



Tax alert: Maharashtra amends threshold and working hour norms under the Shops and Establishments Act

15 October 2025

In a significant move aimed at reducing compliance burden and enhancing operational flexibility for businesses, the Government of Maharashtra on 1 October 2025, issued amendments on applicability threshold and in working and overtime hours. This amendment aligns with the broader objective of enhancing Ease of Doing Business and Ease of Living, while continuing to safeguard workers' rights.

In a nutshell



The employee threshold for mandatory registration and compliance under the Act has been increased from 10 to 20 employees.

Establishments with fewer than 20 employees will now only be required to intimate their business to the Facilitator, rather than obtain a registration certificate.



The permissible daily working hours have been increased from 9 to 10 hours, inclusive of rest intervals.

The weekly limit of 48 hours remains unchanged.



The maximum spread-over in a day has been extended from 10.5 hours to 12 hours.

The maximum continuous working hours without a rest interval has been increased from 5 to 6 hours.



The quarterly overtime limit has been increased from 125 hours to 144 hours.



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Highlights of the amendment:

The Government of Maharashtra has promulgated the Maharashtra Ordinance No. VIII of 2025 to amend the Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017 (“the Act”).

- To provide relief to smaller establishments, the threshold for mandatory registration under the Act has been increased from **10 to 20 employees**.
 - Establishments employing **fewer than 20 workers** are now exempt from obtaining a registration certificate.
 - Instead, they are required to **submit a simple intimation** of their business to the authorities.
 - Importantly, **all statutory protections** in such establishments remain unchanged.
- The permissible daily working hours have been raised from **9 to 10 hours**, inclusive of rest intervals.
 - The **weekly cap remains at 48 hours**, ensuring no increase in total weekly workload.
 - This change is aimed at providing greater operational flexibility, especially during peak demand or emergencies.
- The maximum **spread-over** of working hours in a day has been extended from **10.5 hours to 12 hours**.
 - This allows establishments to better manage shift timings and employee schedules.
- The maximum duration of **continuous work without a rest interval** has been increased **from 5 to 6 hours**.
 - This adjustment supports smoother workflow management while maintaining worker welfare through mandated breaks.
- The **quarterly overtime ceiling** has been raised from **125 hours to 144 hours**.
 - This enables establishments to legally engage workers for additional hours during periods of high workload. Workers will receive appropriate compensation for overtime, and overtime work remains voluntary, requiring their consent.

Deloitte comments:

The proposed amendments balance regulatory ease with worker protection. By raising the employee threshold and allowing greater flexibility in work hours, the state seeks to build a more agile and growth-oriented industrial ecosystem. These reforms are expected to reduce compliance burden, boost productivity, expand employment opportunities, and promote formal workplace practices across Maharashtra.



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