

# Shop and Establishment Act India

One of the important regulation to which most businesses in India are subject to is the Shop and Establishment Act, enacted by every state in India. The Act is designed to regulate payment of wages, hours of work, leave, holidays, terms of service and other work conditions of people employed in shop and commercial establishments. In this article we look at the salient features of the Shop and Establishment Act.

## Shop and Establishment Act in India

The Shop and Establishment Act is regulated by the Department of Labor and regulates premises wherein any trade, business or profession is carried out. The act not only regulates the working of commercial establishments, but also societies, charitable trusts, printing establishments, educational institutions run for gain and premises in which banking, insurance, stock or share brokerage is carried on. This act regulates areas such as working hours, rest interval for employees, opening and closing hours, closed days, national and religious holidays, overtime work, rules for employment of children, annual leave, maternity leave, sickness and casual leave, etc.,

## Premises Regulated by the Shop & Establishment Act

The Shop and Establishment Act in India is promulgated by the state and may slight differ from state to state. However, as per the Act, all shops and commercial establishments operating within each state are covered by the respective Shop & Establishments Act. Shops are defined as premises where goods are sold either by retail or wholesale or where services are rendered to customers, and includes an office, a store-room, godown, warehouse or workhouse or work place. Establishments are defined as shop, a commercial establishment, residential hotel, restaurant, eating-house, theatre or other places of public amusement or entertainment. Further, establishments as defined by the act may also include such other establishments as defined by the Government by notification in the Official Gazette. However, factories are not covered by the shops & establishments act and are regulated by the Factories Act, 1948.

## Aspects Regulated by Shop and Establishment Act

The Shop and Establishment Act regulates a number of aspects relating to the operation of a shop or commercial establishment. Some of the key areas regulated by the shop and establishment act include:

- Hours of work
- Interval for rest and meals
- Prohibition of employment of children
- Employment of young person or women
- Opening and closing hours
- Close days
- Weekly holidays
- Wages for holidays
- Time and conditions of payment of wages
- Deductions from wages

- Leave policy
- Dismissal
- Cleanliness
- Lighting and ventilation
- Precautions against fire
- Accidents
- Record keeping

More details relating to the above aspects can be found in the shop and establishment act promulgated by each state government.

[Click here to view: New Delhi Shop and Establishment Act](#)

[Click here to view: Mumbai Shop and Establishment Act](#)

[Click here to view: Tamil Nadu Shop and Establishment Act](#)

[Click here to view: Karnataka Shop and Establishment Act](#)

### Shop and Establishment Act License

Any shop or commercial establishment that commences operation must apply to the Chief Inspector for a Shop and Establishment Act License within the prescribed time. The application for license in the prescribed form must contain the name of the employer, address of the establishment, name of the establishment, category of the establishment, number of employees and other relevant details as requested. On submission of the application and review by the Chief Inspector, the shop or commercial establishment will be registered and a registration certificate will be issued to the occupier. The registration certificate must be prominently displayed at the shop or commercial establishment and renewed periodically, as per the act.

In case the shop or establishment would like to close down the business, the occupier should notify the Chief Inspector in writing within fifteen days of the closing. The Chief Inspector after reviewing the request for closure can remove the shop or commercial establishment from the register and cancel the registration certificate.