



CIVIL

Andhra Pradesh Extends Regulatory Exemption to IT and ITES Sector Under Shops and Establishments Act

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The Government of Andhra Pradesh has issued a notification granting a further extension of exemption to Information Technology (IT) and Information Technology Enabled Services (ITES) establishments under the Andhra Pradesh Shops and Establishments Act, 1988. This exemption, effective from March 25, 2025, is designed to support the growth of the IT sector while maintaining essential labour protections.

The exemption specifically covers Sections 15, 16, 21, 23, 31, and 47(1)(2)(3)(4) of the Act. Section 15 typically regulates working hours, Section 16 addresses rest intervals, Section 21 relates to information display requirements, Section 23 concerns employment of young persons, Section 31 covers health and safety provisions, and Section 47 encompasses various administrative compliance requirements.

This five-year exemption applies exclusively to IT and ITES establishments operating within Andhra Pradesh. While these businesses are relieved from compliance with the specified sections, they must still adhere to all other applicable laws and regulations. The exemption does not diminish the fundamental rights of employees, who remain protected under other labour laws regarding fair wages, safe working conditions, and freedom from exploitation.

The exemption granted to IT and ITES establishments is subject to several conditions to ensure employee welfare and security. Employees are required to adhere to a 48-hour workweek, with overtime compensation for extra hours. A mandatory weekly off must be provided. Women employees may work night shifts, provided they have adequate security and transportation to and from their residences. All employees must receive identity cards and other welfare benefits as per existing labour regulations.

For employees working on notified holidays, a compensatory holiday with wages must be provided under Section 31(2) of the Andhra Pradesh Shops and Establishments Act, 1988. Employers must conduct background checks on all drivers, whether employed directly or through outsourcing, ensuring records such as driving licenses, photographs, addresses, and contact details are maintained. The transport schedule and routes should be planned weekly, with any changes requiring approval from supervisory officers. Women's contact details must be kept confidential, and routes must be arranged so no woman is picked up first or dropped off last.

Additional security measures include the deployment of security guards in night shift vehicles, random vehicle checks by company supervisors, and a GPS-based monitoring system through a control room or travel desk. Companies must ensure that all transport vehicles are registered under the VAHAN app and that women employees use the security mobile app of the police department. CCTV cameras should be installed at boarding and alighting points for enhanced safety. Security for women employees must be provided before 6 AM and after 8 PM.

Furthermore, IT and ITES companies are exempted from maintaining statutory registers in hard copies, with digital records being considered sufficient. Employee returns must be filed online through the designated government website. The exemption may be revoked at any time if companies fail to comply with these conditions or for any other reason, without prior notice.

The exemption is granted for a fixed period of five years, after which a separate notification would be required for renewal or extension. This policy aims to create a favourable business environment for the IT sector while balancing the need to protect worker rights through other regulatory frameworks. For further details write to contact@indialaw.in