

**¹THE
KARNATAKA
SHOPS AND COMMERCIAL
ESTABLISHMENTS (AMENDMENT)
ACT, 2026**

[KARNATAKA ACT No. 38 of 2026]

**NOTIFICATION
No. DPAL 32 SHASANA 2026, Bengaluru,
dated 04-09-2026**

*(First Published in the Karnataka Gazette Extra-ordinary
on the 4th day of September, 2026)*

*(Received the assent of the Governor on the 3rd day
of September, 2026)*

An Act further to amend the Karnataka Shops and Commercial Establishments Act, 1961.

Whereas it is expedient further to amend the Karnataka Shops and Commercial Establishments Act, 1961 (Karnataka Act 8 of 1962), for the purposes hereinafter appearing.

Be it enacted by the Karnataka State Legislature in the seventy seventh year of the Republic of India, as follows.—

1. Short title and commencement.—(1) This Act may be called the **Karnataka Shops and Commercial Establishments (Amendment) Act, 2026.**

(2) It shall come into ²force at once.

2. Amendment of Section 3.—In the Karnataka Shops and Commercial Establishments Act, 1961 (Karnataka Act 8 of 1962) (herein after referred as the Principal Act), in Section 3, in sub-section (1), after clause (j), the following shall be *inserted*, namely.—

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1. Published in the Karnataka Gazette Extraordinary No. 893, Part IV-A, dated 04-09-2026.
 2. w.e.f. 04-09-2026.

- “(k) Establishment employing ten or more workers, if already registered under the Occupational Safety, Health and Working Conditions Code, 2020 (Central Act 37 of 2020):

Provided that, no separate registration shall be required for godowns or storage facilities situated within a distance of one hundred meters from the principal establishment.”.

3. Amendment of Section 4.—In the Principal Act, in Section 4,—

- (1) in sub-section (1), after the words “the prescribed form together with such fees”, the words “through electronic or digital mode” shall be *inserted*;
- (2) in sub-section (2), after the words “shall issue, in a prescribed form”, the words “through electronic or digital mode” shall be *inserted*;
- (3) in sub-section (3-A), for the words “thirty days”, the words “seven days” shall be *substituted*;
- (4) in sub-section (4), after the words “on payment of such fees”, the words “through electronic or digital mode” shall be *inserted*;
- (5) for sub-section (5), the following shall be *substituted*, namely.—

“(5) The registration once issued under Section 4 shall be valid until the closure or cessation of business of the establishment.”;
- (6) sub-section (6) shall be *omitted*; and
- (7) in sub-section (8), for the words “an imprisonment of not less than six months and with a fine which may extend to five thousand rupees”, the words “with a fine which may extend to fifty thousand rupees” shall be *substituted*.

4. Amendment of Section 6.—In the Principal Act, in Section 6, for the words “notify to the Inspector in writing”,

the words “notify to the Inspector through electronic or digital mode” shall be *substituted*.

5. Insertion of new Sections 6-B and 6-C.—In the Principal Act, after Section 6-A, the following shall be *inserted*, namely.—

“6-B. Issue of service certificate.—Every employer shall issue a service certificate to an employee within seven days from the date of receipt of application from such employee in such form as may be prescribed.

6-C. Prohibition of retention of documents.—No employer shall retain original educational certificates, experience certificates or any other original documents of an employee at the time of appointment or during the course of employment.”.

6. Amendment of Section 21.—In the Principal Act, in Section 21.—

- (1) in the heading, for the words “the Payment of Wages Act” the words “the Code on Wages” shall be *substituted*; and
- (2) for the words, figures and brackets “the Payment of Wages Act, 1936 (Central Act IV of 1936)”, the words, figures and brackets “the Code on Wages, 2019 (Central Act 29 of 2019)” shall be *substituted*.

7. Amendment of Section 22.—In the Principal Act, in Section 22.—

- (1) in the heading, for the words “the Payment of Wages Act” the words “the Code on Social Security” shall be *substituted*; and
- (2) for the words, figures and brackets “the Workmen’s Compensation Act, 1923 (Central Act VIII of 1923)”, the words, figures and brackets “the Code on Social Security, 2020 (Central Act 36 of 2020)” shall be *substituted*.

8. Amendment of Section 25.—In the Principal Act in Section 25, in sub-section (1), clauses (h), (i), (j), (k), (l), (m), (n) and (o) shall be *omitted*.

9. Amendment of Section 30.—In the Principal Act, in Section 30.—

(i) in sub-section (1).—

(a) after the figure and letter “6-A” the figures and letters “6-B, 6-C” shall be *inserted*;

(b) for the words “one thousand rupees” the words “three thousand rupees” shall be *substituted*;

(c) for the words “two thousand rupees” the words “five thousand rupees” shall be *substituted*;

(ii) in sub-section (2), for the words “two hundred and fifty rupees” the words “two thousand rupees” shall be *substituted*; and

(iii) for sub-section (3), the following shall be *substituted*, namely.—

“(3) Whoever contravenes the provisions of sections 24 and 25 shall be punishable with a fine which shall not be less than ten thousand rupees.”.

10. Amendment of Section 33.—In the Principal Act, in Section 33, for the words “five hundred rupees”, the words “ten thousand rupees” shall be *substituted*.

11. Substitution of Section 33-A.—In the Principal Act, for Section 33-A the following shall be *substituted*, namely.—

“33-A Compounding of offences.—(1) The jurisdictional Labour officer may compound any offence punishable under this Act or the rules made there under by collecting.—

(a) fifty percent of the prescribed fine for the first offence;

(b) seventy-five percent of the prescribed fine for the second or subsequent offence.

(2) No offence of the same nature shall be compoundable if committed by the same person more than twice within a period of one year.

(3) No penalty shall be imposed without giving the concerned person a reasonable opportunity of being heard.”.

12. Insertion of new Section 33-B.—In the Principal Act, after Section 33-A, the following shall be *inserted*, namely.—

“33-B. Appeal.—(1) Any person aggrieved by an order passed under Section 33-A may prefer an appeal to such appellate authority as may be notified by the Government.

(2) Every appeal under sub-section (1) shall be filed within a period of thirty days from the date of receipt of the order.

(3) No appeal shall be entertained unless the amount of fine, as ordered, has been deposited.

(4) An appeal shall be disposed off within a period of sixty days in such manner as may be prescribed:

Provided that, the Appellate Authority shall be an officer not below the rank of Assistant Labour Commissioner.”.
