



KARNATAKA EMPLOYERS' ASSOCIATION

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BENGALURU - 560 004

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To
All Members of the Association

GUJARAT STATE ALSO ENACTS NEW SHOPS & ESTABLISHMENTS ACT

1. The Central Govt. had circulated to all States the Model Shops and Establishment (Regulation of Employment and Conditions of Service) Bill, 2016 for Regulation Conditions of Employment and other conditions of service of workers employed in various establishments. The Maharashtra Govt. was the first State to enact the Maharashtra Shops and Establishment (Regulation of Employment and Conditions of Service) Act 2017 on the basis of the Model Shops and Establishments Bill. The Maharashtra Act has come into force from December 19, 2017.
2. The Govt. of Gujarat is the second State to enact the Gujarat Shops and Establishments (Regulation of Employment and Conditions of Service) Act 2019 on the lines of the Model Shops and Establishment (Regulation of Employment and Conditions of Service) Bill. The Gujarat Act has come into force May 1, 2019. With the new Shops and Establishment Act coming into force from May 1, 2019 the Gujarat Shops and Establishment Act 1948 stands repealed.
3. The main features of the Act are:
 - The Act is applicable to shops and establishments employing 10 or more workers.
 - Establishments employing less than 10 employees shall give intimation has having commenced the business to the inspector by submitting online application.
 - The Act provides freedom to operate 365 days in a year and opening / closing time of the establishments.
 - Compulsory registration of shops and establishments

- Establishment means an establishment which carries on, any business, trade, manufacture or any:
 - ✓ Journalistic or Printing work
 - ✓ Business of Banking, insurance, Stocks and Shares, Brokerage
 - ✓ Establishment of Medical Practitioner is defined in wider sense and includes hospital, dispensary, clinic, polyclinic, maternity home
 - ✓ Architect, engineer, accountant, tax consultant or any other technical or professional consultant.
 - ✓ Any Society or charitable trust.
 - ✓ Shop, residential hotel, restaurant, eating house, theatre or other place of public amusement or entertainment.
- The Act is not applicable to the establishment of Central or State Govt. or local authorities, offices of RBI, a worker whose work is inherently intermittent and member of the family of an employer.
- Women workers are permitted to work during night shifts with her consent and by an order of the Inspector shall be allowed to work during 9 p.m. and 6-00 a.m. in any shop or establishment subject to provisions of shelter, rest room, night crèche, ladies' toilet, adequate protection of their dignity, honour and safety, protection from sexual harassment and their transportation from the shop or establishment to the doorstep of their residence should exist and conditions as may be specified in the order.
- The Act prescribes working hours of nine hours per day and forty-eight hours in a week. The total number of hours of overtime work shall not exceed 125 hours in a period of three months.
- The Act provides for casual leave of 7 days, Sick leave of 7 days and earned leave at the rate of one day for every twenty of work performed if he has worked for 24 days in the previous year.
- The Act provides for 8 paid festival holidays in a calendar year viz. January 26, August 15, October 2 and five other festival holidays. If an employee is allowed to work on a holiday he shall be paid double the wages and also leave on any other day.
- Submission of annual return in Electronic Form
- The Act provides for health, safety and welfare provisions
- The Act provides penalty for contravention of provisions of the Act fine up to Rs. 50000/-.

4. The Govt. of Gujarat is yet to frame Rules.

5. If all States enacts Shops and Establishments Act in line with Model Shops and Establishment (Regulation of Employment and Conditions of Service) Bill,2016 circulated by the Central Government to all States, the service conditions of the employees will be uniform throughout the country and it will be helpful to the establishments which operates all over the country. The Association has written to the Karnataka Government to enact the Shops and Establishments Act in line with the Model Shops and Establishments Act so that the service conditions are uniform.

for KARNATAKA EMPLOYERS' ASSOCIATION

**sd/-
(B.C. PRABHAKAR)
PRESIDENT**