

**THE ODISHA SHOPS AND COMMERCIAL ESTABLISHMENTS
(AMENDMENT) BILL, 2025**

**A
BILL**

**FURTHER TO AMEND THE ODISHA SHOPS AND COMMERCIAL
ESTABLISHMENTS ACT, 1956.**

BE it enacted by Legislature of the State of Odisha in the Seventy-sixth year of
the Republic of India as follows :-

Short title and
Commencement.

1. (1) This Act may be called the Odisha Shops and Commercial Establishments (Amendment) Act, 2025.
(2) It shall be deemed to have come into force on the 8th day of November, 2025.

Amendment of
section 1.

2. In the Odisha Shops and Commercial Establishments Act, 1956 (hereinafter referred to as the principal Act), in section 1, after sub-section (2), the following sub-section shall be inserted, namely:-

Odisha Act
30 of
1956.

“(2-a) The provisions of this Act, except sub-section (2-a) of section 4 shall apply to the establishments employing twenty or more employees.”.

Amendment of
section 4.

3. In the principal Act, for section 4, the following section shall be substituted, namely:-

"4. (1) On and from the date of commencement of the Odisha Shops and Commercial Establishments (Amendment) Ordinance, 2025, the employer of every establishment employing twenty or more employees shall, within a period of six months from the date of commencement of his business, apply for registration and obtain registration certificate;

(2) Every application for registration under sub-section (1) shall be made in such form and in such manner together with such fee, as may be prescribed;

(3) The Inspector shall, on receipt of an application under sub-section (2), register the establishment and issue a registration certificate to the employer within seven working days in such form, as may be prescribed. If the registration certificate is not issued by the Inspector within a period of seven working days from the date of receipt of application, the registration certificate shall be deemed to have been granted under this Act."

Odisha
Ordinance
03 of
2025.

Amendment of
section 7.

4. In the principal Act, in section 7, in sub-section (1),-

(i) for the existing words "nine hours", the words "ten hours" shall be substituted;

(ii) for the first proviso, the following proviso shall be substituted, namely:-

"Provided that the total number of hours of work including overtime shall not exceed twelve hours in any day:"

(iii) in the second proviso, for the word "fifty", the words "one hundred and forty four" shall be substituted.

Amendment of
section 8.

5. In the principal Act, in section 8, in sub-section (1), for the words "nine hours", the words "ten hours" shall be substituted.

Amendment of
section 9.

6. In the principal Act, for section 9, the following section shall be substituted, namely:-

"9. The period of work of an employee in an establishment shall

not exceed six continuous hours without an interval for rest of at least half an hour.”.

Amendment of
section 11.

7. In the principal Act, for section 11, the following section shall be substituted, namely:-

“11. Every establishment in the State may remain open 24x7 subject to the condition that every employee shall be given overtime wages as per section 8 and one day weekly holiday as per section 12. The employees shall be provided access to washroom, drinking water facilities, seating facilities and other basic amenities.”.

Amendment of
section 12.

8. In the principal Act, for section 12, the following section shall be substituted, namely:-

“12. (1) The establishments may remain open for 365 days in a year, subject to the conditions that every employee shall be allowed weekly holiday of at least twenty-four consecutive hours of rest. This is without prejudice to the existing practice in establishments which allow one and a half day's rest.

(2) If an employee is denied weekly holiday, the compensatory leave in lieu thereof shall be given within three months of such weekly holiday.

(3) No deduction shall be made from the wages of any employee in any establishment on account of the holiday given to him under sub-section (1).

(4) If any employee is employed on daily wages, he shall nonetheless be paid his wages for the weekly holiday:

Provided that nothing in this sub-section shall apply to any person, who is employed on daily wages and whose total period of continuous employment in a week, including any days spent on leave admissible under the Act, is less than six days.”.

Amendment of
section 23.

9. In the principal Act, for section 23, the following section shall be substituted, namely:-

“23. Prohibition of employment of adolescent during night.- No

adolescent shall be required or allowed to work whether as an employee or otherwise in any establishment during night.”.

Insertion of
section 23A.

10. In the principal Act, after section 23, the following section shall be inserted, namely:-

“23A- Allowing
women
employees to
work during
night.

23A. The State Government, may by notification in the official Gazette, allow employment of women employees during night with their written consent, subject to such conditions of safety, security and dignity of women, as may be prescribed.”.

Repeal and
Saving.

11. (1) The Odisha Shops and Commercial Establishments (Amendment) Ordinance, 2025 is hereby repealed.

Odisha
Ordinance
03 of 2025.

(2) Notwithstanding the repeal under sub-section (1), anything done or any action taken under the said Ordinance so repealed shall be deemed to have been done or taken under this Act.

STATEMENT OF OBJECTS AND REASONS

In order to reduce burden of regulatory compliances, the shops and commercial establishments that employ up to 20 persons are required to be brought out of the provisions of the Odisha Shops and Commercial Establishments Act, 1956. The working hours per day, length of uninterrupted period of work before mandatory interval for rest and maximum permissible overtime are also proposed to be increased in line with the best practices in the present times and in line with the suggestions made in the Compliance Reduction and Deregulation Docket prepared by NITI Aayog and DPIIT, Government of India. Increasing the maximum daily working hours from 9 to 10 (while retaining the weekly cap of 48 hours) allows better workload distribution without increasing overall work pressure. Increase in overtime period within quarter from 50 hours to 144 hours will allow establishments to address work pressure and enable employers to manage manpower more efficiently over longer periods. Longer overtime limit is beneficial for the willing workers to earn more wages (overtime wage is double the rate of ordinary wages). Simplification of rest interval requirements, such as allowing six hours of continuous work with a 30-minute break reflects current working conditions. The restriction on engagement of women employees during night requires to be omitted to promote gender inclusiveness and to allow women employees to work during night with their written consent and subject to conditions of safety, dignity and welfare measures, as may be prescribed by the State Government.

The proposed amendments in the Odisha Shops and Commercial Establishments Act, 1956 will increase overall productivity, create more employment opportunities especially for women workforce and promote Ease of Doing Business in the State.

Hence, the Odisha Shops and Commercial Establishments (Amendment) Bill, 2025.

GANESH RAM SINGKHUNTIA
Member-in-Charge

Statement on circumstances which necessitated promulgation of Ordinance

To strengthen the investment climate of the State, to promote the Ease of Doing Business in the State, to update the labour regulations in response to contemporary production demands, global competitiveness, and to maintain best labour practices, the State Cabinet in the meeting held on 10.10.2025 had approved the proposal for amendment of the Odisha Shops and Commercial Establishments Act, 1956. The amendments align with the reforms suggested in Priority Area Nos. 13 and 18 of the De-regulation and Reducing Compliance Burden initiatives of the Cabinet Secretariat, Government of India. Some other States like Andhra Pradesh, Maharashtra, Punjab, Tripura, etc. have already brought labour reforms by amending their respective Shops and Commercial Establishments Acts. Amendment of the Odisha Shops and Commercial Establishments Act was urgently required to create a regulatory framework that balances commercial and industrial growth with labour rights, thereby contributing to sustainable economic development.

Due to paucity of time and since the State Legislative Assembly was not in session, the Hon'ble Governor of Odisha, in exercise of the powers conferred by clause (1) of article 213 of the Constitution of India has promulgated the Odisha Shops and Commercial Establishments (Amendment) Ordinance, 2025 on 05.11.2025 and the same has been published in Odisha Gazette on 08.11.2025 for general information.

GANESH RAM SING KHUNTIA
Member-in-Charge

ANNEXURE

[Extracts from the Odisha Shops and Commercial Establishments Act, 1956 (Odisha Act No.30 of 1956)]

Short title, extent and commencement.

1. (1) This Act may be called the Orissa Shops and Commercial Establishments Act, 1956.

(2) It extends to the whole of the State of Orissa.

(3) This section shall come into force at once.

(4) The remaining sections shall come into force in the first instance in such areas and on such date as the State Government may specify by notification in this behalf.

(5) The State Government may, after giving ninety days' notice of its intention of so doing, by notification bring into force the remaining provisions of this Act to such other area or areas and on such date or dates as may be appointed in this behalf.

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Registration of establishment.

4. (1) Within the period specified in sub-section (4), the employer of every establishment shall send to the Inspector of the area concerned, a statement in the prescribed form, together with such fees as may be prescribed, containing-

- (a) the name of the employer and the manager, if any;
- (b) the postal address of the establishment;
- (c) the name, if any, of the establishment;
- (d) the category of the establishment, that is whether it be a shop, commercial establishment, hotel, restaurant, cafe, boarding or eating house, theatre or other place of public amusement or entertainment; and
- (e) such other particulars as may be prescribed.

(2) No adolescent shall be allowed to work in any employment for more than six hours in a day.

(2-a) the name of the establishment shall be displayed in a sign board in front of the establishment in Odia language prominently in addition to other language, if any:

Provided that the establishments displaying any sign board prior to the commencement of the Odisha Shops and Commercial Establishments (Amendment) Act, 2018 shall display the same in Odia language within one month from the date of such commencement."

(3) In the event of any doubt or difference of opinion between an employer and the Inspector as to the category to which an establishment should belong, the Inspector shall refer the matter to the Chief Inspector who shall, after such enquiry as may be prescribed, decide the category of such establishment and his decision shall be final for the purpose of this Act.

(4) Within thirty days from the date mentioned in Column (2) below in respect of an establishment mentioned in Column (1), the statement together with fees shall be sent to the Inspector under sub-section (1)-

<u>Establishment</u>	<u>Date from which the period of 30 days to commence</u>
(1)	(2)
(i) Establishment existing on the date on which this Act comes into force	The date on which this Act comes into force.
(ii) New establishments	The date on which the establishment commences its work.

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Daily and weekly hours.

7. (1) No employee in any establishment shall be required or allowed to work for more than nine hours in, any day and forty-eight hours in any week :

Provided that-the total number of hours of work including overtime shall not exceed ten hours in any day except on days of stocktaking and preparation of accounts :

Provided further that the total number of overtime hours worked by an employee does not exceed fifty during a period of three months.

(2) No adolescent shall be allowed to work in any employment for more than six hours in a day.

Extra wages for overtime work.

8. (1) Where an employee works in any establishment for more than nine hours in any day or for more than forty-eight hours in any week, he shall, in respect of such overtime work be entitled to double the ordinary rate of wages.

(2) For the purpose of this section, "ordinary rates of wages" means the basic wages plus such allowances, including the cash equivalent of the advantage accruing through the concessional sale to workers of food-grains and other articles as the worker is for the time being entitled to but does not include a bonus.

(3) The cash equivalent of the advantage accruing through the concessional sale to a worker of food grains and other articles shall be computed as often as may be prescribed on the basis of the maximum quantity of food grains and other articles admissible to a standard family.

Explanation 1 - "Standard family" means a family consisting of the employee, his or her spouse and two children below the age of fourteen years requiring in all three adult consumption units.

Explanation 2 -"Adult consumption unit" means the consumption unit of a male above the age of fourteen years and the consumption unit of a female above the age. of fourteen years and that of a child below the age of fourteen years shall be calculated at the rates of 0.8 and 0.6 respectively of one adult consumption unit.

(4) The State Government may make rules providing-

- (a) the manner in which the cash equivalent of the advantage accruing through the concessional sale to a worker of food-grains and other articles shall be computed; and
- (b) the registers that shall be maintained in an establishment for the purpose of securing compliance with the provisions of this section.

Interval for rest.

9. The period of work of an employee in an establishment each day shall be so fixed that no period shall exceed five hours and that no such person shall work for more than five hours before he had an interval for rest of at least half an hour.

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Opening and closing hours.

11. (1) No establishment shall, on any day, be opened earlier than and closed later than such hour as may be fixed by a general order of the State Government made under sub-section (2).

(2) The State Government may, after making an enquiry in the prescribed manner, by general or special order, fix the time at which any establishment or class of such establishments shall be opened or closed in any local area.

Weekly holidays.

12. (1) Every establishment shall remain closed for one day in the week. The employer shall fix such day at the beginning of the year, notify it to the Inspector and specify it in a notice prominently displayed in a conspicuous place in the shop or commercial establishment. The employer shall not alter such day more often than once in three months, shall notify the alteration to the Inspector and make the necessary change in the notice in the shop or commercial establishment.

(2) Every employee in an establishment shall be given at least one whole day in a week as a holiday for rest. This is without prejudice to the existing practice in establishments which allow

one and a half day's rest.

(3) It shall not be lawful for an employer to call an employee at, or for an employee to go to, his establishment or any other place for any work in connection with the business of his establishment on a weekly holiday or on a day on which such establishment remains closed:

Provided that if local custom so requires, an establishment may remain open for business on any such holiday or on a day on which such establishment remains closed in which event every employee thereof shall be given equivalent leave in lieu of such holiday or holidays within that year.

(4) Notwithstanding anything contained in sub-section (1) the State Government may allow an establishment to remain open throughout the week if they are satisfied that the establishment employs additional staff for the purpose of working on weekly holidays or on a day on which such establishment remain closed.

(5) No deductions shall be made from the wages of any employee in any establishment on account of the holiday given to him under sub-section (1). If any employee is employed on daily wages he shall nonetheless be paid his wages for the weekly holiday :

Provided that nothing in this sub-section shall apply to any person, who is employed on daily wages and whose total period of continuous employment in a week, including any days spent on leave admissible under the Act, is less than six days.

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**Prohibition of
employment of
women or children
during night.**

23. No woman or an adolescent shall be required or allowed to work whether as an employee or otherwise in any establishment during night.

