**SHOPS & ESTABLISHMENTS ACT**

The Shop and Establishment Act is to regulate the employment condition of workers in shops and establishments. This includes work hours, rest intervals, overtime, holidays, termination of service, etc.

Registration needs to be done within 30 days from the date of commencement of business. Even if there is no employee, the entity must get registered under this act.

An application must be submitted along with the fee and the scanned documents online. Within 15 days of successful document submission, the department approves the registration. The registration certificate can be downloaded from the portal.

A registration certificate is valid for 5 years and should be renewed after that.

In case of a change in address, status, partner intimation must be given to the department within 30 days of change through an online application.  
The registration fee depends on the number of employees hired by the entity. The additional fee must be paid through filing an online application when there is an increase in headcount, pay, etc.

The annual return should be filed online in Form U on or before 31st January of the subsequent year.

A business plan is not the only thing you need to work on if you want to do business. This is to say that besides the business plan, you also need to work on other things like the:

* product or the service model
* financing options and
* compulsory regulations for business

Now, GST compliance, licensing requirements, etc are few of the important regulations you need to comply with. In addition, the Shops and Establishments Act is another important regulation your business needs to take care of.

Hence, every state in India has enacted the Shops and Establishments Act.  This Act is executed in order to:

* regulate the conditions of work,
* provide for statutory obligations of the employers and
* administer the rights of employees in the unorganized sector and other establishments in their jurisdiction.

The rules under this act vary as per the states. You must consult the Shops and Establishments Act with the Administrative Office/Municipal Corporation in your city.

Moreover, you need to fully adhere to the legal requirements to ensure continuity as well as the smooth running of your business.

Thus, the Shops and Establishments Act includes amendments and laws relating to:

* the regulation of working hours,
* payment of wages,
* leave or holiday
* the terms of services and
* any other conditions of work for people working in various establishments.

These rules apply to people employed in:

* shops
* commercial establishments
* establishments for public entertainment or amusement and
* other establishments.

## **What is an Establishment?**

According to the Shops and Establishments Act, the term establishment means a shop or a commercial establishment.

These establishments include commercial spaces, residential hotels, restaurants, theatres or other places of public amusement or entertainment. In addition to this, the state government also declares establishments for the purpose of this Act.

Such establishments are also covered under this Act.  Furthermore, the concerned state government declares such establishments through a notification in the Official Gazette.

## **What is a Commercial Establishment?**

According to the act, a commercial establishment means a premise where any trade, business, profession or any work-related with it is undertaken. Accordingly, a commercial Establishment could include:

* a society registered under the Societies Registration Act, 1860
* registered or unregistered charitable or another trust
* journalistic and printing establishments
* contractors and auditors’ establishments
* quarries and mines not governed by the Mines Act, 1952
* educational or other institutes run for private gain
* any premises where the business of banking, insurance, stocks and shares, brokerage or produce exchange is undertaken. This does not include a factory registered under the factories act, 1948  
  theatres and cinemas.
* restaurants and eating houses
* residential hotels, clubs
* other places of public amusement or entertainment

## **What is a Shop?**

Shop means any premises where:

* goods are sold, either by retail, wholesale, or
* services are rendered to customers. This could include an office a storeroom, godown, warehouse or workplace, whether in the same premises or otherwise, used in connection with such trade/ business.

A shop, however, does not include a factory or a commercial establishment.

## **Regulations Under the Act**

The Shop and Establishments act lays down the rules with regards to:

* working hours per day and week.
* guidelines for spread-over, rest interval, opening and closing hours, closed days, national and religious holidays, overtime work
* employment of children, young persons and women
* annual leave, maternity leave, sickness and casual leave, etc.
* employment and termination of service
* maintenance of registers and records and display of notices
* obligations of employers as well as employees

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