The Sikkim Labour (Regulation of Employment and Conditions of Service) Act, 2021

Act No. 11 of 2021

Keywords:

Domestic Worker, Establishment, Service Provider, Record, Wage
NOTIFICATION

The following Act passed by the Sikkim Legislative Assembly and having received assent of the Governor on 18th day of June, 2021 is hereby published for general information:

THE SIKKIM LABOUR (REGULATION OF EMPLOYMENT AND CONDITIONS OF SERVICE) ACT, 2021

(Act No. 11 of 2021)

An ACT

to provide for a comprehensive database, by making it legally mandatory for registration, of the entire spectrum of Workforce, Intermediaries or Service-Providers or Sub-Service Providers, Owners, Employers and Establishments, and annual licensing of Service-Providers or Sub Service-Providers and establishments, to enable the various Programme-implementing agencies to effectively execute the plethora of existing welfare-schemes and to capacitate the State Government to frame rules, regulations, guidelines and programmes for improving the working and living conditions of labourers and also to protect them from exploitation by their employers. It is equally necessary to list-out the duties and responsibilities of the employers and to document the legally necessary working conditions, including wages of the workers.

Be it enacted by the Legislature of Sikkim in the Seventy-second Year of the Republic of India as follows:
CHAPTER I

1. Short title, extent, commencement and application:
   1) This Act may be called the Sikkim Labour (Regulation of Employment and Conditions of Service) Act, 2021.
   2) It shall extend to the whole of Sikkim.
   3) It shall come into force on such date or dates as the State Government may, by Notification in the Official Gazette, appoint and different dates may be appointed for different provisions of the Act.
   4) It shall apply to:
      (a) every establishment or principal employer or owner.
      (b) every Service Provider or Sub-Service Provider who employs or who employed labourers on any day of the preceding twelve months.
      (c) every individual worker or labour working within the State of Sikkim but does not include the Muster Roll and the Work Charged workers in the Government Departments.

2. Definitions:
   In this Act, unless the context otherwise requires.-
   (a) “Appellate Authority” means the Secretary of the Labour Department;
   (b) “State Government” means the Government of Sikkim;
   (c) “Domestic worker” means those who work in household, and includes domestic servants, domestic helpers, maid, governess, etc;
   (d) “Employer” means a person by whom a worker or labourer is employed and includes Service Provider or Sub-Service Provider or owners of Shops and Establishments;
   (e) “Establishment” means any place where any industry, trade, business, manufacture or maintenance and construction works or occupation is carried on;
   (f) “Financial Year” means the year commencing on the 1st day of April;
   (g) “individual worker or labour” means a worker or labourer who earns his or her livelihood independently opting any work or menial job requiring execution of the work through physical capabilities and strength but does not require academic qualification and such work is otherwise not regulated by any other law, rule or regulation in so far as competence to do such work is concerned;
   (h) “Inspector” means an Inspector appointed under this Act;
   (i) “Magistrate” means Judicial Magistrate and includes Chief Judicial Magistrate;
   (j) “notification” means a notification published in the Official Gazette;
   (k) “porters” mean all the porters who are working in bazars, godowns, in establishments, etc.;
   (l) “prescribed” means prescribed by rules made under this Act;
(m) "Principal Employer" means:-

(i) in relation to a factory, the owner or occupier of the factory and where a person has been named as the Manager of the factory;

(ii) in relation to any other establishment, any person responsible for the supervision and control of the establishments;

(n) "Service Provider" means in relation to an establishment, means a person who undertakes (whether as an independent agent, employee or otherwise) to produce a given result for the establishment, other than mere supply of goods or articles of manufacture to such establishment, by the engagement of labourer to the establishment, and includes a Sub-Service Provider, agent or any other person, by whatever name called, who recruits and provides labour;

(o) "record" means the records maintained in the form of books or registers or stored in a computer or in such form as may be specified;

(p) "Registering Officer" means an Officer appointed under Section 3 of the Act;

(q) "Schedule" means the Schedule appended to the Act;

(r) "Scheduled employment" means any employment in the organized or unorganized Sector as specified in the Scheduled;

(s) "Superior Officers" means Assistant Labour Commissioner, Deputy Labour Commissioner, Joint Labour Commissioner, Additional Labour Commissioner, Special Labour Commissioner and Labour Commissioner;

(t) "wage" means all remuneration capable of being expressed in terms of money, which would, if the terms of the contract of employment, express or implied, were fulfilled, be payable to a person employed in respect of his employment or of work done in such employment;

(u) "worker or labourer" means a person engaged in the Scheduled Employment who has completed the age of 14 years and above and any person employed in or in connection with the work of any establishment to do any unskilled, semi-skilled, skilled, highly skilled, supervisory work and includes individual worker or labour as defined in clause (g) of Section 2 but does not include any such person who is employed mainly in a managerial or administrative capacity.

CHAPTER II
REGISTRATION

3. Appointment of Registering Officers:

The State Government may, by notification in the Official Gazette:-

(a) appoint such persons, being Gazetted Officer of Sikkim State Labour Service Cadre, as it thinks fit to be Registering Officers for the purposes of this Chapter, and

(b) define the limits, within which a Registering Officer shall exercise the powers conferred on him by or under this Act.
4. Registration of Establishment:

Every Principal Employer or Employer or Owners of an establishment to which this Act applies shall, before its registration make an application to the Registering Officer, in such forms and manner and on payment of such fees as may be prescribed, for its registration and of the workers.

5. Registration of Service Provider/Sub-Service Provider:

Every Service Provider or Sub-Service Provider to which this Act applies shall, within such period as the State Government may, by notification in the Official Gazette, fix in this behalf, make an application to the Registering Officer, in such form and manner and on payment of such fees as may be prescribed, for its registration and of the workers.

6. Registration of individual workers:

(1) Every individual workers or bazaar porters, carpenters, masons, rag picker, quilt maker, plumbers, fitters, cooks, waiters, chanawalas, electricians, welders, painters, drivers (other than Government drivers), gothals, domestic servant, mechanics, barbers, cloggers, hawkers, umbrella repairers, scrap paper and bottle collectors, etc. who are working independently shall within such period, as the State Government may, by notification in the Official Gazette, fix in this behalf, make an application to the Registering Officer, in such form and manner and on payment of such fees as may be prescribed, for the registration of individual workers.

(2) Every Principal Employer or Employer or Service Provider or Sub-Service Provider or Owners or of an establishment or individual worker to which this Act applies shall, within such period as the State Government may, by Notification in the Official Gazette, fix in this behalf, make an application to the Registering Officer, in such forms and manner and on payment of such fees as may be prescribed, for its registration:

Provided that the Registering Officer may entertain any such application for registration after the expiry of the period fixed in this behalf, if the Registering Officer is satisfied that the applicant was prevented by sufficient cause from making the application in time.

(3) Within a period not exceeding one month after the receipt of an application for registration under sub-section (1) or (2), the Registering Officer shall:-

(a) if the application is complete in all respects, consider to keep a record in register or in such other form as may be considered expedient and shall issue a registration card,

(b) if the application is not complete, return the application to the applicant with instructions to submit the required documents within a period of 15 (fifteen) days:

Provided that an application can be made to the Registering Officer to extend the period further by another 15 (fifteen) days for which necessary grounds may be indicated by the applicant and the authority also may in deserving cases extend the time by a period of 15 (fifteen) days for disposal of such application.

(4) Where within a period of one month or after the receipt of an application for registration of individual workers under sub-section (1) of Section 6, the Registering Officer does not grant registration card as applied for, the Registering Officer may after due diligence exercise discretion even after 60 (sixty) days of the receipt of an application in this
behalf, may keep a record in register or in such other form as may be considered expedient and may also issue registration card:

Provided that possession of registration card of labour or worker shall not confer any individual, status or claim or benefits of that of local resident of the State.

7. Revocation of registration in certain case:

If the Registering Officer is satisfied, either on a reference made to him in this behalf or otherwise, that the registration of any establishment, Service Provider, Sub-Service Provider and individual worker has been obtained by misrepresentation or suppression of any material fact or that for any other reason the registration has become useless or ineffective and therefore, requires to be revoked, the Registering Officer may, after giving an opportunity to that worker to be heard, revoke by order in writing the registration and communicate the order to establishment, Service Provider, Sub-Service Provider and individual worker.

8. Prohibition of employment of workers without registration:

(1) No Principal Employer or Employer or Service Provider or Sub-Service Provider or Owner of establishment to which this Act applies shall employ worker in the establishments unless a worker possesses a registration card under this Act.

(2) No individual worker or bazaar porters, carpenters, masons, rag pickers, quilt makers, plumbers, fitters, cooks, waiters, chanawalas, electricians, welders, painters, drivers (other than Government drivers), gothalas, domestic servant, mechanic, panwalas, barbers, cobbler, hawkers, etc. to which this Act applies shall be allowed to work in the State of Sikkim, unless he or she possesses a registration card issued under this Act.

9. Application for renewal of registration of individual workers:

The registration card of workers granted under clause (a) of sub-section (3) and sub-section (4) of Section 6, shall be valid up to the end of Financial Year for which it is granted. An application for renewal shall be submitted not less than fifteen (15) days before the date of expiry of the registration card and shall be accompanied by such fees as any be prescribed:

Provided that if the application for renewal is not received within the specified time, a fine of Rs. 10 (ten) per day in excess of the fee ordinarily payable for the registration shall be payable for such renewal.

10. Appeals:

(1) Any person aggrieved by an order made under Sections 4, 5, 6 and 7 of the Registering Officer refusing to grant registration card or by an order of the Registering Officer revoking registration card of such applicant may prefer an appeal against the Order to the Appellate Authority within 30 (thirty) days from the date of communication of the order of refusal or revocation, as the case may be, provided an appeal may be admitted after the expiry of the period of 30 (thirty) days, if the appellant satisfies the Appellate Authority that he was prevented by sufficient cause from preferring the appeal within the said period.

(2) Every appeal under this section shall be made by a petition in writing and shall be accompanied by a brief statement of the reasons for the order appealed against where such statement has been furnished by the appellant and on payment of such fees as may be prescribed.
No appeal filed under this section shall be disposed off until appellant is given reasonable opportunity of being heard.

Every order of the Appellate Authority confirming, modifying, or reversing the order appealed against shall be final.

CHAPTER III

LICENSING OF ESTABLISHMENT AND SERVICE PROVIDER

11. Appointment of Licensing Officers:

The State Government may, by notification in the Official Gazette,-

(a) appoint such persons, being a Gazetted Officer of Sikkim State Labour Service Cadre, as it thinks fit to be the Licensing Officers for the purposes of this Chapter; and

(b) define the limits, within which the Licensing Officer shall exercise the jurisdiction and powers conferred on Licensing Officers by or under this Act.

12. Licensing of Establishment and Service Provider:

(1) Every Establishment or Service Provider shall make an application to the Licensing Officer before employing the work force, in such form and manner and on payment of such fees as may be prescribed, for the licensing.

(2) Within a period not extending 1 (one) month after the receipt of an application under sub-section (1), the Licensing Officer shall:

(a) if the application is complete in all respects, and after due verification, may issue the license.

(b) if the application is not complete, return the application to the applicant with instructions to submit the required documents within a period of 15 (fifteen) days.

(c) The Licensing Officer may either on the application made by the applicant or at his or her own discretion extend the period by 15 (fifteen) days for disposal of such application.

(3) Subject to the provisions of this Act, a license may contain such conditions including, in particular, the terms and conditions of the agreement with the establishment or arrangement under which the labour will be recruited, the remuneration payable, hours of work, fixation of wages and other essential amenities as prescribed under the various existing laws and rules relating to the welfare of labour.

13. Grant of licenses:

(1) Every application for the grant of a license under sub-section (1) of Section 12 shall be made in the prescribed form and shall contain the particulars regarding the location of the establishment, the nature of process, operation or work for which the number of workers are to be employed and such other particulars as may be prescribed.

(2) The Licensing Officer may make such investigation in respect of the application received under sub-section (1) and on making any such investigation the Licensing Officer shall
follow such procedure as may be prescribed. The Licensing Officer after due investigation will exercise his or her discretion on the terms and conditions of license applied for under Section 12.

(3) A license granted under Section 12, shall be valid for a period of 1 (one) year or till the completion of work whichever is earlier.

14. Revocation, suspension and updation of licenses:

(1) If the Licensing Officer is satisfied, either on a reference made to him in this behalf or otherwise, that a license granted under Section 13 has been obtained by misrepresentation or suppression of any material fact, or the holder of a license has, without reasonable cause, failed to comply with the conditions subject to which the license has been granted or has contravened any of the provisions of this Act or the rules made thereunder, then, without prejudice to any other penalty to which the holder of the license may be liable under this Act, the Licensing Officer may, after giving the holder of the license an opportunity to be heard, by order in writing, revoke the license or any part thereof and communicate the order to the holder of the license:

Provided that where the Licensing Officer considers it necessary to do so for special reasons, he may, pending such revocation or forfeiture, by order, suspend the operation of the license for such period as may be specified in the order and serve, by post or any other mode of verifiable communication, such order along with a statement of the reasons on the holder of the license and such order shall take effect on the date on which such service is effected.

(2) Subject to any rules that may be made in this behalf, the Licensing Officer may revoke the license granted under Section 13 or vary or update its conditions subject to approval of the State Government.

15. Appeal:

(1) Any person aggrieved by an order made under Section 12 and Section 13, may, within 30 (thirty) days from the date on which the order is communicated to him, prefer an appeal to the Appellate Authority:

Provided that the Appellate Authority may entertain the appeal after the expiry of the said period of 30 (thirty) days, if he is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

(2) On receipt of an appeal in writing under sub-section (1), the Appellate Authority shall, after giving the appellant an opportunity of being heard, dispose of the appeal as expeditiously as possible.

(3) No appeal filed under this section shall be disposed off until appellant is given reasonable opportunity of being heard.

(4) Every order of the Appellate Authority confirming, modifying, or reversing the order appealed against shall be final.

16. Renewal of license:

(1) Every establishment or employee may apply to the Licensing Officer for renewal of license. The Licensing Officer upon calling for additional documents and upon detailed investigation if deemed necessary, shall have the discretionary power to update the terms and conditions of the license with prior approval of the State Government.
(2) The application shall be in the prescribed form in duplicate and shall be made not less than 30 (thirty) days before the date on which the license expires.

(3) The fees chargeable for renewal of the license shall be the same as for the grant thereof as may be prescribed:

Provided that if the application for renewal is not received within the time specified in sub-section (2) a fine of Rs. 50 (fifty) per day in excess of the fee ordinarily payable for the license shall be payable for such renewal:

Provided further that in case where the Licensing Officer is satisfied that the delay in submission of the application is due to unavoidable circumstances beyond the control of the employee, he may reduce or remit as he deems fit the payment of such excess fee.

Furthermore, that if the License renewed under this section has been obtained by misrepresentation or suppression of any material fact, or the holder of a license has, without reasonable cause, failed to comply with the conditions subject to which the license has been renewed or has contravened any of the provisions of this Act or the rules made thereunder, then, without prejudice to any other penalty to which the holder of the license may be liable under this Act, the Licensing Officer may, after giving the holder of the license an opportunity to be heard, by order in writing, revoke the license or any part thereof and communicate the order to the holder of the license.

CHAPTER IV

DUTIES AND OBLIGATION OF PRINCIPAL EMPLOYER OR EMPLOYER/ SERVICE PROVIDER/OWNERS OF ESTABLISHMENT OR OF INDEPENDENT INDIVIDUAL WORKERS

17. Duties and Functions of Principal Employer/Employer/Owners of Establishment:

1. The duties of the Principal Employer, Employer or owners of establishment shall be to,-
   (a) maintain the establishment as per the provisions of various labour laws;
   (b) draw an agreement, work order, letter of intent with service provider;
   (c) submit monthly returns in the prescribed format by 10th day of every month;
   (d) comply with all the directives issued by the appropriate authority within the specified time;
   (e) constitute a Grievance Redressal Committee; and
   (f) provide basic medical facilities to the workers, free of charge as may be prescribed;

18. Duties and Functions of Service Provider/Sub-Service Provider:

The duties of the Service Provider or Sub-Service Provider shall be to,-
   (a) draw an agreement, work order, letter of intent with principal employer.
   (b) furnish such particulars and in such form as may be prescribed to the specified authority within fifteen (15) days where any change occurs in any of the particulars so furnished;
19. Duties and Functions of individual workers:

It shall be the duty of the independent individual worker to:-

(a) apply for registration in the Labour Registration Centre;
(b) furnish such particulars and in such form as may be prescribed and shall apply to the Registering Officer;
(c) furnish the Registration Card issued by the Registering Officer at the time of inspection;
(d) furnish such particulars and in such form as may be prescribed to the Registering Officer within 15 (fifteen) days where any change occurs in any of the particulars so furnished;
(e) surrender his or her Registration Card if he or she chooses to leave the State; and
(f) not to charge for his/her services beyond the prescribed or prevailing market rates.

20. Other facilities:

It shall be the duty of every Principal Employer, Employer, Service Provider/Sub-Service Provider or the Owner of establishment, employing workers in connection with the work of an establishment to which this Act applies to:-

(a) have reserve sanitary napkins at the workplace;
(b) provide 10 (ten) days paid casual leave in addition to Five National holidays and Five State festival holidays;
(c) provide hygienic work environment;
(d) provide transportation/transportation allowance where 50 (fifty) or more workers are employed;
(e) install complaint box in the establishment;
(f) install pigeon hole for keeping mobile while entering the work station.
(g) provide crèche facilities where 50 (fifty) or more female workers are employed;
(h) timely intimation of fatal accident or serious bodily injury to any worker while on duty as provided under the Employees Compensation Act, 1923;
(i) any other direction issued by the Labour Department from time to time.

CHAPTER V
INSPECTION AND ENFORCEMENT

21. Powers of the Inspectors and their Superior Officers:

(1) Inspectors and above under Sikkim Labour Service Cadre shall be deemed to be Inspectors appointed under this Act.

(2) Subject to any rules made in this behalf, within the local limits for which he or she is appointed, an Inspector may:

(a) if he or she has reasons to believe that any worker is employed in an establishment, premises or place, he or she may enter, during working hours, with assistance of any local respectable person or any public servant, such premises, establishment or place for the purpose of,—

(i) satisfying himself whether the provisions of this Act in relation to the registration of Principal Employer, Service Provider, Sub-Service Provider, Owner and workers, relating to conditions of service, payment of wages or other facilities to be provided to the workers are being complied with;

(ii) examining any register or record or notices required to be kept or exhibited by the provisions of this Act or the rules made thereunder, and requiring the production there for inspection;

(iii) examining any person found in any such premises, establishment or place for the purpose of determining whether such person is a worker;

(iv) seizing or taking copies of such register, record of wages or notices or particulars of workers or portions thereof as he may consider relevant in respect of an offence under this Act which he has reason to believe has been committed by the Principal Employer, Employer, Service Provider, Sub-Service provider or Owner of establishments;

(v) investigating the above offences and filing a report.
22. Inspector to be a Public Servant:

Every Inspector shall be deemed to be a "public servant" within the meaning of Section 21 of the Indian Penal Code, 1860.

23. Documents required to be produced:

Any person required to produce any documents or thing or to give any information required, by the Registering or Licensing Officer and Inspector shall be deemed to be legally bound to do so.

24. Application of the Code of Criminal Procedure, 1973 to any search or seizure:

The provisions of the Code of Criminal Procedure, 1973 (2 of 1974) shall so far may be, applied to any search or seizure under sub-clause (iv) of clause (a) of sub-section (2) of Section 21.

25. Protection of action taken in good faith:

No suit, prosecution or legal proceedings shall lie against any officer for anything which is done in good faith or intended to be done under this Act or rules made thereunder.

26. Production of registers, records, etc. on demand:

Every Principal Employer or Employer or Service Provider or Sub-Service Provider or Owner of an establishment and in his absence the Manager or In-charge shall on demand, produce for inspection to an Inspector all registers, records and notices required to be kept under and for the purpose of this Act.

CHAPTER VI
OFFENCES, COGNIZANCE OF OFFENCES AND PENALTIES

27. Offences:

(1) Non-compliance of provisions of Sections 4, 5, 6, 8, 9, 12, 16, 17, 18, 19, 20, 23, 26, 32 and 33 or any other provisions under this Act and the rules made thereunder shall be an offence.

(2) Any offence or offences under sub-section (1) may either before or after receiving of complaint, be compounded by the Registering or Licensing Officer and Labour Inspectors as may be authorized in this behalf to compound any or all the offences on payment for credit to the State Government of minimum amount of fine which shall not be less than rupees two thousand five hundred from the person concerned who is accused of committing the offence or offences.

28. Cognizance of offences:

No court shall take cognizance unless a complaint filed before the Court of Judicial Magistrate having jurisdiction by an Inspector or his superior officers and such Court shall try the offence, summarily.
29. **Penalties:**

Any Person who contravenes the provision of this Act shall be punished according to the severity of an offence. The punishment for an offence may be categorized as follows:-

(a) Failure to comply with the provisions of Section 4, 5, 8, 9, 12 and 16 on conviction shall be punishable with simple imprisonment which may extend up to three months or a fine up to Rs. 10,000/- or both and in default to pay the fine simple imprisonment for a period of 30 (thirty) days.

(b) Failure to comply with the provisions of Sections 17, 18, and 20 on conviction shall be punishable with simple imprisonment up to three months or a fine up to Rs. 10,000/- or both and in default to pay the fine simple imprisonment for a period of 30 (thirty) days.

(c) Failure to comply with the provisions of Sections 23, 26, 32 and 33 on conviction shall be punishable with simple imprisonment up to a period of one month or a fine up to Rs. 5,000/- or both and in default imprisonment for a period of 20 (twenty) days.

(d) Failure to comply with the provisions of Sections 6 and 19 on conviction shall be an offence punishable with simple imprisonment up to a period of one month or a fine up to Rs. 2,000/- or both.

(e) For any second and subsequent offence the punishment on conviction shall be double of the penalties prescribed at (a), (b), (c) and (d) above respectively.

30. **Limitation of prosecution:**

No Judicial Magistrate shall take cognizance of an offence under this Act unless complaint thereof is made within 6 (six) months from the date on which the alleged commission of the offence first comes to the knowledge of an Inspector appointed under this Act.

31. **Appeals/Revisions:**

In the matter of appeal and revision, the provisions of Cr. P.C. shall be applicable.

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**CHAPTER VII**

**MISCELLANEOUS AND SUPPLEMENTARY**

32. **Display of registration card:**

Every registered worker or labourer shall prominently display his or her registration card and shall produce the required documents or record when demanded by an inspecting officer.

33. **Maintenance of registers or records and display of notices:**

Every employer shall maintain such registers and records as may be prescribed and display them prominently in the premises of the establishment and other places of work.
34. **Change of registration/licensing fees and renewal fees:**

The rate of registration, licensing and renewal fees are subject to change by way of notification by the State Government from time to time.

35. **Power to make rules:**

The State Government may, make rules to carry out any of the provisions of this Act.

36. **Repeal and Saving:**

(1) The Sikkim Labour Protection Act, 2005 (Act No. 20 of 2005), and the Rules made thereunder along with all amendments are hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the said Act, rules, regulations or orders on the subject, shall be deemed to have been done, taken, issued or made under the corresponding provisions of this Act.
THE SCHEDULE
(See Section 2 (r))

SCHEDULED EMPLOYMENT

1. Agriculture workers.
2. Automobile Engineering works.
5. Construction of projects including airports, railways, dams, tunnels, thermal, hydroelectric and other multipurpose.
6. Dairy, poultry and animal husbandry farming.
8. Distilleries and Breweries.
9. Electronic Industries.
11. Hotels, Restaurant & Eating houses, Tea shops and Shops and Commercial Establishments.
12. Loading and unloading of goods and other materials.
15. Making of quilts, mattress, and repairing of cookeries.
17. Tours and Travels and their related trade/business.
18. Carpentry and Masonry.
20. Industries and factories.
22. Wood works and furniture.
23. Tea plantation.
24. Manufacturing, packaging, distribution and transportation of pharmaceuticals products and components thereof.
25. Leather Tanning Industries.

Suraj Chettri (SSJS)
L.R.-cum-Secretary
Law & P.A. Department
F No. 11(656)/L&PAD/2021

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