

New Labour Codes of India
Professor K D Raju
Rajiv Gandhi School of Intellectual Property Law
Indian Institute of Technology, Kharagpur
Lecture No 19
Industrial Employment (Standing Orders)

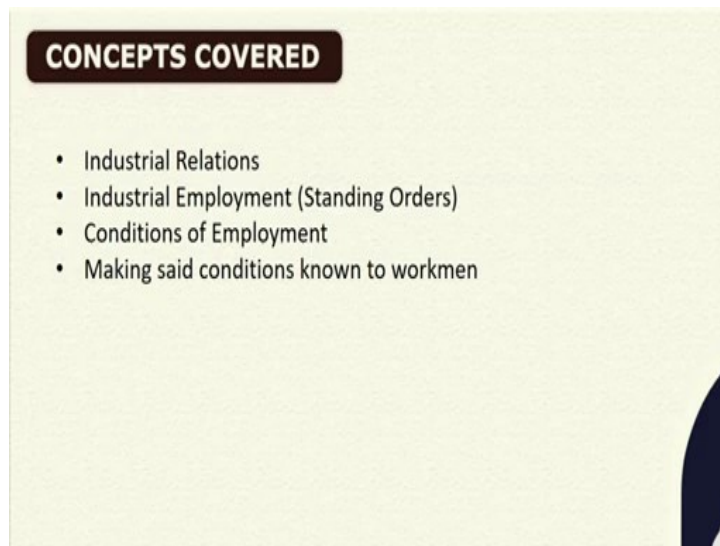
(Refer Slide Time: 00:21)



Hello, students in this class we are going to discuss about the Industry Standing Orders. So, what is the requirement of industry standing orders and also, so, who makes it what is the legislative intention or legislative sanction for this particular standing order of the company, which are making and what is the concept of the standing order, why it is required and what are the provisions which talks about and whether this is mandatory or not mandatory?

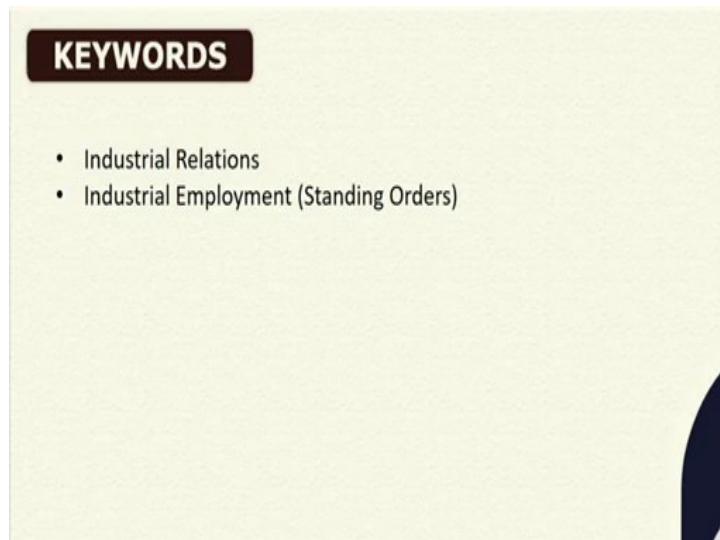
So, who is going to certify these particular standing orders and whether the companies obliged to comply with these particular standing orders or what are the penalties, this we are going to discuss in today's class.

(Refer Slide Time: 01:07)



And we know that the Industrial Employment Standing Orders are prepared by the company itself. And this is nothing but a document that talks about conditions of employment and also its working conditions, working time and also all the conditions and terms and conditions of employment which are mentioned in the standing orders.

(Refer Slide Time: 01:37)



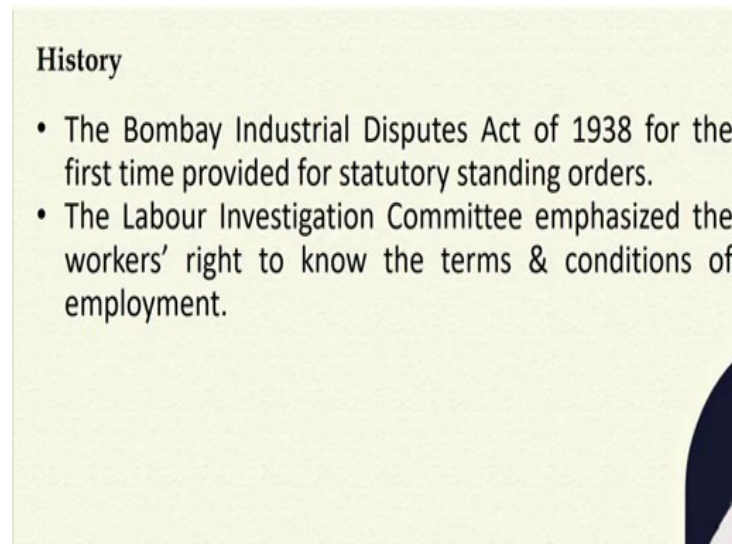
Historical Background

- No uniform practice governing the conditions of service of workers
- No clarity of rights and obligations of the employer in respect of terms of employment, friction/dispute between management and worker
- Demand for statutory service conditions raised by Bombay Cotton Textile workers in 1927-28

So, these Standing Orders are given statutory recognition under this particular legislation, the Industrial Employment Standing Orders Act. So, if we look into the Standing orders, as such, we can see that the conditions of service in pre-independence India were very poor, there was no right and also obligations, and no clarity of rights on the part of the obligations of the employer in respect of terms of employment, and also the dispute between management and workers.

So, this raise the demand for statutory service conditions, which is raised by the Bombay Cotton Textile workers at the end of the 1920s. So, they said that there must be a statutory service condition we should put it, so, that there will be clarity on the terms and conditions and obligations of the employer in terms of employment.

(Refer Slide Time: 02:44)

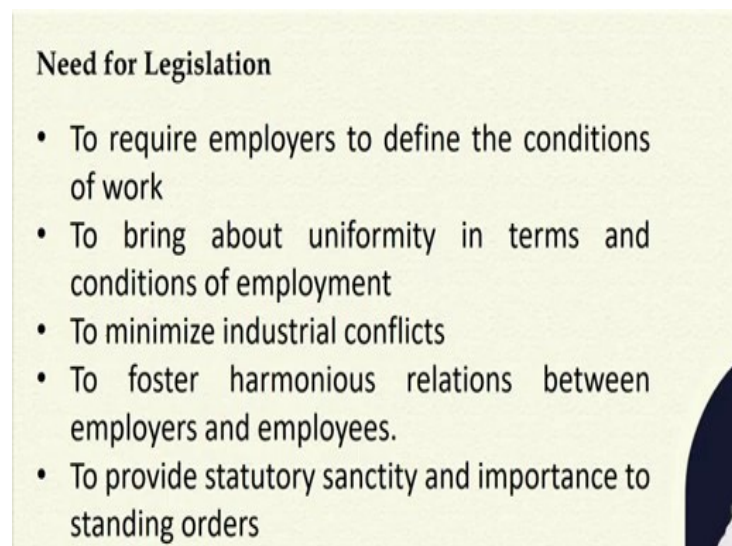


History

- The Bombay Industrial Disputes Act of 1938 for the first time provided for statutory standing orders.
- The Labour Investigation Committee emphasized the workers' right to know the terms & conditions of employment.

And then the Bombay Industrial Disputes Act of 1938 for the first time provided for statutory standing orders and a Labour Investigation Committee gave emphasis on the terms and conditions of employment. So, I already said that the Standing Orders are nothing but it is the terms and conditions of employment, which is mentioned.

(Refer Slide Time: 03:12)



Need for Legislation

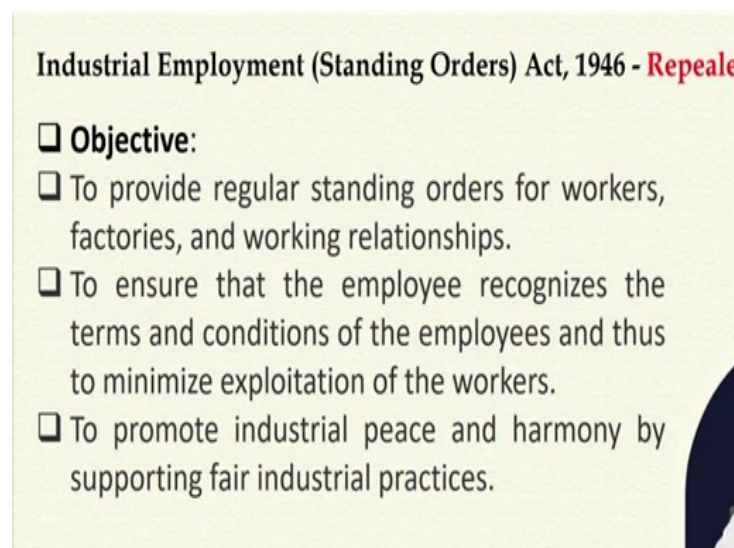
- To require employers to define the conditions of work
- To bring about uniformity in terms and conditions of employment
- To minimize industrial conflicts
- To foster harmonious relations between employers and employees.
- To provide statutory sanctity and importance to standing orders

So, at that point of time, there was a need for specific legislation to talk about the standing orders because the conditions of work are mostly not defined and also to bring uniformity in terms and conditions of employment for all employees. And so, if the terms and conditions are clear, then can both parties can reduce the friction, and both parties can minimize the

industrial frictions and conflicts in the establishment. And this will lead to a harmonious relationship between employers and employees.

And more importantly, these terms and conditions which provide the standing order will provide statutory sanctity to the standing orders of respective companies. So, if there is any dispute between the employer and employee on the clarity of the standing orders, you can approach the dispute resolution forums various dispute resolution forums for clarifying the points on the standing orders.

(Refer Slide Time: 04:22)



So, that is the Industrial Employment Standing Orders Act was passed in 1946 with a clear objective to provide regular standing orders for workers in factories, define the working relationships and also to ensure that the employee recognizes the terms and conditions of the employees and thus minimize the exploitation of the workers. So the employer recognizes the terms and conditions, as well as the employees recognize the terms and conditions and the exploitation can be thus avoided.

And more importantly, we already said that to promote industrial peace and harmony by supporting fair industry practices, and fair terms and conditions of employment. So, both parties can co-exist without disputes, or the dispute resolution will be easy.

(Refer Slide Time: 05:26)

Industrial Employment (Standing Orders) Act, 1946- Objectiv

case *The Bagalkot Cement Co. Ltd. Vs. R.K. Pathan & Ors.*,
1963 AIR 439 wherein the **Supreme Court** stated that:

*“The object of the Act as we have already seen, was to require the employers to make the conditions of employment precise and definite and the act ultimately intended to prescribe these conditions in the form of standing orders so that what used to be governed by a contract hereto before would now be governed by the **statutory standing orders...**”.*

So, in one of it is, you can see that the objective of the Act, the Industrial Employment Standing Orders Act 1946 was explained by the Supreme Court, in the case of Bagalkot Cement Company Limited versus R.K. Pathan, Supreme Court has explained, come out with this particular judgment in 1963.

The court said, “The object of the Act, as we have already seen, was to require the employers to make the conditions of employment precise and definite, and the act ultimately intended to prescribe these conditions in the form of standing orders so that what used to be governed by a contract here to before would now be governed by the statutory standing orders”.

So, Supreme Court has very clearly said in this particular case as what is the objective of this particular Act. So, the terms and conditions should be clearly laid out. And the standing order is a contract, it is a contract between an employer and employees. So, we were just given statutory recognition.

(Refer Slide Time: 06:59)

Industrial Employment (Standing Orders) Act, 1946 - Repealed

- Scope :**
- An industrial establishment as specified in section 2(i) of the Payment of Wages Act.
- Factory as explained in section 2(m) of Factories Act.
- Railway Industry
- Establishment of a contractor who employs workers to fulfilling the contract with the owner of an industrial establishment under section 2E.
- Workman as specified under section 2(s) of the Industrial Disputes Act.
- Under Section 2(i) workman covers skilled, unskilled, manual, or clerical work.
- However, workman does not include employees engaged in a managerial or administrative capacity or supervisory capacity, and also it does not include workers subject to Army Act, Navy Act or Air Force Act or police or prison services.

So, I think the Supreme Court has very clearly said that these conditions get statutory recognition and if you look into the scope of this particular Act, other Acts also will come into the purview of this particular Act, Payment of Wages Act and the factories, railway, and also the establishments of a contractor and also the other categories of workers, whether it is skilled, unskilled, manual or clerical works.

And the only exceptions which we can find are people in a managerial position, administrative capacity, and supervisory capacity and clearly do not include Army, Navy, Air Force, Police forces, or Prison services, these will not come under the purview of the Industrial Employment Standing Orders Act, because the special legislations determine the terms and conditions of employment of these categories of people.

(Refer Slide Time: 07:56)

Industrial Employment (Standing Orders) Act, 1946 - Repealed

Scope :
2(e) "industrial establishment" means—

- i. An industrial establishment as defined in section 2(ii) of the Payment of Wages Act, 1936, or
- ii. A factory as defined in section 2(m) of the Factories Act, 1948, or
- iii. A railway as defined in section 2(4) of the Indian Railways Act; 1890, or
- iv. The establishment of a person who, for the purpose of fulfilling a contract with the owner of any industrial establishment, employs workmen

And industrial establishment which we already talked about, and which is under the purview of all these establishments under the Payment of Wages Act and the Factories Act, Railways Act and also any other purposes fulfilling a contract with the owner of any industrial establishment, employs workmen.

(Refer Slide Time: 08:18)

Industrial Employment (Standing Orders) Act, 1946 - Repealed

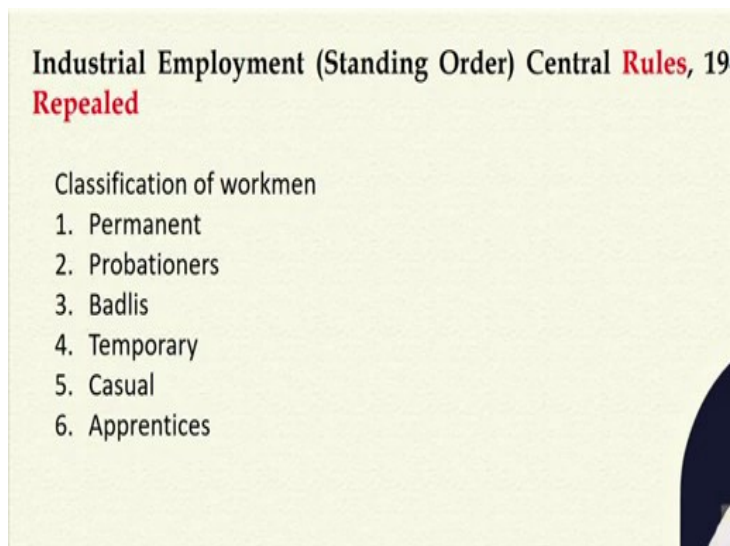
- It applied to railways, factories, mines, quarries, oil-fields, tramways, motor services, docks, plantations, workshops, civil construction and maintenance works.
- The Act had 15 sections and a schedule.
- It applied to **all the skilled or unskilled, manual, supervisory, technical, clerical work.**
- The **apprentices** were also included.
- The persons employed mainly in a **managerial/administrative/supervisory capacity drawing wages exceeding Rs.1600 were not covered.**

So, at also a certain number of workers are also prescribed. So, we already said that this is not applicable in the case of railways, mines, quarries, oil fields, tramways motor services, and docks, and even though it is very specifically applied to the plantations, workshops, civil

construction, maintenance, it is applicable to this the standing orders also applicable to these areas as well within the purview of their special legislations.

So, if there is a conflict between the industrial employment standing orders and special legislation and the special legislation will prevail, and we can say that, irrespective of the category of their workers, and there is a cap specifically with regard to the managerial and supervisory administrative persons. So, 1600 if their salary is wages exceeding 1600, they are not covered under the purview of this particular Act.

(Refer Slide Time: 09:17)



And the rules very clearly say the classification of workmen can be permanent, they may be permanent, and they may be probationers. They may be badli workers, temporary workers, casual workers, and apprentices' workers. So, this is a category of workers which will come under the purview of the standing orders.

(Refer Slide Time: 09:39)

Industrial Relations Code, 2020

2(zj) "standing orders" means orders relating to matters set-out in the **First Schedule**;

2(r) "industrial establishment or undertaking" means an establishment or undertaking in which **any industry** is carried on:

Provided **where several activities are carried on and only one of such activities is an industry or industries**, then,—

- (i) if such establishment or undertaking is **severable** from other unit(s) such unit shall be deemed to be a separate industrial establishment or undertaking;
- (ii) if the predominant activity carried on is an industry and such establishment is **not severable, the entire establishment or undertaking** shall be deemed to be an

In the standing orders, we can say the different schedules what you mean by exact industry, and also the industrial establishments and undertakings. So, you can see that several undertakings doing several activities. So, that is one question. So, whether the entire establishment will come under the purview of this particular Act or a portion of the establishment will come under this particular purview of this particular Act. So, the question is you can say that if it is not severable then the entire establishment will come under the purview of the Standing Orders Act.

(Refer Slide Time: 10:23)

The First Schedule under IRC, 2020

MATTERS TO BE PROVIDED IN STANDING ORDERS UNDER THIS CODE

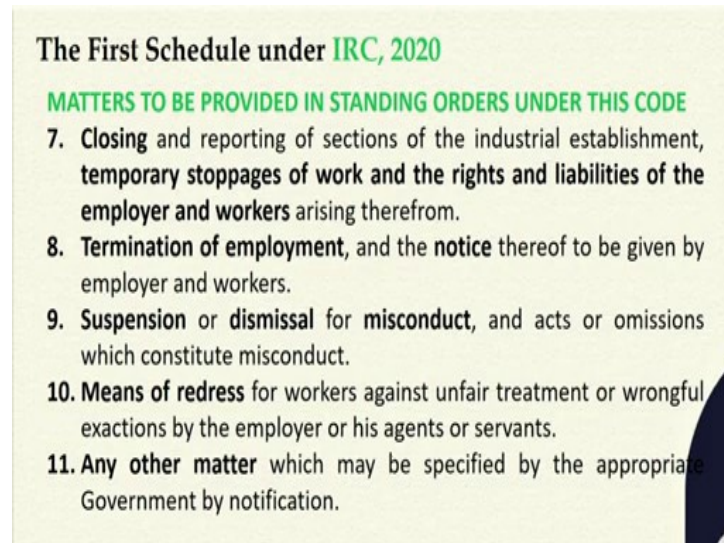
1. **Classification** of workers, whether permanent, temporary, apprentices, probationers, badlis or fixed term employment.
2. **Manner of intimating** to workers periods and hours of work, holidays, pay-days and wage rates.
3. **Shift working.**
4. **Attendance and late coming.**
5. **Conditions of, procedure** in applying for, and the authority which may **grant leave and holidays.**
6. **Requirement to enter premises** by certain gates, and liability to search.

And also here you can see the classification of workers, which we already said what are the different classifications under the rules of the ID Act, which is the same as that we have taken into the IR code as well. And also the period of work, and the work's timings are also mentioned, the holidays, paydays, wage rates, and attendance.

So, what are the penalties for late coming, shift working, and also the conditions of a procedure applying for authority to grant leaves and holidays who is the authority, and also requirement what are the requirements to enter the premises and gates and be subject to search? So, a model framework what are matters to be in a model standing order.

So, the classification of the workers must be there and also the manner of intimating to the workers of the working hours should be there and it must talk about the shift working, attendance and penalty for late coming then conditions and procedures and for the particular authority. So, who is the authority for granting leave must be there and what are the requirements to enter the premises, also the question of search, the liability search, and liability also should be mentioned.

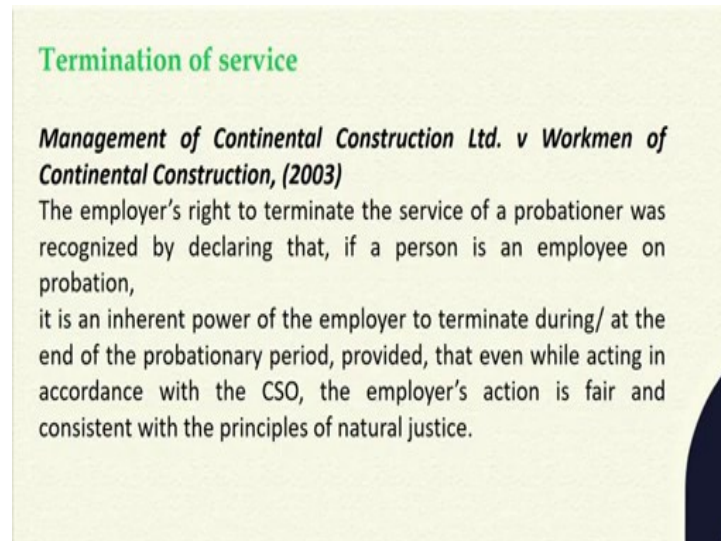
(Refer Slide Time: 12:00)



Then other matters to be included are closing or reporting of a particular section, temporary stoppage of work, and the rights and liabilities of the employer and workers arising there from such temporary stoppages. Termination of employment and the notice period. Suspension, dismissal, misconduct, and other acts or omissions of such constitute misconduct, and what are the means of redressal of grievances? And what are the grievance committees for workers against unfair treatment, wrongful exactions, and also extractions and

also any one of them exploiting the workers and also any other matters also can be appropriate, the government can notify that what are the other things to be included in a standing order.

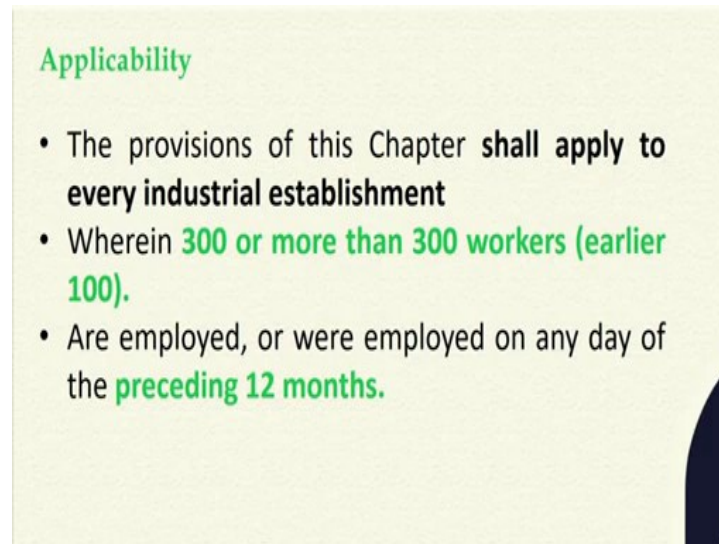
(Refer Slide Time: 13:07)



And if you look into the termination of services in the case of a probationer according to the company standing orders, so, as we know that a probationer can be his services can be terminated during the period of probation or at the end of probation and no questions to be asked. But still, the employees have the right to the inherent power of the employer to terminate a probationer.

But the court said that still, the employee's action must be fair, consistent, and subject to the principles of natural justice. This is the Court said in the Management of Continental Construction Limited versus Workmen of Continental Construction, 2003 judgment. So, even though the management has the power to terminate a probationer, that will be subject, to the reasons, the action must be fair, reasonable, and consistent with the principles of natural justice.

(Refer Slide Time: 14:20)



Applicability

- The provisions of this Chapter **shall apply to every industrial establishment**
- Wherein **300 or more than 300 workers (earlier 100)**.
- Are employed, or were employed on any day of the **preceding 12 months**.

And presently, we can see that the number of workers who are working in the establishment has increased to 300 or more workers. So, we said that earlier it was 100. So now the Standing Orders are applicable to bigger establishments, those who are employing 300 or more workmen or workers. So those who are working in a period of preceding 12 months, in a period of 1 year. So now bigger establishments only will come under the purview of this particular act. So this 100 has gone up to 300 workers.

(Refer Slide Time: 14:58)



Non- Applicability

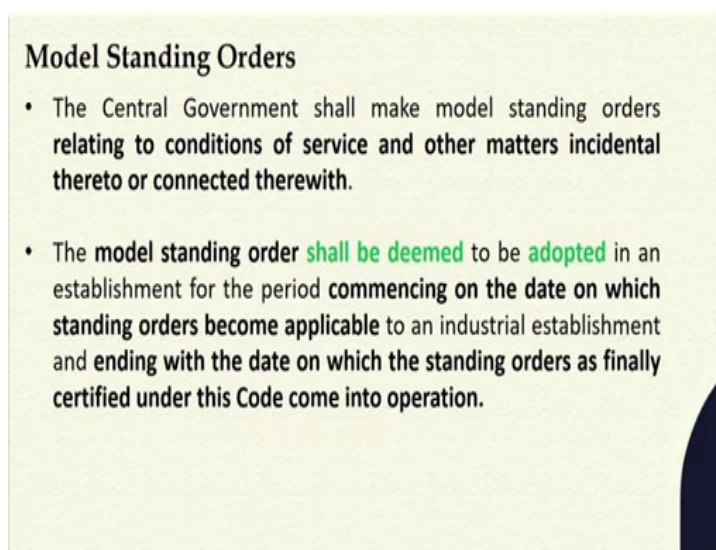
- *The Fundamental and Supplementary Rules,*
- *Civil Services (Classification, Control and Appeal) Rules,*
- *Civil Services (Temporary Service) Rules,*
- *Revised Leave Rules,*
- *Civil Service Regulations,*
- *Civilians in Defence Service (Classification, Control and Appeal) Rules or*
- *The Indian Railway Establishment Code or*
- *Any other rules or regulations notified in this behalf by the appropriate Government*

In certain cases, this is not applicable. So, we already said that the Civil Services some of them the exclusions are Army, Navy, Air Force, Police forces, etcetera. And also people who

are covered under the civil services, classification control and applied rules, appeal rules, services, temporary service rules, and leave rules.

So, basically, the civil service rules, civil service those who are under the purview of the civil service rules, and the central government's civil service rules or regulations are not going to become under this particular act and Indian railway establishment. So, you can say that any other establishment can be notified by the appropriate government of the exclusion from services.

(Refer Slide Time: 15:51)



Model Standing Orders

- The Central Government shall make model standing orders relating to conditions of service and other matters incidental thereto or connected therewith.
- The model standing order shall be deemed to be adopted in an establishment for the period commencing on the date on which standing orders become applicable to an industrial establishment and ending with the date on which the standing orders as finally certified under this Code come into operation.

And model standing order, model standing order, we already said what are the points, what are the requirements of a model standing order. So, every establishment can make its own standing orders and this order is applicable to that particular establishment once the certification process is over. So, we will see what is the certification process.

(Refer Slide Time: 16:21)

Preparation of draft standing orders by employer and process for certification

- The employer shall prepare draft standing orders
- Within a period of 6 months
- From the date of commencement of this Code, based on the model standing orders in respect of the matters specified in the First Schedule and
- On any other matter considered necessary by him for incorporation of necessary provisions in such standing orders for his industrial establishment or undertaking, considering the nature of activity in his industrial establishment or undertaking,
 - Provided such provision is not inconsistent with any of the provision of this Code and covers every matters set out in

And we can see that the draft standing orders and the process of certification are very clearly mentioned. So, the employer has to prepare the draft standing orders within 6 months of it starting work after getting the license to or started working.

So, and also you can see that based on the model standing orders every company can change their standing orders, and also it can be seen that the nature of the activity, and establishment of the activity. So, now, it is very clear if anybody is employing more than 300 people, the Standing Orders are mandatory, Standing Orders are mandatory for where 300 or more workers are employed.

(Refer Slide Time: 17:18)

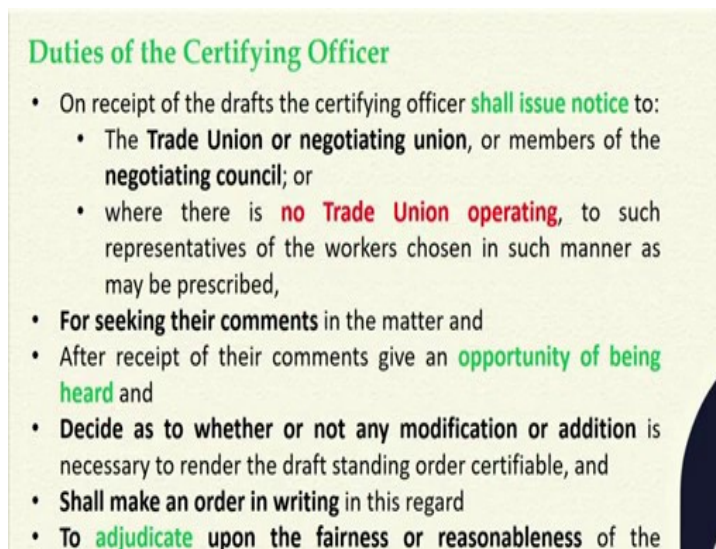
Preparation of draft standing orders by employer and process for certification

- The employer shall consult the Trade Unions or recognised negotiating union or members of the negotiating council relating to the industrial establishment or undertaking,
- Thereafter forward (within 6 months of applicability of this code) the draft of the standing order electronically or otherwise to the certifying officer for certification.
 - Where an employer adopts a model standing order of the Central Government, such model standing order shall be deemed to have been certified and employer shall forward the information in this regard to the concerned certifying officer.
 - If the certifying officer has any observation, he may direct such employer to amend the standing order so adopted within such

And also we can see that during the preparation of the model standing orders, the employer should consult trade unions. And now, with the advent of new, the new trade union that is negotiating trade unions or in the absence of negotiating trade unions, the negotiating council, they should consult these bodies for the preparation of standing orders.

So, then, you can see that the draft standing orders can be sent to the certifying officer electronically or otherwise. And once the certification process is over, it is going to be a statutory standing order for that particular establishment. And once the application is submitted the certifying officer, may ask the employee to amend the standing order or he may ask them to make corrections or he can accept the Standing Orders as such as well. So, the standing order for every company will be different and that is applicable to individual companies only.

(Refer Slide Time: 18:41)



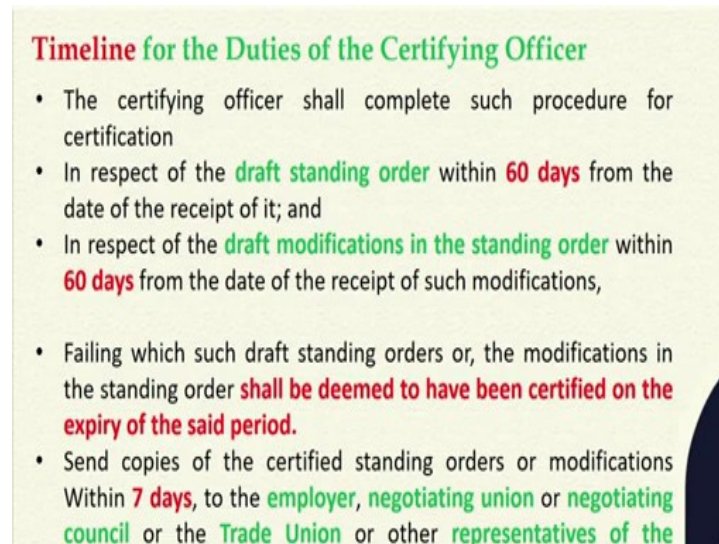
Duties of the Certifying Officer

- On receipt of the drafts the certifying officer **shall issue notice** to:
 - The **Trade Union or negotiating union**, or members of the **negotiating council**; or
 - where there is **no Trade Union operating**, to such representatives of the workers chosen in such manner as may be prescribed,
- **For seeking their comments** in the matter and
- After receipt of their comments give an **opportunity of being heard** and
- **Decide as to whether or not any modification or addition** is necessary to render the draft standing order certifiable, and
- **Shall make an order in writing** in this regard
- **To adjudicate upon the fairness or reasonableness** of the

And the receipt of such drafts, the certifying officer will issue a notice to the Trade Unions we said that trade unions, negotiating trade unions, or negotiating council, if no trade union is operating in your representatives of workers, the notice will be issued to the representative of workers. And also seek comments from the, and also certifying officer to give me an opportunity of being heard, and he can ask for any modifications or additions, or deletions from the standing order.

And to this extent, the certifying officer can make an order in writing, and also so later on so they can adjudicate upon the parties can adjudicate upon fairness or reasonableness of the provisions of this particular Standing Orders.

(Refer Slide Time: 19:45)



Timeline for the Duties of the Certifying Officer

- The certifying officer shall complete such procedure for certification
- In respect of the **draft standing order** within **60 days** from the date of the receipt of it; and
- In respect of the **draft modifications in the standing order** within **60 days** from the date of the receipt of such modifications,
- Failing which such draft standing orders or, the modifications in the standing order **shall be deemed to have been certified on the expiry of the said period.**
- Send copies of the certified standing orders or modifications Within **7 days**, to the **employer, negotiating union or negotiating council** or the **Trade Union** or other **representatives of the**

So the certifying officer has wide powers. now, what are the duties of the certifying officer? We already said that the certifying officer is a very important position as far as the Standing Orders are concerned. So he should Give 60 days from the date of such receipt of the draft standing order. Any modifications are to be made within 60 days from the date of receipt of such modifications and otherwise, if the certifying officer is not replying within 60 days, then such standing orders will be deemed to have been certified.

So, here also there is deemed to be certified and the copies of such modifications have to be sent to the employer within 7 days or to the negotiating union or to the negotiating council or any other trade union or any other representatives of the workers whom he heard. So, the orders must be sent to the concerned people asked well not only to the employer.

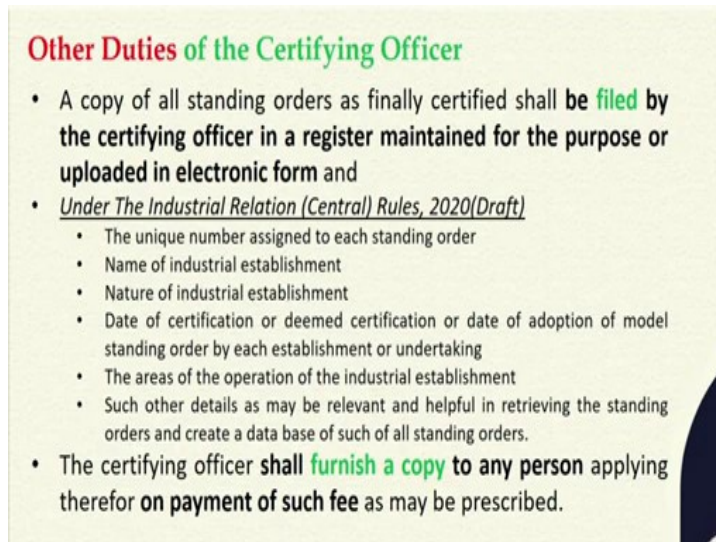
(Refer Slide Time: 20:55)



And if you look into the power, so, the certifying officer and wide powers are conferred by the IR code on certifying officer. So, it shall have all the powers of a Civil Court for the purpose of receiving evidence, adducing evidence and administering evidence on oath, enforcing the attendance of witnesses and compelling the discovery, compelling the production of documents, the discovery of documents, and protection of documents.

So, for all the purposes of the above purposes, a certifying officer has been deemed to be a Civil Court. So, it means that all the powers of a civil court are for the purpose of adducing evidence and also for the production of witnesses, production of witnesses as well as the production of documents.

(Refer Slide Time: 21:48)



Other Duties of the Certifying Officer

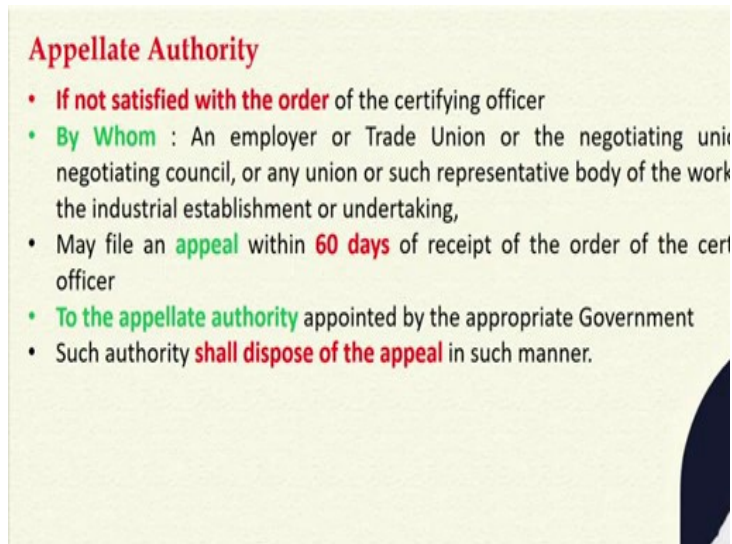
- A copy of all standing orders as finally certified shall **be filed by the certifying officer in a register maintained for the purpose or uploaded in electronic form** and
- Under The Industrial Relation (Central) Rules, 2020(Draft)
 - The unique number assigned to each standing order
 - Name of industrial establishment
 - Nature of industrial establishment
 - Date of certification or deemed certification or date of adoption of model standing order by each establishment or undertaking
 - The areas of the operation of the industrial establishment
 - Such other details as may be relevant and helpful in retrieving the standing orders and create a data base of such of all standing orders.
- The certifying officer shall **furnish a copy to any person** applying therefor **on payment of such fee** as may be prescribed.

And here we can see that the standing orders are finally certified and shall be filed by the certifying officer in a register maintained for the purpose. So, otherwise, upload electronically. So, we can see the Industrial Relations Central Rules 2020, it is a draft that we want will be notified this is going to be in effect. So, it says which talks about granting a unique number assigned to each standing order.

So, there will be a numbering with a standing order and name of the industrial establishment and nature of the industrial establishment, and the date of certification or deemed it to be certification date adoption of the model code for each establishment, areas of operation of that particular establishment and such other details can be marked in that particular certificate.

So, the particular certifying officer has to furnish a copy to any person who is applying for payment, which is mentioned in the rules under rules. So, industrial IR relations, the IR Code Rules 2020. So, anybody can get a certificate and furnish a copy of this particular standing order.

(Refer Slide Time: 23:18)



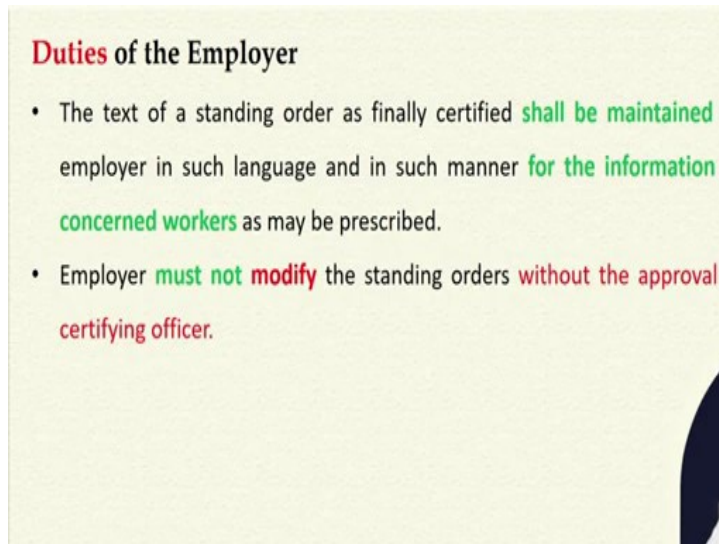
Appellate Authority

- **If not satisfied with the order** of the certifying officer
- **By Whom** : An employer or Trade Union or the negotiating union, negotiating council, or any union or such representative body of the workers in the industrial establishment or undertaking,
- May file an **appeal** within **60 days** of receipt of the order of the certifying officer
- **To the appellate authority** appointed by the appropriate Government
- Such authority **shall dispose of the appeal** in such manner.

And if the employer or the workers are not satisfied with the decisions of this presiding certifying officer, then they can go to the appellate authority. So, the trade unions can go, the negotiating unions can go, the negotiating council can go or any other unions can go, and also any representative body of the workers can also approach the appellate authorities within 60 days, within 60 days of receipt of such orders from the certifying officer.

The appellate authority must be appointed by the appropriate state governments. So, we already said that in the earlier cases that the jurisdiction of labour Courts is going to be disappeared and the appellate authority has to be mentioned by the state government and the appellate authorities are going to dispose of these appeals according to the manner, according to the rules framed by the states.

(Refer Slide Time: 24:21)

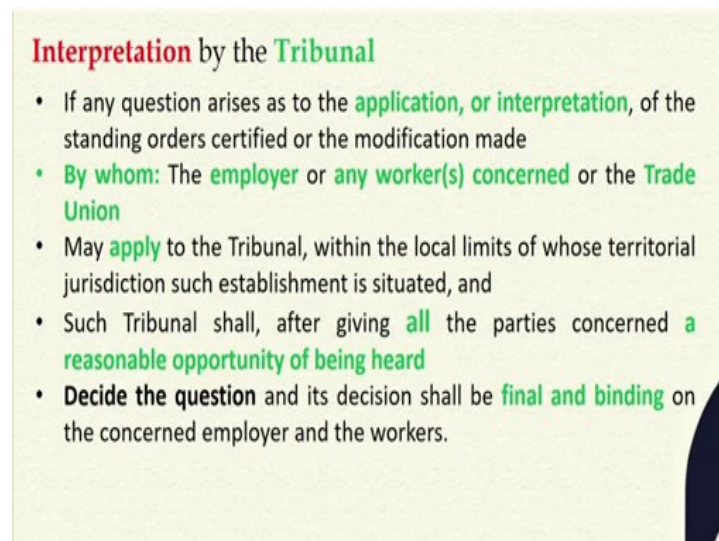


Duties of the Employer

- The text of a standing order as finally certified shall be maintained by the employer in such language and in such manner for the information of concerned workers as may be prescribed.
- Employer must not modify the standing orders without the approval of the certifying officer.

And here it can say that the standing orders so, once the Standing Orders are certified, they shall be maintained by, the copy should be maintained by the employer in such kind of language which can be understandable to the workers. So, it must be the information must be given to the workers and the employer must not modify the standing orders without the approval of the certifying officer at any point of time. If the company the employer wants to change, modify the terms and conditions. Then again they have to approach the certifying officer for corrections, certifying officer for modifications.

(Refer Slide Time: 25:03)



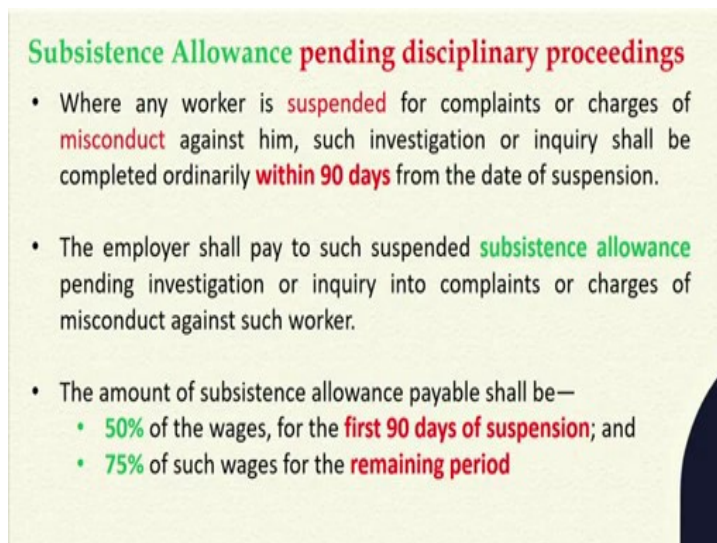
Interpretation by the Tribunal

- If any question arises as to the application, or interpretation, of the standing orders certified or the modification made
- By whom: The employer or any worker(s) concerned or the Trade Union
- May apply to the Tribunal, within the local limits of whose territorial jurisdiction such establishment is situated, and
- Such Tribunal shall, after giving all the parties concerned a reasonable opportunity of being heard
- Decide the question and its decision shall be final and binding on the concerned employer and the workers.

So, you can say that with regard to any obligation or it is an interpretation of the standing order, so, the employer, workers, trade unions, negotiating unions, so, all these people can approach the tribunals for the interpretation, where the territorial jurisdiction is mentioned by the state governments, so, that they can the appropriate Tribunal can interpret the provisions of the standing orders. And definitely after giving a reasonable chance to be given to both parties.

And once the Tribunals decide the cases it will be final and binding on the employer as well as the workers. So, a standing order is a statutory document that is binding not only on the employer but binding on the employees as well.

(Refer Slide Time: 25:55)



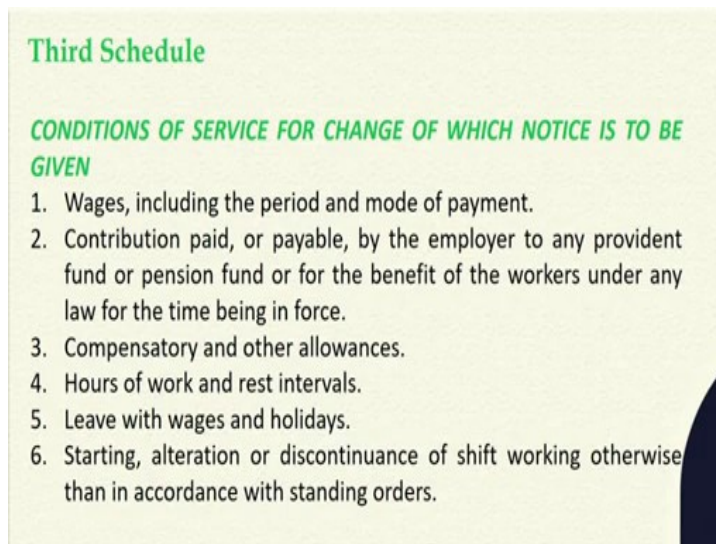
Subsistence Allowance pending disciplinary proceedings

- Where any worker is **suspended** for complaints or charges of **misconduct** against him, such investigation or inquiry shall be completed ordinarily **within 90 days** from the date of suspension.
- The employer shall pay to such suspended **subsistence allowance** pending investigation or inquiry into complaints or charges of misconduct against such worker.
- The amount of subsistence allowance payable shall be—
 - **50%** of the wages, for the **first 90 days of suspension**; and
 - **75%** of such wages for the **remaining period**

And here we can see that the substance allowances, so, in the discipline reaction, in the next class also we will talk about the pending disciplinary proceedings, suspensions, substance allowance, subsistence allowance, substance allowance, the standing order there was no provision for providing substance allowance the earlier legislations.

Now, this clear provision is provided for subsistence allowance during the suspension period. So, it is providing 50 percent of the wages for the first 90 days of suspension, 75 percent of the wages during the remaining period. So, even though you are suspended, you are eligible to get 50 percent of the wages.

(Refer Slide Time: 26:45)



In that way, the Third Schedule talks about the conditions of service for change of the notice to be given. So, if there is any change in the wages, mode of payment, or the different kinds of contributions, it may be to the provident fund, it may be to the employee's insurance scheme any new pension scheme or any kind of contributions paid.

So, if they want to change, they can change. Then, other compensatory, we have changes in the other compensatory allowances. Hours of work, intervals, then also leave with wages, holidays, and any kind of alterations of the shift working and that must be in accordance with the standing orders. So, if any change is to be made to the standing orders, then the employer has to approach the government for appropriate approval.

(Refer Slide Time: 27:44)

Third Schedule
CONDITIONS OF SERVICE FOR CHANGE OF WHICH NOTICE IS TO BE GIVEN

7. Classification by grades.
8. Withdrawal of any customary concession or privilege or change in usage.
9. Introduction of new rules of discipline, or alteration of existing rules, except in so far as they are provided in standing orders.
10. Rationalisation, standardisation or improvement of plant or technique which is likely to lead to retrenchment of workers.
11. Any increase or reduction (other than casual) in the number of persons employed or to be employed in any occupation or process or department or shift, not occasioned by circumstances over which the employer has no control.

And also we can see the conditions for the changes. So, classification of grades and withdrawal of any customary allowances or privileges and change in the usage, the introduction of the new discipline, the introduction of new provisions, new rules for discipline alteration of the existing ones and also rationalization and standardization, improvement of the plant or any kind of technique, which is likely to lead to a retrenchment of the workers and any increase or reduction in the number of persons employed in a particular occupation or process in the department or which is which have no control or any circumstances over which the employer has no control also to be taken into consideration.

(Refer Slide Time: 28:38)

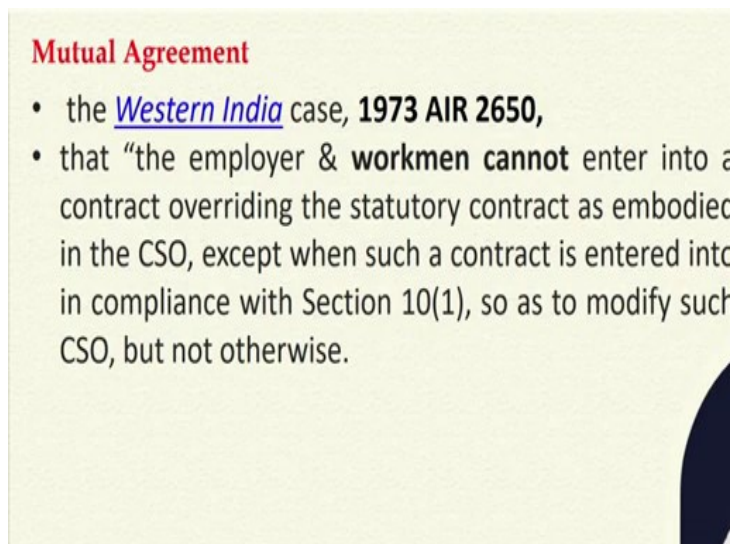
Penalties

- An employer who **fails to submit draft standing orders** or **who modifies his standing orders**, shall be punishable with
 - Fine **not less than ₹50,000/- to ₹2,00,000/-** and
 - In the case of a **continuing offence** with an **additional fine of ₹2,000/- per day** till the offence continues.
- An employer who does any act **in contravention of the standing orders** shall be punishable with
 - Fine not less than **₹1,00,000/- to ₹2,00,000/-**

So, here non-compliance with these provisions of the standing orders again there is a heavy penalty. So, if the employer has failed to submit the standing drafts, the draft standing orders and also to those who modify a standing order modified standing order within 60 days period, then he will be fined 50 thousand rupees to 2 lakh rupees. At the same time, if it is a continuous offense, additional fine of 2 thousand rupees per day till the offence is continuing by 2 thousand rupees so, it is going to be a heavy fine for non-compliance with the standing orders.

And also we can see that the employer who does any act in contravention of the standing orders can be punished with 1 lakh rupees fine, it can go up to 2 lakh rupees. So, it means that the penalties are heavy in such that it will be 1 lakh rupees to 2 lakh rupees.

(Refer Slide Time: 29:46)



Mutual Agreement

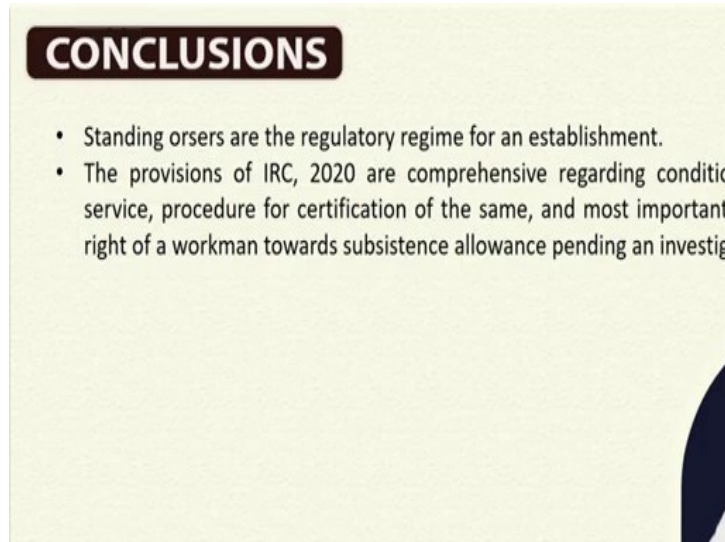
- the Western India case, **1973 AIR 2650**,
- that “the employer & **workmen cannot** enter into a contract overriding the statutory contract as embodied in the CSO, except when such a contract is entered into in compliance with Section 10(1), so as to modify such CSO, but not otherwise.

If you look into these the question that whether the employer and employee are free to enter into any contract in violation of the standing orders. The answer given by the Supreme Court very clearly said that the employer and workmen cannot enter into a contract overriding the statutory contract as embodied in the company standing orders, except when such a contract is entered into in compliance with section 10(1), so as to modify such CSO, but not otherwise.

So, the endure so, you can say that the meaning of in this Western India case, the Supreme Court said that, the employees and employers cannot enter into any contract which is violating the standing orders. So, if there is any repugnancy between the standing order and

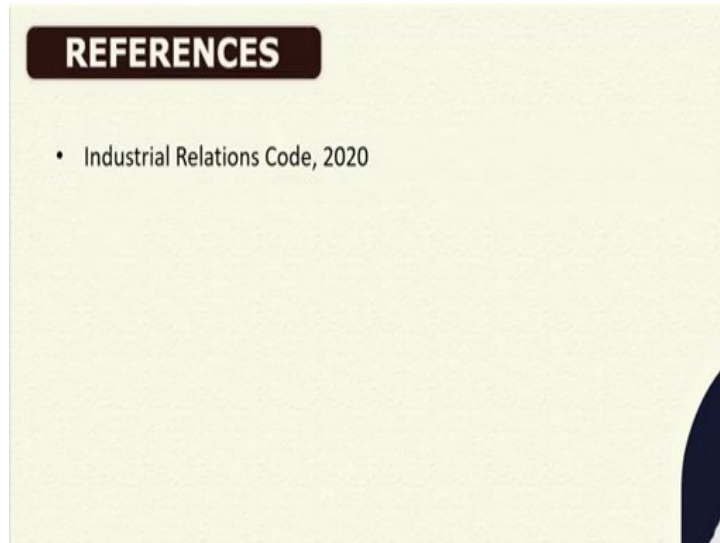
the appointment order or the contract, the standing order will prevail, so the company standing orders have statutory recognition.

(Refer Slide Time: 30:56)



So, I would say in a conclusion, the Standing Orders are the Bible of the terms and conditions of work between the employer and employees. So, the employer is benefited because the working conditions are statutorily recognised under the Act. And also it gets, once they get this particular recognition of standing order certified by the certifying officer that is going to be a statutory recognition and the changes in such a unilateral change by the employer are not permitted. So, it requires the employer to follow the process of change in such terms and conditions in the standing orders.

(Refer Slide Time: 31:46)



So, we can say that the IR code is giving a possible and proper guidelines with regard to standing orders preparation, certification, implementation. So, this standing order is going to be, these new provisions are going to be implemented in the Indian industry. Thank you.