



STATCOMP TECHNOLOGY | COMPLIANCE TRACK

NEWSLETTER

OCTOBER 2025

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NEWSLETTER

Section 1: Shop & Establishment Notifications



- **Maharashtra Shops and Establishment Act Amended (1st October)**

- **Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017**, amended via ordinance notification.
- Threshold for application raised, now **applicable to shops and establishments with 20 or more employees instead of 10 or more**.
- Total **working hours increased from 9 to 10 hours**. Continuous **work without break increased from 5 to 6 hours**.

- **New Shops and Establishments Act Published in Goa (1st Oct)**

- The **state govt notified the Goa Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2025, replacing the 1975 Act**.
- It is **applicable** only if there are **20+ employees**, with an intimation of commencement required for those with lesser.

- Key changes include **digital compliance, increase in working hours from 8 to 10, and allowing night shifts for women**.



- **Rajasthan State Govt Notifies Amendments for Rajasthan Shops and Establishments Act**

State govt notified an ordinance to amend the Shops and Establishment Act.

It prohibits employment of children under 14 years of age and nightshifts for children aged 14 to 18. It also increased the minimum age of apprentices from 12 to 14.



Judgement

- **Employees of local govt bodies working in sites outside the office not exempted from coverage under Rajasthan Shops and Commercial Establishments Act, 1958**



case: Krishi Upaj Mandi Samiti vs Authority Under Shops and Commercial Establishments Act & Anr, Rajasthan High Court, 08/10/1025)

- The petitioner, a chowkidar employed by the **Upaj Mandi Samiti** claimed that he was **dismissed without adherence to the procedure under the Act.**
- The **Court interpreted** the **exemption clause for govt offices** to **not include employees working outside the office of local bodies.** Though the **Samiti is a local authority**, the petitioner being employed in the **Yard Market (outside the office)**, was covered by the Act.

- Since his dismissal was **over 40 years ago**, the Court ordered **compensation instead of reinstatement**.

NEWS

• **Maharashtra Govt Clarifies Establishments Can Operate 24 Hours and 7 Days a Week**

- The **state's Ministry of Industries, Energy, Labour and Mining Department** issued a circular clarifying the **interpretation** of certain **provisions of Maharashtra Shops and Establishments Act**.
- **Commercial establishments except** those which **serve alcohol (wine shops, bars, pubs, etc.)** can **operate 24/7**, subject to providing **required rest intervals, spread over, and holidays to employees**.



Section 2: Employees' State Insurance Corporation (ESIC)

Judgements



- The **High Court** found that the **Insurance Court** erred by basing limitation on when coverage was first applied, rather than on when the cause of action actually arose, which was the **ESIC's notice of 23 September 2005** and the **order of 12 December 2005**.
- Referring to **Sections 45-A and 77** of the ESI Act, the Court held that **no claim can be made for periods beyond five years from when contributions became due**, and that the appellant's application filed in April 2006 was well within time.

- **Bombay High Court Clarifies that Limitation Runs from Date of ESI Demand, Not Initial Coverage**

(Case: Vishnu Saw Mill vs ESIC Sub-Regional Officer, Panchadeep Bhava, Bombay High Court, 14/10/2025)

- The case arose from an order under **Section 45A** of the **ESI Act, 1948**, directing **Vishnu Saw Mill** to **pay Rs. 3,46,257** for the **period 1983–2005**, even though the appellant claimed the mill employed **fewer than ten workers** and that the Act was inapplicable. The **Employees Insurance Court** dismissed the appellant's challenge twice on the ground of limitation, holding that since coverage was granted in 1981, the application **filed in 2006** was time-barred.

- The High Court therefore set aside the Insurance Court's order, held the application was within limitation, and remanded the case for fresh consideration on merits without any order as to costs.



- **Madras High Court Rules ESI Medical Benefits Apply from Date of Employment, Even for Treatment in Private Hospitals**

(Case: P. Thamotharan vs ESIC, Madras High Court, 09/10/2025)



- It further held that in emergencies, treatment at a **non-empanelled hospital cannot be** a ground to **deny reimbursement when ESI hospitals are unequipped to provide required care.**
- The Court noted that **medical benefits** under the ESI Act attach from the very date of employment and cannot be made conditional upon any **minimum service period.**



- The **denial of medical reimbursement** was therefore found to be **arbitrary and inconsistent with the welfare purpose** of the ESI Act.
- The **High Court quashed the rejection** order and **directed ESIC to reimburse the medical expenses, reaffirming** that insured employees are entitled to **medical protection** from the moment they are covered.

News

- **ESIC Issues Guidelines for Amnesty Scheme 2025 (1st Oct)**

- The Scheme provides a **one-year dispute resolution** window beginning from **October 2025** aimed at settling court cases and withdrawing prosecution cases between **employers and employees covered by the ESI Act**.

- The guidelines clarify the implementation procedure for the Scheme and operationalise it.

- **ESIC Warns Against Use of AI Tools in Official Work (27th Oct)**



- **AI tools** can only be **used for official by ESIC employees** after obtaining written permission from relevant authority.



- It specifies the eligibility criteria. Only cases filed **up to 31 March 2025** under Sections 75, 82, 84, 85, 85A of the ESI Act and Article 226 writs are eligible under the Scheme.
- It also clarified the procedural steps (including distinct procedures for running and closed units), documentations, verification norms, and minimum settlement terms.

- ESIC issued a circular noting that several of its employees have been **reported to** be using **AI tools like ChatGPT, Gemini, etc.** for **drafting, noting and data analysis work**.
- The circular highlights the **risk of data leak and privacy concerns** over such use and strongly warned against it.

Section 3: Provident Fund

News

- **Employees Enrolment Scheme 2025: Window to Register Those Left Out (13th Oct)**

- The Scheme was accounted by the **Ministry of Labour & Employment** via a press release. It seeks to **expand the social security coverage** of the Act by bringing under its ambit the employees who have not yet been enrolled under the Employees Provident Fund Scheme.
- It will be **operational from 1st November 2025 to 30th April 2026.**

- Employers are encouraged to voluntarily register their **eligible employees who joined the establishment between 01/07/2017 to 31/10/2025.** Employees' contribution share for this period is waived under the Scheme.
- **Employers** availing this Scheme will be **required to pay a nominal penalty of Rs. 100 instead of the usual penalties for non-compliances.**



- **Central Board of Trustees of EPFO Concludes 238th Notice, Makes Major Decisions (13th Oct)**

- The **CBT** decided to **simplify and liberalise partial withdrawal** provisions of the EPF Scheme. **13 provisions** are to be **consolidated and streamlined** under this measure.
- **Minimum service** requirement is to be **set as 12 months**, uniform for all forms of withdrawals.
- Other reforms include **digitization and increase in certain withdrawal limits.**
- The board also launched the **Vishwas Scheme** as a **rationalized penalty scheme**, and will remain operational **for 6 months.**

- **Display of Form 5A Extract Made Mandatory by EPFO (7th Oct)**



- The **EPFO** has issued a **new directive** under Paragraph 78(3) of the **EPF Scheme**, 1952.
- **All establishments** covered under the **EPF Act** must prominently **display an extract of Form 5A** either **physically at the main entrance or digitally on their website/app.**
- **Form 5A contains key details** of the **employer**, such as the **company's ownership, management and branches**. This step thus ensures **greater transparency** and **accountability** for EPF compliance.
- Employers are **directed to ensure** compliance with the directive **within 15 days, i.e. by 22nd October 2025.**

Section 4: Prevention of Sexual Harassment at Work (POSH)

Judgements



- **Bombay High Court Clarifies Provisions Concerning IC Composition**

(Case: Dr Shyam Bihari vs Nuclear Power Corporation of India Ltd, 14/10/2025)

- In this case, the **petitioner is a respondent** in a sexual harassment complaint under POSH, where the **decision taken by the IC was not in his favour**. He challenged the inquiry report of the IC and questioned the **validity of the IC itself**.

- The Court held that the **petitioner could not object** to the **composition of the IC**, while nearly a year has been passed since the inquiry was initiated. Delay in objection amounts to waiver of right to object.
- The **presiding officer** of an IC need only be a "**senior-level woman**", not necessarily senior in rank to the accused. The decision is an important precedent for how objections to the IC composition are treated after participation.



- **EFL University Ph.D. Student's Expulsion Set Aside for Breach of Natural Justice in IC Inquiry**

(Case: Meghdeep Saha vs The English and Foreign Languages University, Telangana High Court, 10/10/2025)

- The petitioner, a Ph.D. student at EFL University's Lucknow campus, was expelled following complaints of sexual harassment. His **first expulsion** was earlier quashed by the **High Court for non-compliance with UGC Regulations**, but the University held a fresh inquiry that again **found him guilty and cancelled his admission**.
- The **petitioner challenged** the renewed expulsion, **alleging that the Internal Committee (IC) denied him copies of complaints, prevented cross-examination of witnesses, and acted with bias**. He also claimed that the appellate authority **dismissed his appeal without proper hearing or reasoning**.
- The **Court found** that both the **IC inquiry and the appellate proceedings violated** the mandatory **procedural safeguards of the UGC** (Prevention, Prohibition and Redressal of Sexual Harassment) Regulations, 2015, and the principles of natural justice. The refusal to **permit even written cross-examination** and the **absence of reasoned findings** rendered the process defective.



- The Court reiterated that while **ICs are not bound** by strict **rules of evidence**, they must **ensure fairness, transparency, and reasonable opportunity** to rebut allegations, including **limited forms of cross-examination**.
- The Court set aside **both the IC's and the appellate authority's orders**, remanded the matter for a **fresh inquiry within four weeks** in strict compliance with the UGC Regulations, and directed that the **petitioner be allowed to continue his Ph.D. studies provisionally until the fresh report is issued**.

News



• District-Level Compliance Drive in Kerala (7th Oct)

Summary

- In early October, the **District Collector of Ernakulam**, Kerala issued a directive mandating the **formation of Internal Committees (ICs)** under the POSH Act for all **government and private establishments** in the district **with 10 or more employees**.
- Establishments **include government, semi-government and private institutions**. The **directive called for uploading IC member details, complaints and reports** to the state POSH portal
- The move **highlights continued enforcement efforts in local jurisdictions to ensure POSH compliance**.

Section 5: Industrial Disputes Act, 1947

Notifications

- **Tripura Govt. Passes Ordinance to Amend the Industrial Disputes Act (8th Oct)**

- The **state govt amended** certain provisions of the **Industrial Disputes Act, 1947**, with respect to their application in the **state of Tripura**.
- The amended provisions **include change in limitation period** for initiating a dispute (**reduced to 1 year from 3 years**), and provisions concerned with compoundable offences.



Judgement



- **Delhi High Court Judgment clarifies definition of "workman" under Industrial Disputes Act, 1947 (6th October)**

- **Petitioner** worked as a **Medical Sales Representative** and contended that he was a **workman under ID Act**.
- The **court rejected the petition** and interpreted the **definition of workman to exclude the petitioner**, as he was a **graduate** and received **specialized training for his field**.
- This **judgment reiterated** the judicial precedent about **sales promotion employees not being covered by the definition of workmen**.

Section 6: Minimum Wages Act, 1948



- **No Changes in VDA (14th Oct)**

- **Chief Labour Commissioner** released a corrigendum about **VDA rate revision**.
- The **increase in CPI was less than 1%**, and therefore the VDA for scheduled **employments increased by 0%**.

