

The Karnataka Shops and Commercial Establishments Act, 1961



CONSULTANCY SOLUTIONS

The Karnataka Shops and Commercial Establishments Act, 1961

The Karnataka Shops & Commercial Establishment Act, 1961 and Rules, 1963 (“S & E Laws”) are applicable to all the shops and commercial establishments in the areas notified by Government of Karnataka.

The Act is enacted for the purpose of protecting the rights of employees.

The Act provides regulations of the payment of wages, terms of services, work hours, rest intervals, overtime work, opening and closing hours, closed days, holidays, leaves, maternity leave and benefits, work conditions, rules for employment of children, records maintenance, etc.

Registration

- Each owner, within 30 days from starting the business shall submit application form in form 'A' to register the establishment.
- Registration certificate must be displayed on visible place inside the office premises.
- Registration certificate is valid for a period of five (05) years. Before the expiry of the period, renewal application to be submitted for the next period.
- It shall be the duty of an employer to notify to the registration authority, in the prescribed form, any change with respect to any information contained in his statement during registration/renewal within 15 days after the change. Ex. Change in address, change in ownership, change in number of employees, etc.
- After closing the business of the establishment, owner should surrender the registration certificate to the registration authority.

Benefits of Registration



The establishment -

- will have a legal identity to conduct business with the territory.
- can avail benefits under various Government schemes.
- can operate business bank accounts.

Exemptions from Registration

The organizations that are exempted from registration under this Act are:

- Offices of, or under the central or state Government, or local authorities, except commercial undertaking.
- Any railway service, water transport service, postal, telegraph or telephone service, any system of public conservation or sanitation or any industry, or services like water, power, light to the public.
- Railway dining cars .
- Establishments for the treatment or care of the handicap or mentally unfit.
- Establishments of the food corporation of India.
- Offices of legal practitioners and medical practitioners in which not more than 3 persons are employed.
- Offices of bank.

Compliances

- Form A - Combined Application for Registration / Renewal / Report Change of Information
- Form B - Register of Establishment
- Form C - Registration Certificate of Establishments
- Form E - Notice
- Form F - Register of Leave with Wages
- Form H - Leave with Wages Book
- Form J - Leave Details
- Form P - Notice of Holiday
- Form Q - Appointment Order
- Form R - Permission to allow women to work after 8 PM
- Form T - Combined Muster Roll cum Register of Wages
- Form U - Combined Annual Return