

## Bihar Repeals its Shops & Establishments Law Following OSH Code Implementation

In a significant labour law development, the Governor of Bihar has promulgated the Bihar Shops and Establishments (Regulation of Employment and Conditions of Service) (Repeal) Ordinance, 2026 (**Ordinance**), published in the Bihar Extraordinary Gazette on 1 June 2026.

Through the Ordinance, the State has repealed the Bihar Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2025 (**Bihar Shops Act**) with immediate effect.

The repeal follows the coming into force of the Occupational Safety, Health and Working Conditions Code, 2020 (**OSH Code**), which was brought into force by the Central Government with effect from 21 November 2025. The State Government has noted that the provisions of the Bihar Shops Act substantially overlapped with those contained in the OSH Code and that maintaining parallel regulatory frameworks would create unnecessary compliance burdens for establishments.

The Ordinance further records that the repeal is intended to facilitate industrial and economic activity within the State by eliminating duplicative compliance requirements and creating a more business-friendly regulatory environment.

Importantly, the Ordinance contains a savings clause under which proceedings initiated under the repealed Bihar Shops Act prior to its repeal will continue to be governed by the provisions of that legislation as though it had not been repealed.

Under Article 213 of the Constitution of India, an ordinance is a temporary law promulgated by the Governor when the State Legislature is not in session. An ordinance ceases to operate upon the expiry of six weeks from the reassembly of the Legislature unless it is replaced by a legislative enactment. Accordingly, for the repeal to have permanent effect, the Ordinance will need to be replaced by a law duly passed by the Legislature and assented to by the Governor.

### ELP Comments

*This Ordinance can be a start and one of many to follow by other States. The repeal may encourage other States to revisit their respective Shops and Establishments legislations where substantial overlap exists with the OSH Code, as part of broader efforts towards harmonisation of labour law compliance requirements. For now, employers and establishments operating in Bihar will have to review their compliance frameworks to ensure alignment with the OSH Code and the rules framed thereunder.*

We hope you have found this information useful. For any queries/clarifications, please write to us at [insights@elp-in.com](mailto:insights@elp-in.com) or write to our authors:

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