

Exemption to smaller establishments; increase in working hours, overtime limits:

Maharashtra promulgates key ordinance to amend shops and establishments law

9 October 2025

In a notable development, the Governor of Maharashtra promulgated the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) (Amendment) Ordinance, 2025 (Ordinance) in the Official Gazette on 1 October 2025, pursuant to the Governor's assent to the same. This Ordinance amends the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 (Maharashtra S&E Act), and the same has been made effective from 1 October 2025.

To provide a brief context, an ordinance is passed by the Governor to introduce an interim legislation when the state legislature is not in session, and the ordinance ceases to take effect after 6 weeks from reassembly of the state legislature, unless it is passed by the legislature and has received the Governor's assent. As such, the Ordinance would be required to be converted into a bill eventually for its provisions to apply permanently.

In this update, we discuss the key changes brought about by the Ordinance from an employment law perspective.

Applicability

As per the Ordinance, the employee headcount threshold for application of the Maharashtra S&E Act has now been increased from 10 or more non-managerial employees to 20 or more non-managerial employees.

Registration and intimation

Continuing from the above change, the threshold for application of the requirement to register the establishment has been increased from 10 or more non-managerial employees to 20 or more non-managerial employees. Consequently, establishments having less than 20 non-managerial employees will only be required to provide details of the establishment to the Facilitator without having to comply with the remainder of the Maharashtra S&E Act.

Daily working hours

As per the Ordinance, the maximum daily working hours has been increased from 9 hours to 10 hours per day. There has been no revision in the maximum weekly hour limit of 48 hours.

Overtime limits

As per the Ordinance, the overtime hours limit within a period of 3 months has been increased from 125 hours to 144 hours.

Spread over

As per the Ordinance, the spread over of hours (which covers the period between commencement and conclusion of work) of the non-managerial employees has been raised to 12 hours in a day from the erstwhile limit of 10.5 hours in a day. Earlier, only work of urgent or intermittent nature was allowed to be done with a spread over of 12 hours.

Intervals of rest

As per the Ordinance, the total number of hours of work without an interval has been increased from 5 hours to 6 hours, with a break of at least half an hour given after every 6 hours of continuous work.

Comments

The Ordinance reflects the government's larger initiative to promote ease of doing business in Maharashtra and reduction in the regulatory compliances for smaller establishments. Notably, the Ordinance is in continuation of similar amendments brought about or proposed by other states including Punjab and Telangana.

Notwithstanding the flexibility offered by the Ordinance in work time regulations, it is yet to be seen whether establishments will revisit their policies. This is because a 10-hour working day in a week comprising 5 working days would mean that the total number of hours worked by an employee in a week would be 50, breaching the weekly threshold of 48 hours and triggering employer's liability to overtime.

- *Anshul Prakash (Partner), Deeksha Malik (Principal Associate) and Akshita Sharma (Associate)*



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