KPMG

Tax Flash News

10 December 2025

KPMG. Make the Difference.

Government of India issues the Industrial Relations Code (Removal of Difficulties) Order, 2025

Executive summary

The Government of India (GOI) had notified the Industrial Relations Code, 2020 (the Code), along with other labour codes, on 21 November 2025. Please refer our Flash News dated 21 November 2025 for more details.[1]

As per the provisions of the Code, cases pending before Labour Courts, Industrial Tribunals and National Tribunal constituted under Industrial Disputes Act 1947 before commencement of the Code, shall be transferred to Industrial Tribunals and National Industrial Tribunal having corresponding jurisdiction under the Code. However, the Industrial Tribunals and National Industrial Tribunal is yet to be constituted under the Code.

The Industrial Relations Code (Removal of Difficulties) Order, 2025 (the Order), notified on 8 December 2025[2], clarifies that the existing Labour Courts, Industrial Tribunals, and National Industrial Tribunal established under the Industrial Disputes Act, 1947 will continue to handle both ongoing and new cases. This measure ensures uninterrupted adjudication and prevents any legal or administrative vacuum until the new Industrial Tribunals and National Industrial Tribunal are constituted under the Code.

---

[1] Link to access flash dated 21 November 2025

[2] S.O. 5683(E) published in the Gazette of India on 8 December 2025

Background

GOI had implemented the Code by way of a notification on 21 November 2025.

As per the provisions[3] of the Code, cases pending before:

- Labour Court and the Industrial Tribunals constituted under the Industrial Disputes Act, 1947, shall be transferred to the Tribunal having corresponding jurisdiction under this Code.
- National Tribunal constituted under the Industrial Disputes Act, 1947 shall be transferred to the National Industrial Tribunal having corresponding jurisdiction under this Code.

Cases transferred to Tribunals and National Industrial Tribunal shall be dealt with *de novo* or from the stage at which they were pending before such transfer, as it may deem fit.

In the case of *N.A. Sebastian*[4], the Delhi High Court observed that section 51 of the Code mandates transfer of pending cases to new Industrial Tribunals/ National Industrial Tribunal. However, such Tribunals are yet to be constituted under section 44 of the Code.

The Court noted that as a result of the non-availability of the Industrial Tribunals under the Code, the cases which were pending on or before 21 November 2025 before the Industrial Tribunals / Labour Courts created under the Industrial Disputes Act, 1947 cannot be pursued any further. Even new labour or industrial disputes cannot be brought before any Tribunal on account of non-availability of the Tribunal to be constituted under the Code.

Key provisions of the Order

With the objective to remove practical difficulties arising from the above, GOI has issued an Order as per the provisions[5] of the Code.

The Order came into effect on 8 December 2025.

As per the Order, the existing Labour Courts, Industrial Tribunals and National Industrial Tribunals constituted under the Industrial Disputes Act, 1947 shall continue to adjudicate existing as well as new cases, for the purpose of ensuring continuity of adjudication and avoiding any legal or administrative vacuum until the constitution of Industrial Tribunals and National Industrial Tribunals under the Code.

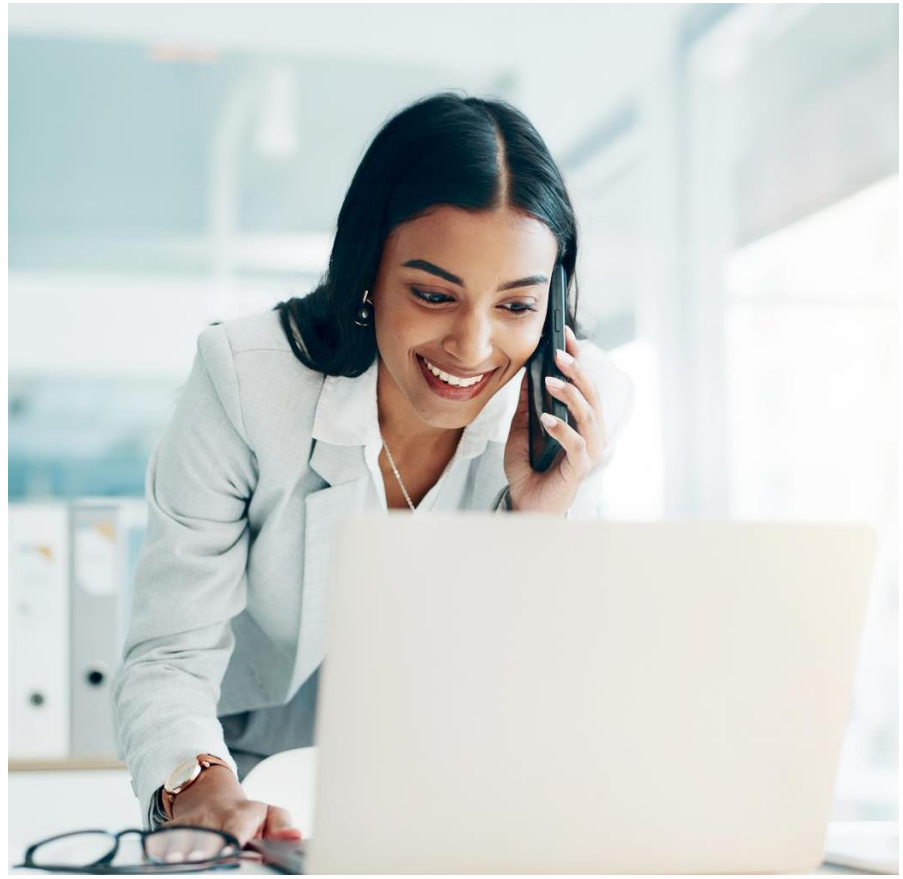
[3] Section 51 of the Code

[4] *N.A. Sebastian & Anr.* v. *Union of India* (W.P. (C) 18325 / 2025 CM Appl. 75888/ 2025 on 3 Dec 2025)

[5] Section 103 of the Code

Our comments

The Order issued by the GOI constitutes a significant measure to uphold continuity in adjudicatory functions and avert any legal or administrative vacuum pending the establishment of Industrial Tribunals and National Industrial Tribunals under the Code.



KPMG in India addresses:

Ahmedabad
Commerce House V, 9th Floor, 902, Near Vodafone House, Corporate Road, Prahlad Nagar, Ahmedabad – 380 051.
Tel: +91 79 4040 2200

Hyderabad
Salarpuria Knowledge City, Orwell 6th Floor, Unit-3, Survey No 83/1, Plot No 2, Raidurg, Hyderabad – 500 081.
Tel: +91 40 6111 6000

Noida
Unit No. 501, 5th Floor, Advant Navis Business Park, Tower-A, Plot# 7, Sector 142, Expressway Noida, Gautam Budh Nagar, Noida – 201 305.
Tel: +91 0120 386 8000

Bengaluru
Embassy Golf Links Business Park, Pebble Beach, 13/02, 'B' Block, 1st & 2nd Floor, Off Intermediate Ring Road, Bengaluru – 560 071
Tel: +91 80 6833 5000

Jaipur
Signature Towers, Office No. 402, Fourth Floor, S Plot No. DC-II, Lal Kothi District Shopping Center, Tonk Road, Jaipur – 302 001
Tel: +91 141 – 672 1000

Pune
9th floor, Business Plaza, Westin Hotel Campus, 36/3-B, Koregaon Park Annex, Mundhwa Road, Ghorpadi, Pune – 411 001.
Tel: +91 20 6747 7000

Chandigarh
Elante Offices, Unit No. A505, 5th Floor, Plot No.178-178A, Industrial Area Phase-1, Chandigarh – 160 002.
Tel: +91 172 664 4000

Kochi
Syama Business Centre, 49/179, 3rd Floor, NH 47, Bypass Road, Vytilla, Kochi – 682 019.
Tel: +91 484 302 5600

Chennai
KRM Towers, Ground, 1st, 2nd, & 3rd Floor, No. 1, Harrington Road, Chetpet, Chennai – 600 031.
Tel: +91 44 3914 5000

Kolkata
Unit No. 604, 6th Floor, Tower – 1, Godrej Waterside, Sector – V, Salt Lake, Kolkata – 700 091.
Tel: +91 33 4403 4000

Mumbai
Lodha Excellus, Apollo Mills Compound, 2nd Floor, N M Joshi Marg, Lower Parel, Mumbai- 400 011.
Tel: +91 22 3989 6000

Vadodara
Ocean Building, 303, 3rd Floor, Beside Center Square Mall, Opp. Vadodara Central Mall, Dr. Vikram Sarabhai Marg, Vadodara – 390 023.
Tel: +91 265 619 4200

Vijayawada
PR heights, 4th Floor, NH 16 Service Rd, opp. Manipal Hospital Road, Tadepalle, Andhra Pradesh – 522 501.
Tel: +91 0864 536 2000

Gurugram
Building No.10, 8th Floor, DLF Cyber City, Phase II, Gurugram, Haryana – 122 002.
Tel: +91 124 307 4000

kpmg.com/in
Follow us on:
kpmg.com/in/socialmedia