00 a.m.) subject to adequate security and to and from transport from their respective residents. This also includes the employer having a travel desk for monitoring vehicle movements and careful selection of routes where no woman employee is picked up first and dropped last. The 2024 Notification lists further compliances in relation to this from a safety perspective.

- (e) **Pre-employment Screening for Drivers:** Employers are required to obtain biodatas of each driver and conduct pre-employment screening of the antecedents of all drivers employed on their own or through outsourcing.
- (f) **Maintaining registers:** Integrated registers and integrated returns must be filed by the employer as per the Notification issued by the Government of Telangana (G.O.MS. No. 23 dated March 24, 2016).

The 2024 Notification specifically outlines the repercussions of failing to adhere to the conditions and states that non-compliance would lead to the cancellation of the exemption without prior notice.

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