

## What Can Possibly Go Wrong? Employment Law Risks in Restructuring – Singapore, Malaysia and India Perspectives



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# Today's session: Singapore, Malaysia & India

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- Case Studies: Legal Risks & Exposure
- Best Practices & Requirements for Conducting a Retrenchment
- Common Pitfalls
- Dealing with Senior Employees
- Alternatives to Retrenchment
- Trade Union Involvement
- Key Takeaways for Businesses

# Case studies - Malaysia

## Pilot's retrenchment under AirAsia X's 'best fit' policy unfair, says court

1 YEAR AGO  
V Anbalagan

Share

The Industrial Court says Wong Zi Chuang was identified based on his disciplinary record rather than the redundancy of his position.



The Industrial Court awarded pilot Wong Zi Chuang RM511,200 after ruling that AirAsia X Bhd had wrongfully dismissed him from employment under the guise of retrenchment. (Facebook pic)

- Pilot was retrenched according to AirAsia X's **points-based 'best fit' policy**, instead of the 'last-in, first-out' ("LIFO") principle.
- The Industrial Court held dismissal without just cause or excuse, and awarded the Claimant a total sum of RM511,200.00



### MOST VIEWED LAST 2 DAYS

- 1 **NATION** Aaron-Wooi Yik in All England final, Pearly-Thinaah fall YESTERDAY
- 2 **NATION** Rejoin Umno to strengthen party, not for posts, says division chief YESTERDAY
- 3 **NATION** Court of Appeal decision tomorrow on RM1.7bil pension payout YESTERDAY
- 4 **NATION** Just DAP theatre, says PAS man on move to 2 DAYS AGO

## Ex-senior executive wins final appeal to be reinstated

<https://www.freemalaysiatoday.com/category/nation/2025/06/17/ex-senior-executive-wins-final-appeal-to-be-reinstated>

- Claimant was retrenched after OSRAM partially outsourced its accounting and treasury functions to a global shared services organisation.
- Federal Court held that considering Ooi's seniority in position and age, primary remedy in such cases should be **reinstatement**.

## Company used separation scheme to avoid paying retrenchment, court rules

<https://www.freemalaysiatoday.com/category/nation/2025/05/05/company-used-separation-scheme-to-avoid-paying-retrenchment-court-rules>

- Canon Opto (M) Sdn Bhd introduced a **mutual separation scheme** ("MSS") to terminate the service of a selected group of employees on a rate lower than its Collective Agreement with its union ("CA").
- The Industrial Court held, amongst others, that the Company was obligated to inform/ consult the Union before implementing the MSS.

# India's approach

## Restructuring in India: Low Litigation, High Legal Risk?



# Case studies - India

## SALUNKHE V. ADVANI OERLIKON LTD. (ADOR WELDING)

BOMBAY HC, 2025



### 1. FACTS

- 5 permanent workers with 20+ years of service retrenched citing “non-availability of meaningful work”



### 2. EMPLOYER'S DEFENCE

- Procedural compliance with retrenchment requirements under labour law



### 3. COURT'S FINDING

- Retrenchment held illegal, employer failed to show substantive business justification (no balance sheets, production data, or reduced orders)



### 4. KEY PRINCIPLE

- Procedure alone is insufficient; courts will not allow a revival of the “hire and fire” doctrine.

live **mint**

## TCS prepares job cuts as sector watches rise of AI

Co to let go of 2% staff; HCL may lay off some graduates; Wipro to test senior execs

City | **Pune Times Mirror**

Sunday, November 16, 2025 | 3

## ‘Shattered lives behind layoffs’

NITES president highlights staffers’ tragedies; labour commissioner summons TCS over alleged illegal job cuts

TOI dt 10.9.24

## Workers at Samsung’s India unit go on indefinite strike

# Case studies - Singapore

## Authorities looking into DFS Group's retrenchment exercise after dozens laid off



29 Sep 2019 01:01PM  
(Updated: 30 Sep 2019 03:52PM)



+ Set CNA as your preferred source on Google

It was reported that about 60 workers in DFS Group's Singapore-based operations were asked to leave with immediate effect.

<https://www.channelnewsasia.com/singapore/authorities-looking-dfs-groups-retrenchment-exercise-after-dozens-laid-5698706>

- ~50 staff laid off with immediate effect; no prior notice given
- Retrenchment benefits: **1 week's pay per year of service** (capped at 13 years) (below customary norm)

## NTUC 'deeply disappointed' over Lazada layoffs, says union was not consulted

<https://www.straitstimes.com/business/companies-markets/ntuc-deeply-disappointed-over-lazada-layoffs-says-union-was-not-consulted>

- Undisclosed number of employees laid off immediately after new year festivities; no advance notice
- Retrenchment benefits: 2 weeks' salary per year of service; deemed "unsatisfactory" by the Food Drinks and Allied Workers Union

## Carousell cuts 7% of total headcount in 'strategic' review

<https://www.channelnewsasia.com/singapore/carousell-layoffs-december-2024-76-roles-strategic-market-resources-4791261>

- 76 employees laid off; company **proactively engaged** with the Creative Media and Publishing Union. The CMPU provided a statement stating that workers were "offered fair compensation packages" and "provided with the necessary support"
- Support package included **1 month's salary per year of service (minimum 3 months)** as well as **encashment of time-off balances and flexible benefits**

# Thank you for joining

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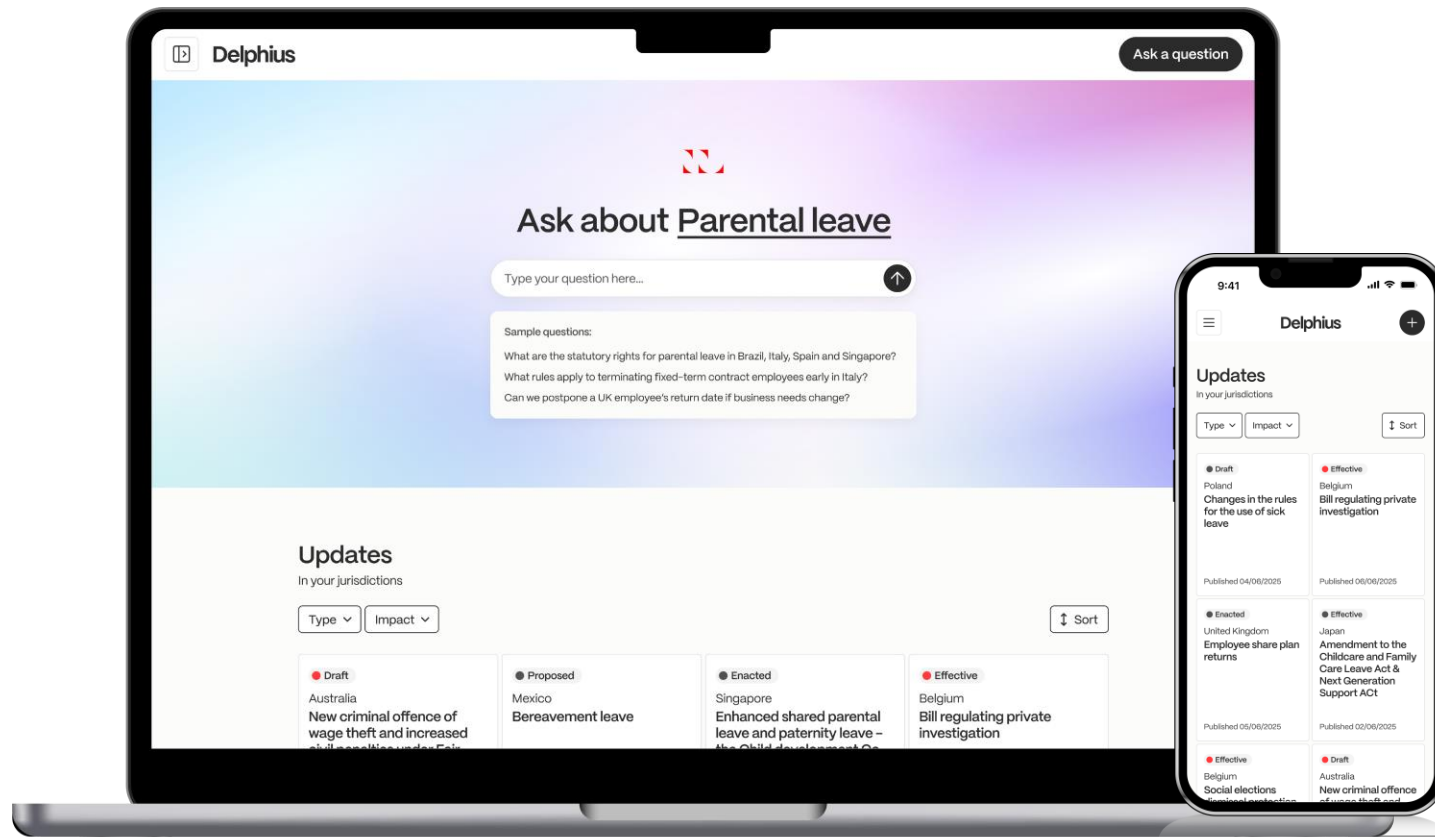
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