



HANDBOOK

SHOPS & ESTABLISHMENT ACT

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SELF CERTIFICATION SCHEME

PROCESS FOR CLOSURE OF S&E

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INTRODUCTION

The **Shop & Establishment (S&E) Act** is **applicable** on all the commercial **establishments**; viz, business centres, offices, warehouses, stores, hotels, eateries, amusement parks, theatres, etc, nationwide. It is one of the most important regulations required to be complied with for any business.

OBJECTIVE

- S&E Act is designated to protect the rights of employees by defining uniform benefits to the employees; irrespective of the industry and type of establishment he / she is employed with.
- Designed to regulate the payment of wages, terms of service, holidays, leaves, work conditions, hours of work, overtime work, maternity leave and benefits, rules for employment of children.

SCOPE

- S&E Act is governed by the Labour Department and regulates premises wherein any trade, business or profession is carried out.
- Most businesses in India are regulated by the S&E Act.
- Every State & UT has its separate Act and regulations.
- It regulates the working of Shops, Commercial establishments, and even residential premises running for business gain.
- S&E act regulates the following areas:
 - Working hours, overtime, leave policy
 - Rest interval for employees
 - Opening and closing hours
 - Closed days, national and religious holidays
 - Annual, maternity, sickness, and casual leave
 - Time and conditions of payment of wages
 - Deductions from wages
 - Dismissal of employment
 - Cleanliness, Lighting and ventilation
 - Precautions against fire
 - Accidents reporting and Record keeping
 - Maintain various Registers
 - Display of notices/certificate
 - Rules for the employment of children

KEY DEFINITIONS

- **“Shop”**: Shop means any premises where goods are sold, either by retail, wholesale, or services are rendered to customers. It includes an office, a store-room, godown, warehouse, or workplace, whether on the same premises or otherwise, used in connection with such trade/business. A shop however does not include a factory or a commercial establishment.
- **“Commercial Establishment”**: Commercial establishment means a premise where any trade, business, profession or any work is undertaken, which may include society, charitable or another trust, journalistic and printing establishments, contractors and auditors establishments, educational institutes, premises where the business of banking, insurance stocks, and shares, the brokerage is undertaken, restaurants and eating houses, residential hotels, clubs, theatres and other places of public amusement or entertainment.

REGISTRATION OF SHOP AND ESTABLISHMENT

- As each state in India has its own Shop Act and follows separate regulations. The process, fee structure, documentation may be different depending on the State regulations.
- On starting a Shop or Establishment, one needs to apply for Shop Act Registration within the stipulated period set by State regulations.
- Application is to be submitted to the Chief Inspector in the prescribed Form according to the state regulations, containing following details:
 - i. Name of the employer
 - ii. Name, address, and category of the establishment
 - iii. The Number of employees
 - iv. Other relevant detail as required
 - v. The fee is calculated as per the number of employees.
- The Labour Department of each state has the authority for the registration process. The Many States have a 100% online process, while some states are still following the manual procedure for filing.
- The Registration certificate is required to be renewed periodically as mentioned in the state regulations.

DOCUMENTS FOR REGISTRATION

While every state has its specific requirement, following set of documents are usually across every state for seeking registration under S&E Act:

- Photo of Premises displaying name on board of shop / establishment
- Incorporation Certificate of Company / LLP
- List of Directors or Partners with ID & Address proof
- Partnership Deed in case of Partnership Firm
- Copy of PAN Card or Aadhar Card
- Address proof like an Electricity Bill of premises
- Government prescribed fees

AMENDMENT OF REGISTRATION CERTIFICATE

In case of change in following scenarios, an application for amended of the registration has to be submitted to the concerned officer within timeline prescribed as per state act:

- Name and address of the establishment
- Nature of business
- Director, Employer, Partner
- Number of employees

The fresh certificate is issued post cancellation of the existing certificate.

CLOSURE OF SHOP OR ESTABLISHMENT

Due to any reason, if shop or establishment gets closed, the occupier must intimate the concerned Chief Inspector in writing within 15 days of the closure; who shall cancel the registration and remove it from the register.

BENEFITS OF REGISTRATION

- Proof of legal entity: Registration is a proof of legal entity and allows to conduct business within limits of the particular state.
- Business Bank Account: The proof as a legal entity helps in opening a business bank account.
- Smooth Inspections: it helps to smoothen the Inspection process whenever the Inspector visits the premises.
- Benefit under various schemes of Central & State Governments

SELF CERTIFICATION SCHEME (EASE OF DOING BUSINESS)

- Many State Governments have implemented a Voluntary Compliance / Self - Certification scheme to save employers from difficulties due to a plethora of labour laws, registers, and returns.
- The entrepreneur / employers are free to join the scheme anytime.
- They are motivated to comply with labour laws with self-inspiration without compromising with labourers' health, safety and social security.
- If registered under the scheme, sets of labour laws will be automatically covered and benefits can be availed under such laws including:
 - Minimum Wages Act, 1948 & respective State Rules
 - Payment of Wages Act, 1936 & respective State Rules
 - Contract Labour (Regulation & Abolition) Act, 1970 & State Rules
 - Payment of Bonus Act, 1956 & respective State Rules
 - Payment of Gratuity Act, 1972 & respective State Rules
 - Maternity Benefit Act, 1961 & respective State Rules
 - Equal Remuneration Act, 1976 & respective State Rules
 - Child Labour (Prohibition & Regulation) Act, 1986 & State Rules
 - *Few more; varied for states*
- Those joining the scheme are exempted from surprise inspections under various labour laws and in place of multiple registers, one consolidated register is required to be maintained and few annual returns will be filed instead of the number of returns in various labour laws.








PENALTIES







The penalties under the S&E act varied for states and are usually Monetary or Operational and in few case Imprisonment as well.







While the monetary values are high, but the risk of closure notice always hang under various non compliance.








KEY HIGHLIGHTS - ALL STATES







For easy understanding, we have compiled state wise table covering key aspects of the act applicable in said State / Union Territory. The user may also click on links provided in the table to download copy of the act.

STATE	DELHI	UTTAR PRADESH	HARYANA	PUNJAB	HIMACHAL PRADESH	J&K / LADAKH	UTTARAKHAND
Applicability for Registration	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Required only on 10 or more employees
Registration after Commencement of Business	Within 90 Days	Within 90 Days	Within 30 days	Within 30 days	Within 30 Days	Within 30 Days	Within 180 Days
Opening & Closing Hours of business	As fixed by Government from time to time	S: 8 am to 8 pm E: 9 am to 7 pm	As fixed by Government from time to time	As fixed by Government from time to time	As fixed by Government from time to time	Time frame set as per the type of Establishment	As fixed by Government from time to time
Weekly Close Day	Any one day	Any one day	Every Sunday	Every Sunday	Any 1 day	1 day between Sunday & Friday	Not Specified
Hours of Work for Employees	48 hours / week & 9 hours in a day	8 hours in a day	48 hours / week & 9 hours in a day	48 hours / week & 9 hours in a day	48 hours / week & 9 hours in a day	48 hours / week & 9 hours in a day	48 hours / week & 9 hours in a day
Leave with Wages	EL: 15 days yearly CL: 12 days yearly SL: 12 days yearly	EL: 15 days yearly CL: 10 days yearly SL: 15 days yearly	EL: 1 day on every 20 working days CL : 7 days yearly SL: 7 days yearly	EL: 1 day on every 20 working days CL : 7 days yearly SL: 7 days yearly	EL: 1 day for every 12 days of working CL: 7 days yearly SL: 7 days yearly	EL: 30 days yearly CL: 14 days yearly SL: Not specified	EL: 1 day for every 20 days of working CL: 8 days yearly SL: No Provision
Double Employment	Restricted	NA	NA	NA	NA	Restricted	NA
Maintain Registers and Record	Register of fines, deductions, display of notices	Register of fines, wages, display of notices	Register of Working hours, rest hours, attendance of employees	Register of Working hours, rest hours, attendance of employees	Register of attendance of employees, wages, deductions, leave	Register of leave with wages, refusal of leave, lime washing	Not Specified
Cleaning & Maintenance	Mandatory	NA	Mandatory	Mandatory	NA	Mandatory	Mandatory
Return Filing	NA	NA	NA	NA	NA	NA	Annual Return
Act Registration Form Web link							

STATE	MAHARASHTRA	GUJARAT	MADHYA PRADESH	RAJASTHAN	GOA	DAMAN & DIU / DADRA & NAGAR
Applicability for Registration	Required only on 10 or more employees	Required only on 10 or more employees	Mandatory	Mandatory	Mandatory	Mandatory
Registration after Commencement of Business	Within 60 Days	Within 60 Days	Within 30 Days	Within 30 Days	Within 90 Days	Within 90 Days
Opening & Closing Hours of business	S: 7 am to 10 pm E: 8:30am - 9:30pm	Time frame is location wise based on public safety	As fixed by Government from time to time	As fixed by Government from time to time	As fixed by Government from time to time	As fixed by Government from time to time
Weekly Close Day	Any one day	Any one day	Any one day	Any 1 day	Any 1 day	Any 1 day
Hours of Work for Employees	48 hours / week & 9 hours in a day	48 hours / week & 9 hours in a day	S: 9 hours in a day E: 10 hours in a day	48 hours / week & 9 hours in a day	48 hours / week & 8 hours in a day	48 hours / week & 8 hours in a day
Leave with Wages	Calculated as per no. of working days & months of employment	EL: 1 day on every 20 working days CL : 7 days yearly SL: 7 days yearly	CL: 15 days Yearly and Calculative privilege leave	EL: 1 day for every 12 days of working No provision for SL and CL	EL: 15 days yearly CL: 6 days yearly SL: 9 days yearly	EL: 15 days yearly CL: 6 days yearly SL: 9 days yearly
Double Employment	Restricted	NA	NA	NA	Restricted	Restricted
Maintain Registers and Record	Muster Roll cum Wage Register	Types of registers not specified	Register of cleanliness, leave, refusal of leave	Register of employment, working hours, intervals, opening and closing hours	Register of employment, wages, advance leave	Register of employment, wages, advance leave
Cleaning & Maintenance	Mandatory	Mandatory	Mandatory	NA	Mandatory	Mandatory
Return Filing	Annual Return	Annual Return	NA	NA	Periodical Returns on having 10 or more employees	Periodical Returns on having 10 or more employees
Act Registration Form Web link						

STATE	KARNATAKA	TAMIL NADU	TELANGANA	KERALA	ANDHRA PRADESH	PUDUCHERY
Applicability for Registration	Mandatory	NA	Mandatory	Mandatory	Mandatory	Mandatory
Registration after Commencement of Business	Within 30 Days	NA	Within 30 Days	Within 60 Days	Within 30 Days	Within 30 Days
Opening & Closing Hours of business	Blr: 6 am to 9 pm Others: 8am - 8 pm	As fixed by Government from time to time	As fixed by Government from time to time	As fixed by Government from time to time	As fixed by Government from time to time	S: 6 am to 10 pm E: 8 am - 8 pm
Weekly Close Day	Any one day	Any 1 day	Every Sunday	Any 1 day	Every Sunday	Any 1 day
Hours of Work for Employees	48 hours / week & 9 hours in a day	48 hours / week & 8 hours in a day	48 hours / week & 8 hours in a day	48 hours / week & 8 hours in a day	48 hours / week & 8 hours in a day	48 hours / week & 8 hours in a day
Leave with Wages	EL: 1 day on every 20 working days SL: 12 days yearly	EL: 12 days Yearly CL: 12 days yearly SL: 12 days yearly	EL: 15 days yearly CL: 12 days yearly SL: 12 days yearly	EL: 12 days yearly CL: 12 days yearly SL: 12 days yearly	EL: 15 days yearly CL: 12 days yearly SL: 12 days yearly	EL: 12 days yearly CL: 12 days yearly SL: 12 days yearly
Double Employment	NA	NA	Restricted	NA	Restricted	Restricted
Maintain Registers and Record	Muster Roll cum Wage Register, record of leaves	Register of employment, Deductions for damage or loss	Register of employment, wages, fines, deductions, leave	Register of employment, working hrs, opening and closing hours	Register of fines, advances, and Integrated register	Register of fines, damage, loss
Cleaning & Maintenance	NA	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Return Filing	Annual Return	NA	Periodical Returns on having 10 or more employees	Periodical Returns on having 10 or more employees and Annual welfare Return	Periodical Returns on having 10 or more employees: Combined Return through Integrated Registration	NA
Act Registration Form Web link						

STATE	WEST BENGAL	BIHAR	JHARKHAND	ASSAM	ODISHA	CHHATISGARH	ANDAMAN & NICOBAR
Applicability for Registration	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Required only on 10 or more employees	Mandatory
Registration after Commencement of Business	Within 30 days	Within 30 days	Within 30 days	Within 30 days	Within 30 days	Within 180 Days	Within 30 days
Opening & Closing Hours of business	S: 8 am to 10 pm E: 8 am to 11 pm	8.00 am - 10.00 pm	8.00 am - 10.00 pm	As fixed by Government from time to time	As fixed by Government from time to time	As fixed by Government from time to time	As fixed by Government from time to time
Weekly Close Day	Any 1 day following with half day	Any 1 day	Any 1 day	Any 1 day	Any 1 day	Any one day	Any 1 day
Hours of Work for Employees	48 hours / week & 8 hours in a day	48 hours / week & 8 hours in a day	48 hours / week & 8 hours in a day	48 hours / week & 8 hours in a day	48 hours / week & 9 hours in a day	48 hours in a week & 9 hours in a day	48 hours / week & 9 hours in a day
Leave with Wages	EL: 14 days yearly CL: 10 days yearly SL: 14 days yearly	EL: 1 day for every 20 days of working CL: 12 days yearly SL: 12 days yearly	EL: 1 day for every 20 days of working CL: 12 days yearly SL: 12 days yearly	EL: 16 days yearly CL: 12 days yearly SL: 12 days yearly	EL: 1 day for every 20 days of working CL: Not specified SL: 15 days yearly	EL: 1 day for every 20 days of working CL: 8 days yearly SL: not specified	EL: 15 days yearly CL: 12 days yearly SL: 12 days yearly
Double Employment	NA	NA	NA	Restricted	NA	NA	NA
Maintain Registers and Record	Register of working hours, intervals, overtime	Register of leave with wages, fines, wages	Register of leave with wages, fines, wages	Register of working hours, rest hours, overtime, employment, leave	Combined Register of overtime, working and payment, muster roll	Register of employees, register of leave	Register of Compensatory Holiday, wages, overtime, leave, muster-roll
Cleaning and Maintenance	NA	NA	Mandatory	Mandatory	Mandatory	Mandatory	NA
Return Filing	NA	Annual Return	Periodical Returns on having 10 or more employees	NA	Annual Return	Annual Return	NA
Act Registration Form Web link							

STATE	MANIPUR	MEGHALAYA	MIZORAM	NAGALAND	SIKKIM	TRIPURA
Applicability for Registration	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Registration after Commencement of Business	Within 30 Days	Within 30 Days	Within 30 Days	Within 30 Days	Within 30 Days	Within 30 Days
Opening & Closing Hours of business	Time frame set month wise	As fixed by Government from time to time	Not Specified	As fixed by Government from time to time	Time frame set as per the category of shop or establishment	S: 8 am to 9 pm E: 8 am to 11 pm
Weekly Close Day	Every Sunday	Any 1 day	Any 1 day	Any 1 day	Any 1 day	Any 1 day
Hours of Work for Employees	48 hours / week & 9 hours in a day	8 hours in a day	Not Specified	48 hours / week & 8 hours in a day	48 hours / week & 9 hours in a day	48 hours / week & 8 hours in a day
Leave with Wages	EL and SL 30-30 days after 12 months of service CL: 12 days yearly	EL:16 days after 12 months of service CL: 12 days yearly SL:12 days yearly	Number of Leaves not specified	EL:16 days after 12 months of service CL: 12 days yearly SL:12 days yearly	EL:20 days after 12 months of service CL: 12 days yearly SL:12 days yearly	EL: 15 days after 12 months of service CL: 12 days yearly SL:12 days yearly
Double Employment	NA	Restricted	Restricted	NA	NA	NA
Maintain Registers and Record	Register of, wages, fines, leave, overtime, hours of work	Register of working hours, intervals, overtime, payment of overtime	Register of employment, leave, overtime, working hours, intervals	Register of working hours, pay, leave, intervals, overtime, payment of overtime	Register of fines, damage or loss, employment, dates of lime washing	Register of pay, overtime, employees, working hours, intervals
Cleaning and Maintenance	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	NA
Return Filing	Annual Return	NA	NA	NA	NA	NA
Act Registration Form Web link						

OUR SOLUTIONS

ENTERPRISE SOLUTIONS

- Global Compliance Management Solution
- Legal Matter Management Solution
- Enterprise Risk Management Solution

PROFESSIONAL SOLUTIONS

- Compliance Audit Management Solution
- Compliance Service Management Solution
- Litigation Service Management Solution

OUR LOCATIONS



DELHI / NCR CORPORATE OFFICE

865-A, Tower - B1, Spaze I-Tech
Park | Sector 49, Gurgaon - 122002



JAIPUR KNOWLEDGE CENTRE

32, Gopal Tower, Dadu Marg,
GopalBari, Jaipur - 302001



MUMBAI REGIONAL OFFICE

WeWork, JVLR, Opp. L&T
Business Park, Andheri, Mumbai



AHMEDABAD BRANCH OFFICE

A2/512, Palladium Complex,
Praladnagar, Ahmedabad - 380015

PARTNER LOCATIONS: BENGALURU, CHENNAI, HYDERABAD, PUNE, TANZANIA

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