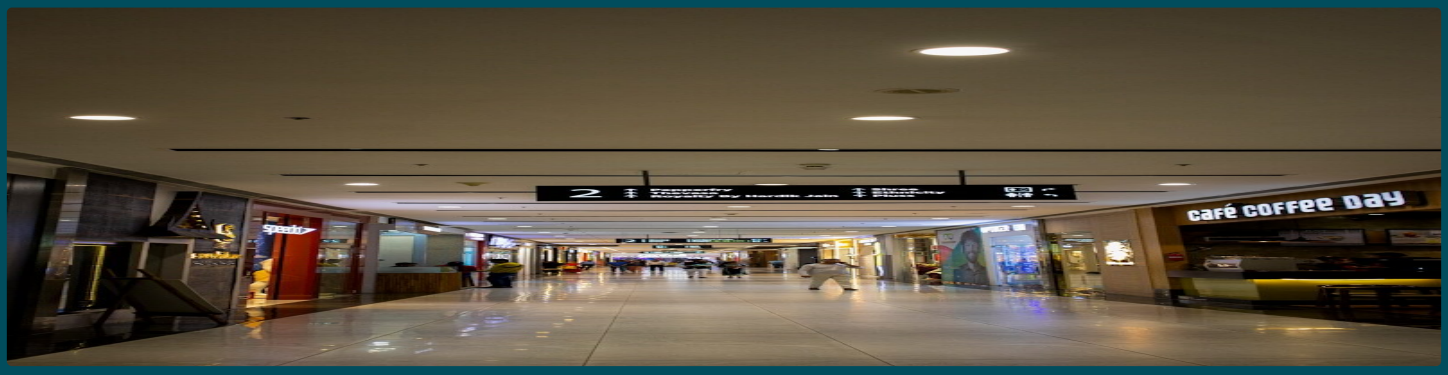
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Reforming Workplace Governance: An Analysis of the 2026 Amendments to the Delhi Shops and Establishments Act, 1954

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The Legislative Assembly of the National Capital Territory of Delhi has enacted significant amendments to the Delhi Shops and Establishments Act, 1954, through the Delhi Shops and Establishments (Amendment) Act, 2026 (Act No. 03 of 2026), which received the assent of the President of India on 23rd February 2026 and was published in the Delhi Gazette, Extraordinary, Part IV on 11th March 2026. These amendments represent a comprehensive overhaul of the regulatory framework governing shops and commercial establishments in Delhi, a deliberate legislative strategy that balances easier business compliance with stronger protection for vulnerable workers, particularly women and children. The amendments emerge from a policy consensus recognizing the need to modernize a seven-decade-old legislative framework to align with contemporary economic realities, evolving workforce demographics, and constitutional mandates of gender equality and child protection.

The legislative journey of these amendments traces back to the original Delhi Shops and Establishments Act, 1954 (Act No. 7 of 1954), which has was the principal legislation regulating employment conditions, working hours, and establishment operations in the National Capital Territory. The 2026 amendments, passed by the Legislative Assembly on 9th January 2026 and notified under F.14 (104)/LA/2026/jtsecylaw/374-385, introduce substantive modifications across six critical areas of the parent legislation. The amendments specifically target application thresholds to reduce regulatory burden on micro-enterprises, enhance child labor protections through age limit revisions, extend working hour flexibility for employers, simplify operational hour requirements, and most significantly, establish a comprehensive framework enabling women's participation in night shift employment with strong safety guarantees.

The amendment to Section 1 introducing a new sub-section (5) establishes a critical threshold limitation that fundamentally alters the Act's regulatory reach by restricting application exclusively to shops and establishments employing twenty or more employees. This modification represents a significant policy determination to exempt micro and small enterprises from the Act's compliance requirements, thereby reducing regulatory overhead for startups and small businesses while concentrating enforcement resources on larger establishments with greater workforce management capacities. This threshold-based approach acknowledges the disproportionate compliance burden that prescriptive labor regulations impose on small enterprises and aligns with broader national objectives of promoting ease of doing business and encouraging entrepreneurial activity in the informal sector.

The amendment to Section 2 modifying the definition of "young person" raises the age threshold from the twelfth year to the fourteenth year, thereby enhancing protections against child employment by extending the protected age category. This modification brings Delhi's shop and establishment regulations into closer alignment with contemporary child labor prohibition standards, international labor conventions, and constitutional mandates under Articles 23 and 24 of the Constitution of India. By raising the minimum age for permissible employment from twelve to fourteen years, the amendment establishes a stronger protective barrier against exploitative child labor practices while recognizing the developmental imperative of ensuring educational access and childhood protection for adolescent workers.

The comprehensive amendments to Section 8 governing daily and weekly working hours introduce substantial modifications to the temporal organization of work. The amendment increases daily working hours from nine to ten hours, explicitly inclusive of rest intervals and lunch breaks, thereby effectively extending productive working time within the statutory daily limit. More significantly, the amendment raises the weekly working hour ceiling from fifty-four hours to sixty hours and fundamentally alters the calculation methodology from an annual aggregate limit of one hundred fifty hours per year to a quarterly aggregate limit of one hundred forty-four hours per quarter. This shift from annual to quarterly calculation provides employers with enhanced flexibility in workforce deployment, enabling responsive adjustment to seasonal business fluctuations and quarterly operational cycles while maintaining aggregate safeguards against excessive working hours.

The amendment to Section 10 increasing the spread over period from five hours to six hours complements the working hour modifications by allowing longer continuous work blocks before mandatory rest intervals are triggered. This provision enables improved operational efficiency in establishments requiring sustained attention or continuous processes while maintaining the protective intent of ensuring adequate rest periods for workers. The amendment to Section 11 simplifying opening hour restrictions to a uniform twelve-hour prohibition applicable to both commercial establishments and shops replaces the previous differential treatment that imposed distinct opening restrictions on commercial establishments (ten and a half hours) and shops (twelve hours), thereby simplifying compliance requirements and establishing standardized operational timelines across business categories.

The most far-reaching legislative innovation appears in the complete substitution of Section 14 governing the employment of women and young persons, which establishes a comprehensive framework for women's night shift employment previously heavily restricted or prohibited under the parent Act. The substituted section maintains absolute prohibition on night work for young persons, ensuring continued protection of child workers from nocturnal employment hazards. However, the provision establishes a revolutionary entitlement for women to employment in all establishments, explicitly permitting night shift employment with written consent subject to stringent protective conditions and seasonal timing variations.

The framework for women's night shift employment imposes six mandatory conditions that employers must satisfy, creating a strong architecture of safety and compliance guarantees. The requirement of written consent ensures autonomous agency for women workers in determining their employment preferences while preventing coercive deployment. The mandatory provision of adequate CCTV surveillance, security personnel, and proper transport facilities, explicitly extending to employees of contractors, establishes comprehensive physical safety infrastructure. The absolute prohibition on employing women for six weeks following confinement or miscarriage reinforces maternity protection mandates. The requirement of minimum two women employees during night shifts creates a buddy system preventing isolation. The explicit mandatory compliance with the Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 integrates statutory harassment protections into the shops and establishments regulatory framework. The reservation of authority to the Delhi Government to notify additional conditions ensures adaptive regulatory capacity responsive to emerging safety requirements.

The Delhi Shops and Establishments (Amendment) Act, 2026, collectively represents a sophisticated legislative response to the dual imperatives of economic competitiveness and social protection. The threshold-based application limitation reduces regulatory friction for small enterprises while the working hour modifications provide operational flexibility for larger establishments. The enhanced child protection provisions strengthen safeguards against exploitative labour practices. The far-reaching framework for women's night shift employment, fortified by comprehensive safety mandates and POSH Act integration, advances gender equality in workforce participation while ensuring that liberalization does not compromise worker safety. These amendments establish a contemporary regulatory foundation for shop and establishment governance in the National Capital Territory, harmonizing economic efficiency objectives with constitutional protections for vulnerable workers.

Conclusion

The Delhi Shops and Establishments (Amendment) Act, 2026, is a substantial change in the labour regulatory architecture of the National Capital Territory, drawing a new line between regulatory liberalization and protective reinforcement. By establishing employee thresholds to focus regulatory resources, enhancing child labour protections through age limit revisions, extending working hour flexibility through quarterly calculations, and most significantly, enabling women's night shift participation through a comprehensive safety framework, the amendments create a more adaptive yet protective regulatory environment. The explicit integration of POSH Act compliance into the shops and establishments regulatory framework ensures that workplace harassment protections are mandatory operational requirements rather than optional standards. These changes reflect contemporary labor governance best practices emphasizing risk-proportionality, gender inclusivity, and economic flexibility while maintaining the critical objective of worker protection. As Delhi's commercial landscape continues to evolve with new business models and workforce demographics, the flexible regulatory framework established by these amendments provides employers and workers with adaptive tools to address emerging economic opportunities while ensuring that growth does not compromise fundamental rights and protections. The effective implementation of these provisions will require sustained institutional capacity building, enhanced inspection mechanisms, and proactive stakeholder engagement, but the amendments establish a sound foundation for 21st-century workplace governance in the National Capital Territory.

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