

**THE KARNATAKA SHOPS AND COMMERCIAL
ESTABLISHMENTS RULES, 1963**

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1963**

PREAMBLE

In exercise of the powers conferred by sub-section (1) of Section 40 of the Karnataka Shops and Commercial Establishments Act, 1961 (Karnataka Act 8 of 1962), the Government of Karnataka hereby makes the following Rules, the draft of the same having been published as required by sub-section (4) of the said section in the Karnataka Gazette, dated the 16th May, 1963, in Notification No. PLM 82 LSC 61, dated the 10th May, 1963, namely:-

1. Title

These rules may be called the Karnataka Shops and Commercial Establishments Rules, 1963.

2. Definitions

In these rules, unless the context otherwise requires.

- (a) "Act" means the Karnataka Shops and Commercial Establishments Act, 1961;
- (b) "Form" means a form appended to these rules;
- (c) "Government" means the Government of Karnataka;
- (d) "Schedule" means the schedule appended to these rules;
- (e) "Section" means a section of the Act;
- (f) Words and expressions used in the Act and not defined in these Rules shall have the meanings assigned to them in the Act.

3. Registration of establishments, etc

- (1) Within the period specified in sub-section (3) of Section 4, the employer of every establishment shall send to the Inspector of the area concerned a statement in Form "A" together with the fees specified in Schedule I.

²[Provided that a factory or an Industrial Establishment ³[or the Commercial Establishments] may use the combined application form as prescribed under the Karnataka Factories Rules, 1969 in lieu of Form 'A' under this rule.]

- (2) The fees payable under sub-rule (1) ⁴[x x x x x] shall be paid into the local Treasury under the Head of Account "XXI-Miscellaneous-b-Labour" and the receipt obtained therefor shall be sent along with ⁵[Form "A" ⁶[x x x x x].]

⁷[3A. Renewal of Registration Certificate

- (1) The Registration Certificate issued under sub-section (2) of Section 4, shall be renewed ⁸[once in five years] before the date of its expiry. The employer of every establishment shall send to the Inspector of the area concerned a

statement in duplicate, in ⁹[Form "A"] before ninety days from the date of expiry of such registration certificate.

- (2) The fees for renewal of the Registration Certificate shall be the same as the fees specified in Schedule I.] ¹⁰[x x x x x].

4. Manner of registering establishments and the form of registration certificate.

On receipt of the statement and the fees prescribed in ¹¹[Rule 3 or Rule 3-A], the Inspector shall after being satisfied about the correctness of the statement register the establishment in the register of establishments which shall be in Form "B" and shall issue a Registration Certificate to the employer in Form "C".

¹²[4A. Issue of Duplicate Certificate of Registration

Where a certificate of registration granted or renewed under Rule 3 or 3-A, is lost, defaced, or accidentally destroyed a duplicate copy of the certificate of registration may be granted on payment of a fee of ¹³ [rupees fifty only]

5. Changes how notified

The employer shall notify to the Inspector concerned any change in respect of any information contained in his statement under ¹⁴[Rule 3 or Rule 3-A] in ¹⁵[Form "A"] within 15 days after the change has taken place.

6. Computation of cash equivalent of certain concessions

- (1) The cash equivalent of the advantage accruing through the concessional sale of food grains and other articles payable to workers proceeding on leave or for the purpose of calculation overtime rate of wages shall be the difference between the value at the average rates in the nearest market prevailing during the month immediately preceding his leave and the value at the concessional rates allowed of food grains and other articles he is entitled to.
- (2) For the purpose of cash equivalent monthly average market rate of food grains and other articles shall be as computed by the Department of Labour.

7. Enquiry for fixing, opening and closing hours of establishments

- (1) Before issuing a notification under sub-section (1) of Section 11, the Government shall make an enquiry under sub-section (2) of Section 11 in the manner specified in the following sub-rules.
- (2) The Government shall give notice of its intention to pass such order. The notice shall be in Form "E" and shall, unless a copy of the order proposed to be passed is annexed to it, specify the area and the establishment or establishments or class or classes of establishments to which the order shall apply the hours of opening or the hours of closing or both, which are proposed to be fixed and the days in respect of which such hours are so proposed to be fixed. The Notice shall also state that objections and suggestions with respect to such orders, if any, may be sent to the officer mentioned in the notice within one month from the date of such notice.
- (3) The notice shall be published in the Official Gazette and the copies of the notice shall be affixed at such public places in the area to which the order is

proposed to be applied as the State Government may deem fit. Copies of the notice shall be sent to the local authority in whose jurisdiction such area is situated and to such associations or organizations as the State Government may deem fit. The notice shall also be published in at least one newspaper having circulation in such area.

- (4) The State Government shall consider all objections and suggestions received by them before issuing the notification under sub-section (1) of Section 11.

8. Leave with wages register

- (1) The employer shall maintain a leave with Wages Register in Form "F" ¹⁶[x x x x]

Provided that where the Inspector is of the opinion that any muster-roll or register maintained as part of the routine of the establishment or return made by the employer given in respect of any or all of the persons employed in the establishment the particulars for the enforcement of

Chapter IV of the Act, he may, by order in writing direct that such muster-roll or register or return shall, to the corresponding extent, be maintained in place of and be treated as the register or return required under this rule for that establishment.

- (2) The register maintained under sub-rule (1) shall be preserved for a period of three years after the last entry in it and shall be produced before the Inspector on demand.

9. Leave with wages book of the persons employed

- (1) The employer shall provide each employee with a book called the "Leave with wages book" in Form "H". The book shall be the property of the employee and entries of the dates of holidays or interruptions in service shall be made therein by the employer from time to time. The employer shall not keep it for more than 10 days at a time to make the entries.
- (2) The employer shall on being satisfied that the employee has lost his leave with wages book provide him with a duplicate thereof on payment of 25 paise.

10. Production of Medical Certificate by employee

If so required by the employer in writing the employee shall submit a Medical Certificate signed by a registered or recognized Medical Practitioner. Vaidya or Hakim stating the cause of the absence and the period for which the employee is, in his opinion, unable to attend to his work.

11. ¹⁷[Notice by employee for not availing himself of leave with wages due to him in a year

[x x x x x]

12. Programme of leave with wages to be prepared by employer

[x x x x x]

13. Members of one family to be allowed leave on the same date

[x x x x x]

14. Notice by employer of alteration of dates fixed for leave.

[x x x x x]

15. Exchange of leave between employees.

[x x x x x]

16. Cleanliness of an establishment.

[x x x x x]

17. Establishment to be sufficiently lighted

The latrines, passages, stairs, hoists, establishment grounds, in so far as the entrance of the said places is not closed, shall during working hours be provided with such lighting as will ensure safety of movement or passage through them.

18. Building of more than one storey to be provided with two stairs

Every building of more than one storey shall be provided with at least two sets of stairs or steps permanently fixed either inside or outside the building, so as to afford direct and unimpeded access from every part of the establishment to the ground level. Such stairs shall be provided with a suitable and sufficient handrail or other convenient support. In establishments employing less than 40 persons, the Inspector may accept in lieu of a second set of stairs or steps such other means of escape in case of fire as can reasonably be required in the circumstances of each case.

19. Exits to external stairs to open from inside

Every window or door giving access to an external staircase shall be so arranged as to open immediately from inside.

20. Precaution against fire

No person shall smoke or use a naked light or cause or permit any such light to be used, in the immediate vicinity of any inflammable material in any establishment.

21. Duties of Inspectors

(1) The Inspector shall make such examination as may appear to him to be necessary for the purpose of satisfying himself that the provisions of the Act and of these rules and any order passed by Government under the Act are duly observed. In particular he shall satisfy himself-

- (i) that the establishment is duly registered under the Act;
- (ii) that the registers, records and notices required to be maintained or displayed under the Act or these rules are properly maintained or displayed;
- (iii) that the intervals of rest and holidays required to be granted or observed under the Act are granted and observed and the limits of hours of work and spread-over laid down under the Act are granted and observed and

the limits of hours of work and spread-over laid down under the Act are not exceeded;

- (iv) that the provisions of the Act and any notification issued by the Government regarding the opening and closing hours are duly observed;
- (v) that the provisions of the Act and the rules regarding leave are properly observed;
- (vi) that the provisions of these rules relating to cleanliness, lighting and precaution against fire are properly observed;
- (vii) that the provisions of the Act relating to the payment for overtime work are duly observed;
- (viii) that no child is allowed to work in any establishment.

- (2) For carrying out such examination, the Inspector may interrogate such persons on the premises as he may deem necessary provided that no such person shall be required under this rule, to answer any question, the answer to which might tend to incriminate him.

¹⁸[21A. Procedure for Prosecution.

An Inspector shall obtain the prior approval of the Chief Inspector ¹⁹ [or any other officer not below the rank of an Assistant Labour Commissioner specially authorized by him in this behalf] before making a complaint in respect of an offence punishable under the Act, rules or orders made thereunder.]

22. Ascertainment of age by the Inspector.

An Inspector may require an employer to produce a certificate of age from a registered medical practitioner in respect of any employee; such certificate shall be in Form "J".

23. Submission of diary by Inspectors.

The Inspectors shall keep a file of the records of his inspection arranged in monthly bundles and shall submit to the officer to whom he is subordinate on the 15th day of each month a diary in Form "K".

24. Maintenance of registers and records and display of notices.

- (1) ²⁰[x x x x x
- (2) x x x x x.
- (3) x x x x x.]
- (4) Every employer shall exhibit in his establishment a notice in Form "P" specifying the day or days of the week on which the persons employed by him shall be given a holiday. The notice shall be exhibited before the persons to whom it relates cease work on the Saturday immediately preceding the first week during which it is to have effect.
- (5) Every employer shall exhibit in his establishment a notice containing such extracts of the Act and these rules in ²¹[Kannada] and in the language of the majority of the employees.

- (6) Any notice required to be exhibited under these Rules shall be exhibited in such manner that it can be readily seen and read by any person whom it affects and shall be renewed whenever it becomes defaced or otherwise ceased to be clearly legible.
- (7) In any register or record which an employer is required to maintain under these rules the entries relating to any day shall be made on such day.
- (8) Save as otherwise provided in these Rules, the registers, records and notices relating to any calendar year shall be preserved till the end of the next calendar year.
- (9) If on any application made by an employer in writing, the Government is satisfied that any muster-roll, register or record maintained by such employer gives in respect of all or any of the persons employed in his establishment the particulars required to be shown in any register, record or notice prescribed under this rule the State Government, may, by order in writing direct that such muster- roll, register or record shall, to the corresponding extent, be maintained in place of such register, record or notice, as the case may be.

²²[(9-A)The appointment order issued by the employer under Section 6-A shall be in Form 'Q'.]

²³[(9-B) Every employer shall maintain a combined Muster Roll-cum-Register of Wages in Form 'T' in respect of the employees employed in the establishment:

Provided that where an employer has maintained Form 'T', he need not be required to maintain other Muster Roll or Register of Wages separately which contains the same information already available in Form 'T'.

(9-C) Every employer shall send a combined Annual Return in Form 'U' to the concerned Inspector on or before 31st January of every year:

Provided that where an employer furnishes annual returns in Form 'U', he need not furnish any other annual return containing the same information.]

- (10) Save as otherwise provided in sub-rule (5), all registers, records, muster- rolls and notices required to be maintained, exhibited or given under these Rules shall be either in English or in Kannada.
- (11) Every employer shall maintain a Visit Book in which an Inspector visiting the establishment may record his remarks regarding any defects that may come to light at the time of his inspection and shall produce it whenever required to do so by an Inspector.

Where an office, storeroom, godown, warehouse or work place used in connection with the trade and business of an establishment is situated at premises other than the premises of the establishment, all registers, records, muster-rolls, visit book and notices required to be maintained, exhibited or given under the Act, and these rules shall be separately so maintained, exhibited, or given in respect of and at such office, storeroom, godown, warehouse or work place.

²⁴[24-A. Exhibition of name Board

The name Board of every establishment shall be in Kannada and wherever other languages are also used, the versions in such other languages shall be below the Kannada version. The name Board in Kannada version shall be written more predominantly by providing more space than for other languages, if any.]

²⁵[24-B. Exemption under Section 25

- (1) Where power to exempt establishments of Information Technology or Information Technology enabled services under the proviso to Section 25 is delegated by the State Government under Section 37 to the Commissioner for Labour, Bangalore or the Deputy Labour Commissioner having jurisdiction, every employer who intends to seek exemption under Section 25 to engage women employees during night shift, shall make an application in Form R to the Commissioner for Labour or the Deputy Labour Commissioner having jurisdiction, with the list of women employees willing to work in night shifts. There shall be at least five women employees in one night shift.
- (2) On receipt of the application under sub-rule (1), the Commissioner for Labour or the Deputy Labour Commissioner concerned may, grant exemption in Form S.]

25. ²⁶[Appeals under Section 39

- (1) The Assistant Commissioners of Labour shall, within the areas of their respective jurisdiction be the officers to whom appeals in respect of orders under sub-section (1) of Section 39 shall lie.
- (2) Every such appeal shall be presented within 30 days from the date on which the order of removal or dismissal was communicated to the employee:

Provided that an appeal may be admitted after the said period of 30 days if the appellant shows sufficient cause that the appeal could not be presented in time.

- (3) Every appeal shall be in the form of a memorandum setting forth concisely the grounds of objection to the order and shall be accompanied by a copy of the order appealed against.]

26. ²⁷[Penalty for contravention

Whoever contravenes Rules 8, 9, 9-A, 9-B, 9-C, 17, 18, 19, 20, 22, 24 and 24-B shall on conviction, be punishable with fine which shall not be less than five hundred rupees but which may extend to one thousand rupees and whoever contravenes Rule 24-A shall on conviction, be punishable with fine of ten thousand rupees and for each continued offence be punishable with fine which shall not be less than ten thousand rupees.]

- ¹ Published in the Karnataka Gazette, dated 16-1-1964, vide Notification No. PLM 82 LSC 61, dated 31-12-1963
- ² Inserted by Notification No. LD 16 KABANI 2001(IV), dated 6-7-2002, w.e.f. 12-9-2002.
- ³ Inserted by Notification No. LD 104 LET 2004(I), dated 1-3-2006, w.e.f. 24-3-2006
- ⁴ The words, figure and letter "and Rule 3-A" omitted by Notification No. LD 104 LET 2004(I), dated 1-3-2006, w.e.f. 24-3-2006
- ⁵ Substituted for the word and letter "Form "A"" by GSR No. 8, dated 10-1-1983, KGD 11-1-1983, No. SWL 7LSC 82.
- ⁶ The words and letters "or Form AA, as the case may be" omitted by Notification No. LD 104 LET 2004(I), dated 1-3-2006, w.e.f. 24-3-2006
- ⁷ Rule 3-A inserted by GSR No. 8, dated 10-1-1983, KGD 11-1-1983, No. SWL 7 LSC 82.
- ⁸ Substituted for the words "every year" by Notification No. LD 37 LSC 97, dated 31-8-1998, w.e.f. 2-9-1998
- ⁹ Substituted for the word and letters "Form AA" by Notification No. LD 104 LET 2004(I), dated 1-3-2006, w.e.f. 24-3-2006
- ¹⁰ The words and figures "Except for category of establishment at Sl. No. 1 for which no renewal fee shall be paid" omitted by GSR No. 106, dated 5-6-1992, w.e.f. 5-6-1992, KGD 11-6-1992, No SWL 13 LSC 88.
- ¹¹ Substituted for the word and figure "Rule 3" by GSR No. 8, dated 10-1-1983, KGD 11-1-1983, No. SWL 7 LSC 82.
- ¹² Rule 4-A inserted by GSR No. 27, dated 19-1-1984, KGD 20-1-1984, No. SWL 7 LSC 82.
- ¹³ Substituted for the words "Rupees Fifteen only" by Notification No. LD 37 LSC 97, dated 31-8-1998, w.e.f. 2-9-1998
- ¹⁴ Substituted for the word and figure "Rule 3" by GSR No. 8, dated 10-1-1983, KGD 11-1-1983, No. SWL 7 LSC 82.
- ¹⁵ Substituted for the word and letter "Form D" by Notification No. LD 104 LET 2004(I), dated 1-3-2006, w.e.f. 24-3-2006
- ¹⁶ The words "and make a return to the Inspector concerned in Form "G" not later than the 1st September of the year subsequent to that to which it relates" omitted by Notification No. LD 37 LSC 97, dated 31-8-1998, w.e.f. 2-9-1998
- ¹⁷ Rules 11, 12, 13, 14, 15 and 16 omitted by Notification No. LD 37 LSC 97, dated 31-8-1998, w.e.f. 2-9-1998
- ¹⁸ Rule 21-A inserted by GSR No. 390, dated 26-12-1975, KGD 1-1-1976, No. SWL 3 LSC 75.
- ¹⁹ Inserted by GSR No. 66, dated 19-2-1977, KGD 24-2-1977, No. SWL 3 LSC 75.
- ²⁰ Sub-rules (1), (2) and (3) omitted by Notification No. LD 37 LSC 97, dated 31-8-1998, w.e.f. 2-9-1998
- ²¹ Substituted for the word "English" by Notification No. LD 37 LSC 97, dated 31-8-1998, w.e.f. 2-9-1998
- ²² Sub-rule (9-A) inserted by Notification No. LD 37 LSC 97, dated 31-8-1998, w.e.f. 2-9-1998
- ²³ Sub-rules (9-B) and (9-C) inserted by Notification No. LD 104 LET 2004(I), dated 1-3-2006, w.e.f. 24-3-2006
- ²⁴ Rule 24-A substituted by Notification No. LD 324 LET 2008, dated 31-12-2008, w.e.f. 31-12-2008
- ²⁵ Rule 24-B inserted by Notification No. LD 237 LET 2002, dated 18-9-2003, w.e.f. 20-9-2003
- ²⁶ Rule 25 substituted by GSR 258, dated 6-6-1967, KGD 15-6-1967, No. LMA 2 LSC 67.
- ²⁷ Rule 26 substituted by Notification No. LD 324 LET 2008, dated 31-12-2008, w.e.f. 31-12-2008