

THE EMPLOYEES STATE INSURANCE ACT, 1948

Introduction:

The Public Health Department, in its application to the State of Maharashtra vide circular No. ESIS 2015/C.R.150/RAKAVI-2 (“Circular”) dated 10th September 2020 has extended all the provisions of the Employee State Insurance Act 1948 (“ESI Act”) to certain classes of establishment mentioned below.

Effective Date:

The Circular has come into force on 01st October 2020.

Circular:

The Circular provides that from the Effective Date, all provisions pertaining to ESI Act shall extend to the classes of establishments, wherein ten or more person are employed, or were employed on any day of the preceding twelve months earning wages not exceeding Rs. 21,000/- per month and Rs. 25,000/- per month in the case of persons with disability, which are enlisted below:-

1. Shops;
2. Hotels;
3. Restaurants;
4. Road Motor Transport Establishments;
5. Cinema including preview theatres; and
6. Newspaper establishments as defined in section 2(d) of the Working Journalists (Condition Service) and Miscellaneous Provisions Act, 1955.

Conclusion:

The extension of the provisions of the ESI Act to above establishment has expanded its social security to coverage and will now cover more employees and provide benefits under the ESI Act to such employees.

DISCLAIMER

This alert has been written for general information of our clients and should not be treated as a substitute for legal advice. We recommend that you seek proper legal advice prior to taking any action pursuant to this alert. We disclaim all liability for any errors or omissions. For further clarifications you may write to Mallika Noorani (mallika.noorani@parinamlaw.com), Shruti Tandon (shruti.tandon@parinamlaw.com) and Pran Malik (pran.malik@parinamlaw.com).

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