

**GRAFFITI
#1****ASCI Sets Draft Rules on AI-Generated Ads**

The Advertising Standards Council of India (ASCI) has released draft guidelines on May 8, 2026 on responsible labelling of synthetically generated content in advertising, aimed at ensuring ads remain honest, decent, safe, and fair. Rather than regulating AI technology itself, the guidelines adopt a risk-based framework focused on consumer outcomes. High-risk content such as fabricated endorsements, deepfakes, fake locations, or AI-generated fictional authority figures like doctors promoting supplements is prohibited outright and violates the ASCI Code even if labelled. Medium-risk uses, where AI materially influences consumer decisions, require mandatory disclosure; this includes synthetic influencers, replicated voices or likenesses, AI-generated product visuals, and sponsored product suggestions. Low-risk uses such as routine colour correction, decorative backgrounds, ambient music, or clearly fantastical elements require no labelling. When disclosure is needed, brands may use labels such as **"Audio/Video created using AI"** or **"Audio/Video enhanced using AI."** Importantly, the guidelines make clear that marking an AI label on an advertisement does not automatically make it compliant. If the end effect of synthetically generated content is likely to mislead or harm consumers, it may still be considered objectionable regardless of any disclosure. All AI-driven advertisements must therefore comply with the entirety of the ASCI Code.

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#2****Central Rules Under All Four Labour Codes Stand Notified**

On May 8, 2026, India's Ministry of Labour and Employment notified the Central Rules under all four Labour Codes (**"Central Rules"**). The four codes had originally come into force on November 21, 2025, when 29 central labour statutes were subsumed into them. The Central Rules notified on May 8, 2026 do not apply uniformly to all establishments. The applicability hinges on which entity qualifies as the 'Appropriate Government' for a given establishment under the respective Labour Codes. Establishments where the Central Government is the 'Appropriate Government' must comply with the newly notified Central Rules in full across all four Labour Codes. Establishments where the State Government is the 'Appropriate Government' have a more nuanced position. While they must await their respective State Rules for rule-dependent provisions, a practical approach would be to continue complying with the provisions of the Codes that do not require rules for compliance, which have been in force since November 21, 2025. Where rules are needed, reference may be made to the old State Rules framed under the repealed laws, provided they are not inconsistent with the new Codes; and where no such corresponding rules exist or where they conflict, establishments should await the notification of the respective State Rules.

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#3****Data Protection Board Gets Real: MeitY Invites Applications for Chairperson and Members**

India's data protection landscape has moved from legislation to institution-building. The Ministry of Electronics and Information Technology has issued a formal advertisement on May 6, 2026 inviting applications for the post of Chairperson and four Members of the Data Protection Board of India, established under Section 18 of the Digital Personal Data Protection Act, 2023. The Board, once constituted, will function as an independent adjudicatory authority empowered to inquire into personal data breaches, issue directions for mitigation and remediation, and impose monetary penalties under the DPDP Act and the DPDP Rules, 2025. For businesses that have been treating DPDP compliance as a distant concern, this is a clear signal that the enforcement machinery is being assembled. The compliance deadline of May 14, 2027 leaves organisations with under a year to operationalise their DPDP obligations from mapping personal data and updating privacy notices to appointing Data Protection Officers and establishing consent mechanisms. The window between institution-building and active enforcement is narrow and preparedness today will be far less costly than penalties tomorrow.

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#4****Rest Intervals Under the OSHWC Code Notified**

On May 13, 2026, the Ministry of Labour and Employment issued a notification under the Occupational Safety, Health and Working Conditions Code, 2020, notifying the rest interval applicable to workers (**"Notification"**). With effect from May 13, 2026, no worker may be required to work continuously for more than five hours without being afforded an interval of at least half an hour. This Notification gives rest intervals for workers a formal statutory grounding under the new Code, replacing the provisions that existed under the earlier repealed legislations. Employers covered under the OSHWC Code are advised to review their shift structures and internal policies to ensure that work schedules are aligned with this requirement, as non-compliance could attract regulatory scrutiny under the new enforcement framework.

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#5****Bihar Repeals Shops and Establishments Act, 2025**

On June 1, 2026, the Government of Bihar promulgated the Bihar Shops and Establishments (**Regulation of Employment and Conditions of Service**) (Repeal) Ordinance, 2026, officially repealing the Bihar Shops and Establishments (**Regulation of Employment and Conditions of Service**) Act, 2025 (**"Bihar Shops and Establishments Act"**). The repeal was necessitated by the enforcement of the Occupational Safety, Health and Working Conditions Code, 2020 (**"OSH Code"**), which rendered several provisions of the Bihar Shops and Establishments Act redundant on account of substantial overlap. Bihar's action is reflective of a larger legislative realignment that is gradually unfolding across states, as the enforcement of the four Labour Codes necessitates a review of state-level enactments that are no longer tenable within the new statutory framework. It has been expressly clarified that any proceedings initiated under the repealed Act shall continue as though the Act had not been repealed, thereby preserving the legal rights of parties already engaged in such proceedings. For establishments operating in Bihar, this development signals that compliance obligations pertaining to workplace safety and conditions of service must henceforth be assessed under the framework of OSH Code and the rules notified thereunder.

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