



# **Industrial Employment (Standing Orders) Act 1946**

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# **Industrial Employment (Standing Orders) Act 1946**



## Objectives of the law...

- To have uniform standing orders in respect to workers, factories, and working relationship
- To ensure that the terms and conditions of the employment are known to the employee and thus to minimise exploitation of the workers.
- To promote industrial peace and harmony by promoting fair industrial practices.



# What is standing orders...

- **Rules relating to working in a factory, which are mentioned in the schedule to the Act. [section 2(g)]. The schedule to the Act requires that following should be specified in Standing Orders - (a) classification of workmen i.e. temporary, badli, casual, permanent, skilled etc. (b) manner of intimating to workmen working hours, shift working, transfers etc. (c) Holidays (d) Attendance and late coming rules (e) Leave rules (f) Leave eligibility and leave conditions (g) Closing and reopening of sections of industrial establishment (h) termination of employment, suspension, dismissal etc. for misconduct and acts or omissions which constitute misconduct (i) Retirement age (j) Means of redressal of workmen against unfair treatment or wrongful exactions by employer**



# Coverage...

- The Act is applicable to all industrial establishments' employing 100 or more workmen. [section 1(3)].



# What is industrial enterprise....

- Industrial establishment is the same as :  
section 2(i) of Payment of Wages Act (ii)  
Factory as defined in section 2(m) of  
Factories Act (iii) Railway (iv)  
Establishment of contractor who employs  
workmen for fulfilling contract with owner  
of an industrial establishment. [section  
2(e)].



# Who is a workman ?

- Workman' has meaning assigned to it under section 2(s) of Industrial Disputes Act. [section 2(i)]. Thus, workman' includes skilled, unskilled, manual or clerical work. However, workman' does not include employees engaged in managerial or administrative capacity or supervisory capacity. Workman' does not include workers subject to Army Act, Navy Act or Air Force Act or to police or prison services.



# Who is a certifying officer?

- A labour commissioner or a regional labour commissioner and includes other officer appointed to perform the functions of a certifying officer. (sec. 2(c) )





# Procedure for certification of standing orders....

- Every employer covered under the Act has to prepare Standing Orders', covering the matters required in the Standing Orders'. Five copies of these should be sent to Certifying Officer for approval. [section 3(1)]. Certifying Officer' means Labour Commissioner and any officer appointed by Government to be Certifying Officer'. [section 2(c)].



## Procedure for certification...

- The Certifying Officer will inform the Union and workmen and hear their objections. After that, he will certify the Standing Orders' for the industrial establishment. [section 5]. Till standing orders are certified, Model Standing Order' prepared by Government will automatically apply. [section 12A].



# Procedure for certification of standing orders...

- Standing order should be displayed in English and local language on special notice boards at or near entrance of the establishment. [section 9]. Modifications of Standing Order shall be done by following similar procedure. [section 10].



## Date of operation of Standing orders...

- Standing orders certified and their authenticated copies are sent to employer and workers and on the expiry of 30 days, they will be applicable. If an appeal has been made – then after 7 days of the orders the standing orders (as modified) will be applicable.



# Standing orders to be the most important...

- Once the Standing Orders' are certified, they supersede any term and condition of employment, contained in the appointment letter. If there is inconsistency between Standing Order' and Appointment Letter', the provisions of **Standing Order' prevail**  
- *Eicher Goodearth Ltd. v. R K Soni* - (1993) XXIV LLR 524 = 1993 LLR 524 (Raj HC) \* *Printers House v. State of Haryana* 1982 II LLN 327.



# Standing orders binding on both the parties...

- Standing orders are binding on employer and employee. These are statutorily imposed conditions of service. However, they are not statutory provisions themselves (meaning that the Standing Orders' even when approved, do not become law' in the sense in which Rules and Notifications issued under delegated legislation become after they are published as prescribed.)  
- *Rajasthan SRTC v. Krishna Kant* - AIR 1995 SC 1715



# Discipline by Standing Orders...

- **A workman can be punished only if the act committed by him is a misconduct' as defined under the Standing Orders'. The Model Standing Orders' contain such acts like insubordination, disobedience, fraud, dishonesty, damage to employer's property, taking bribe, habitual absence or habitual late attendance, riotous behaviour, habitual neglect of work, strike in contravention of rules etc. as misconducts. The Certified Standing Orders' may cover other acts as misconduct**



# Subsistence allowance to the worker...

- Where a workman is suspended by employer pending investigation or enquiry into complaints or charges of misconduct against him, the workman shall be paid subsistence allowance equal to 50% of wages for first 90 days of suspension and 75% of wages for remaining period till completion of disciplinary proceedings. [section 10A(1)]. Wages' has same meaning as under section 2(rr) of Industrial Disputes Act. [section 2(i)].





# **Matters covered in the schedule (standing orders) ... (sec 2g, & 3(2))**

- Classification of workers
- Shift working
- Attendance & late coming
- Termination, suspension, dismissal etc.
- Redressal of the employee
- Transfers,
- Vacancies,
- Confirmation, retirement, etc.



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