

March 2026

Key reforms under the Delhi Shops and Establishments (Amendment) Act, 2026

The Government of the National Capital Territory (“NCT”) of Delhi, *vide* its notification dated March 11, 2026, has introduced the Delhi Shops and Establishments (Amendment) Act, 2026 (“**Amendment Act**”), introducing significant changes to the Delhi Shops and Establishments Act, 1954 (“**Delhi S&E Act**”).

The Amendment Act represents a fundamental recalibration of the regulatory framework governing shops and establishments in Delhi, with specific focus on enhancing operational flexibility for employers while reinforcing the necessary safeguards for employees.

By revisiting key aspects such as applicability, working hours, overtime limits, and conditions for night work, the updated Delhi S&E Act aims to strike a critical balance between bolstering operational agility for employers and reinforcing statutory safeguards for the workforce.

Key features of the updated Delhi S&E Act

Applicability threshold introduced

One of the most notable changes is the introduction of a minimum applicability threshold. The Delhi S&E Act will now apply only to shops and establishments employing 20 (twenty) or more employees. Previously, the Delhi S&E Act applied regardless of the number of employees engaged.

This approach differs from the models seen in certain other states such as Maharashtra, where the applicability of the state specific shops and establishments law extends to establishments employing 10 (ten) or more employees, with limited intimation requirements continuing to apply for establishments employing fewer than 10 (ten) employees. Conversely, the Delhi S&E Act opts for a clear statutory carve-out, exempting establishments engaging less than 20 (twenty) employees entirely from the Delhi S&E Act’s purview.

Revised definition of ‘child’

A ‘child’ was defined under the Delhi S&E Act as a person who had not completed 12 (twelve) years of age. This has now been revised to 14 (fourteen) years of age.

Increase in daily working hours

The provision on daily working hours under the Delhi S&E Act has been amended to provide a consolidated limit of 10 (ten) hours per day, which now expressly includes rest and lunch intervals. Given the mandatory half-hour rest period, this effectively enhances the maximum daily working limit from 9 (nine) hours to 9.5 (nine and a half) hours.

Rest interval

Previously, the Delhi S&E Act mandated a 30 (thirty) minute interval for rest after 5 (five) hours of continuous work. This has now been extended to 6 (six) hours, allowing for longer uninterrupted operational shifts. Under the new 10 (ten) hour daily limit (which includes rest intervals), an employer can now schedule a 6 (six) hour continuous work block, followed by a mandatory 30 (thirty) minute break, leaving a remaining 3.5 (three and a half) hour work window to complete the day.

Overtime limits

The provisions governing extended working hours during exceptional circumstances, such as stock-taking, preparation of accounts, or other prescribed purposes have been modified. The weekly overtime cap has been increased from 54 (fifty-four) hours to 60 (sixty) hours. More importantly, the annual cap of 150 (one hundred and fifty) hours has been replaced with a quarterly cap of 144 (one hundred and forty-four) hours, which represents a nearly 4 (four) fold increase in the permissible overtime over a calendar year.

Uniform spread-over limit

The spread-over period, which refers to the total duration between the commencement and conclusion of the workday (including rest intervals), has been standardised. Previously, this limit was 10.5 (ten and a half) hours for commercial establishments and 12 (twelve) hours for shops. The Amendment Act now prescribes a uniform spread-over limit of 12 (twelve) hours across all establishments.

Night work provisions for young persons and women

Under the Delhi S&E Act, no young person or woman was allowed to work in any establishment between 9:00 PM and 7:00 AM during the summer season and between 8:00 PM and 8:00 AM during the winter season. The Amendment Act regarding young persons, continues to prohibit their employment during night hours under any circumstances.

In contrast, the framework for employing women during night shifts has been liberalised, subject to certain safeguards. Women may now be employed between 9:00 PM and 7:00 AM during the summer season and between 8:00 PM and 8:00 AM during the winter season, subject to the following conditions:

1. obtaining prior written consent from the woman employee;
2. ensuring adequate CCTV surveillance, security, and transportation facilities (including for contract workers);
3. strict prohibition on night work during the 6 (six) weeks immediately following childbirth or miscarriage, harmonising the Delhi S&E Act with the Code on Social Security, 2020.
4. mandatory requirement that at least 2 (two) women employees are present during night shifts.
5. strict adherence to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, along with any additional conditions notified by the Government of the NCT of Delhi.

Conclusion

The updated Delhi S&E Act aims at balancing employee welfare with business flexibility. While the liberalization of working hours and higher overtime limits offer the much-needed flexibility for business scaling, the concurrent strengthening of protections, particularly for women working in night shifts underscore a commitment to a safe and inclusive workplace.

As the new provisions take effect, it will be imperative for establishments in Delhi to move beyond mere awareness and undertake a comprehensive audit of their operational protocols, from shift scheduling to safety infrastructure, to fully leverage the benefits of these reforms while remaining strictly compliant.

Employment Practice

JSA has a team of experienced employment law specialists who work with clients from a wide range of sectors, to tackle local and cross-border, contentious and non-contentious employment law issues. Our key areas of advice include (a) advising on boardroom disputes including issues with directors, both executive and non-executive; (b) providing support for business restructuring and turnaround transactions, addressing employment and labour aspects of a deal, to minimize associated risks and ensure legal compliance; (c) providing transaction support with reference to employment law aspects of all corporate finance transactions, including the transfer of undertakings, transfer of accumulated employee benefits of outgoing employees to a new employer, redundancies, and dismissals; (d) advising on compliance and investigations, including creating compliance programs and policy, compliance evaluation assessment, procedure development and providing support for conducting internal investigations into alleged wrongful conduct; (e) designing, documenting, reviewing, and operating all types of employee benefit plans and arrangements, including incentive, bonus and severance programs; and (f) advising on international employment issues, including immigration, residency, social security benefits, taxation issues, Indian laws applicable to spouses and children of expatriates, and other legal requirements that arise when sending employees to India and recruiting from India, including body shopping situations.

JSA also has significant experience in assisting employers to ensure that they provide focused and proactive counselling to comply with the obligations placed on employees under the prevention of sexual harassment regime in India. We advise and assist clients in cases involving sexual harassment at the workplace, intra-office consensual relationships, including drafting of prevention of sexual harassment (POSH) policies, participating in POSH proceedings, conducting training for employees as well as Internal Complaints Committee members, and acting as external members of POSH Committees

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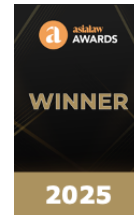
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