

**THE TAMIL NADU INDUSTRIAL ESTABLISHMENTS
(CONFERMENT OF PERMANENT STATUS TO
WORKMEN) ACT, 1981**

(Tamil Nadu Act 46 of 1981)

WITH

**THE TAMIL NADU INDUSTRIAL ESTABLISHMENTS
(CONFERMENT OF PERMANENT STATUS TO
WORKMEN) RULES, 1981**

ARRANGEMENT OF SECTIONS

SECTIONS

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Section 3 of the Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act,1985 (Act 44 of 1985) reads as under :-

3.*Validation.*—Notwithstanding anything contained in any judgment, decree or order of any court or other authority, all acts done or proceedings taken in pursuance of section 3 (including the *Explanation*) of the Principal Act at any time on or after the 1st day of January, 1982 and before the date of publication of this Act in the *Tamil Nadu Government Gazette*, in relation to every workman in an industrial establishment for the purpose of conferment of permanent status to such workman by any officer or authority shall, for all purposes, be deemed to be, and to have always been, validly done or taken in accordance with law as if section 3 of the Principal Act as amended by this Act had been in force at all material times when such acts or proceedings were done or taken.

**THE TAMIL NADU INDUSTRIAL ESTABLISHMENTS
(CONFERMENT OF PERMANENT STATUS TO WORKMENT)
ACT, 1981***

(ACT NO. 46 OF 1981)

*(Received the assent of the President on
the 5th August, 1981)*

*An Act to provide for the conferment of permanent status to workmen
in the industrial establishments in the State of Tamil Nadu.*

BE it enacted by the Legislature of the State of Tamil Nadu in the
Thirty-second Year of the Republic of India as follows:-

1. Short title, extent, application and commencement. –

(1) This Act may be called the Tamil Nadu Industrial Establishments conferment
of Permanent Status to Workmen) Act, 1981.

*Vide the Tamil Nadu Government Gazette Extraordinary, Pt.IV, Sec. 2 dated the 10th August, 1981, at p.519.

(2) It extends to the whole of the State of Tamil Nadu.

(3) It applies to every industrial establishment (not being an establishment of seasonal character or in which work is performed only intermittently) in which not less than fifty workmen were employed on any day of the preceding twelve months. If any question arises whether an industrial establishment is of a seasonal character or whether work is performed therein only intermittently the decision of the Government thereon shall be final :

Provided that the Government may, by notification, apply the provisions of this Act to any industrial establishment employing such number or workmen less than fifty * as may be specified in the notification.

(4) It shall come into force on such date¹ as the Government may, by notification, appoint :

Provided that nothing contained in this Act shall apply to any industrial establishment until the expiry of a period of two years from the date of its establishment.

**Application of provisions of Tamil Nadu Industrial
Establishments (Conferment of Permanent Status to Workmen)
Act to certain establishments.**

[G.O.Ms.No.2043, Labour and Employment, 24th September, 1982
(Puratasi 8, Thunthubi, Tiruvalluvar Aandu 2013)]

***No. II (2)/LE/5527/82** ---- In exercise of the powers conferred by the proviso to sub-section (3) of section 1 of the Tamil Nadu Industrial Establishments (Conferment of Permanent Status to Workmen) Act, 1981 (Tamil Nadu Act 46 of 1981), the Governor of Tamil Nadu hereby applies the provisions of the said Act to all industrial establishments (not being an establishment of a seasonal character or in which work is performed only intermittently) in which not less than twenty workers were employed on any day of the preceding twelve months.

¹:1st January, 1982 (vide G.O.Ms.No.2813, Labour and Employment, dated the 28th December, 1981).

2. Definitions.--- In this Act, unless the context otherwise requires,--

(1) “employer” means the owner of an industrial establishment to which this Act for the time being applies and includes--

(a) in a factory, any person named under clause (f) of sub section (1) of section 7 of the Factories Act, 1948 (Central Act LXIII of 1948) as manager of the factories;

(b) in any industrial establishment under the control of any department of any State Government in India, the authority appointed by such State Government in this behalf, or where no authority is so appointed, the head of the Department;

(c) in any other industrial establishment, any person responsible to the owner for the supervision and control of the Industrial establishment;

(2) “ Government ” means the State Government;

(3) “ industrial establishment ” means---

(a) a factory as defined in clause (m) of Section 2 of the Factories Act, 1948 (Central Act LXIII of 1948) or any place which is deemed to be a factory under sub-section (2) of section 85 of that Act; or

(b) a plantation as defined in clause (f) of section 2 of the Plantations Labour Act, 1951 (Central Act LXIX of 1951); or

(c) a motor transport undertaking as defined in clause (g) of section 2 of the Motor Transport Workers Act, 1961 (Central Act 27 of 1961); or

(d) a beedi industrial premises as defined in clause (i) of section 2 of the Beedi and Cigar Workers (conditions of employment) Act, 1966. (Central Act 32 of 1966); or

(e) an establishment as defined in clause (6) of section 2 of the Tamil Nadu Shops and Establishment Act, 1947 (Tamil Nadu Act XXXVI of 1947); or

(f) a catering establishment as defined in clause(1) of section 2 of the Tamil Nadu Catering Establishment Act, 1958.(Tamil Nadu Act XIII of 1958) ; or

(g) any other establishment which the Government may, by notification, declare to be an industrial establishment for the purpose of this Act;

(4) “ Workman ” means any person employed in any Industrial Establishment to do any skilled or unskilled, manual, supervisory, technical or clerical work for hire or reward, whether the terms of employment be express or implied¹ [and includes a badli workman],

but does not include any such person, --

(a) who is employed in the police service or as an officer or other employee of a prison ; or

(b) who is employed mainly in managerial or administrative capacity ; or

(c) who, being employed in a supervisory capacity, ²[draws wages exceeding three thousand and five hundred rupees per mensem] or exercises, either by the nature of the duties attached to the office or by reason of the powers vested in him, functions mainly of a managerial nature.

¹[*Explanation.*—“Badli workman” means a workman who is employed in an industrial establishment in the place of another workman whose name is borne on the muster rolls of the establishment.]

3.Conferment of permanent status to workmen.—(1) Notwithstanding anything contained in any law for the time being in force every workman who is in continuous service for a period of four hundred and eighty days in a period of twenty four calendar months in an industrial establishment shall be made permanent.

(2) A workman shall be said to be in continuous service for a period if he is, for that period, in uninterrupted service, including service which may be

1 Ins. by Act 48 of 2000 (w.e.f. 1st February, 2001)

2 Subs. by Act 17 of 1999 (w.e.f. 10th August, 1999)

interrupted on account of sickness or authorized leave or an accident or a strike, which is not illegal, or a lock-out ¹[***] or a cessation of work which is not due to any fault on the part of the workman.

²*Explanation I.*-- ³[For the purposes of computing the continuous service referred to in sub-sections (1) and (2), a workman shall be deemed to be continuous service during the days on which ---] ;

(i) he has been laid off under an agreement or as permitted by standing orders made under the Industrial Employment (Standing Orders) Act, 1946 (Central Act XX of 1946) or under any other law applicable to the industrial establishment ;

(ii) he has been on leave with full wages, earned in the previous years;

(iii) he has been absent due to temporary disablement caused by accident arising out of and in the course of his employment ; and

(iv) in the case of a female, she has been on maternity leave ; so, however, that the total period of such maternity leave does not exceed twelve weeks.

⁴ [*Explanation II.* – For the purposes of this section, ‘law’ includes any award, agreement, settlement, instrument or contract of service whether made before or after the commencement of this Act.]

4. Appointment of Inspectors. – (1) The Government may, by notification, appoint such persons or such class of persons as they think fit to be Inspectors for the purpose of this Act within such local limits as the Government may specify.

(2) Every Inspector shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (Central Act XLV of 1860).

1 Certain words omitted by Act 48 of 2000 (w.e.f. 1st February, 2001)

2 Renumbered as Explanation I by Act 44 of 1985, s.2 (deemed to have come into force on 1st January, 1982)

3 Subs. by Act 44 of 1985, s.2 (deemed to have come into force on 1st January, 1982)

4 Ins. by Act 44 of 1985, s.2 (deemed to have come into force on 1st January, 1982)

5. Power and duties of Inspectors. – Subject to any rules made by the Government in this behalf, the Inspector may, within the local limits for which he is appointed,--

(a) enter at all reasonable times and with such assistants, if any, who are persons in the service of the Government or of any local authority as he thinks fit to take with him, any industrial establishment;

(b) make such examination of the industrial establishment and of any registers, records and notices and take on the spot or elsewhere the evidence of such person as he may deem necessary, for carrying out the purposes of this Act: and

(c) exercise such other powers as may be necessary for carrying out the purpose of this Act.

6. Penalties.- (1) Every employer who contravenes the provisions of section 3 shall be punishable with fine which may extend to five thousand rupees and in the case of continuing offence with a further fine which may extend to two hundred rupees for every day after the first during which the offence continues.

¹[(2) Every employer who contravenes the provisions of any rule made under section 10 shall be punishable, for a first offence, with fine which may extend to five hundred rupees, and for a subsequent offence, with fine which may extend to one thousand rupees)]

²[(3)] No prosecution for an offence punishable under the section shall be instituted except with the previous sanction of the prescribed authority*.

7. Act not to apply to workmen employed in certain industrial establishment. – Nothing contained in this Act shall apply to workmen employed in an industrial establishment engaged in the construction of buildings, bridges, roads, canals, dams or other construction work whether structural, mechanical or electrical.

8. Cognizance of offence.- No court inferior to that of a metropolitan magistrate or a judicial magistrate of the first class shall try any offence under this Act.

9. Power to exempt.- The Government may, by notification, exempt conditionally or unconditionally any employer or class of employers or any

¹ Ins. by Act. 9 of 2003, S.2 (with effect from 1st July, 2003).

² Renumbered by Act. 9 of 2003, S.2 (with effect from 1st July, 2003).

*See Rule 5

industrial establishment or class of industrial establishment from the provisions of this Act.

10. Power to make rules.- (1) The Government may make rules to carry out the purposes of this Act.

(2) All rules made under this Act shall be published in the Tamil Nadu Government Gazette, and unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published.

(3) All notification issued under this Act shall, unless they are expressed to come into force on a particular day, come into force on the day on which they are published.

(4) Every rule made or notification issued under this Act shall, as soon as possible, after it is made or issued, be placed on the table of ¹[the Legislative Assembly], and if, before the expiry of the session in which it is so placed or the next session, ¹(the Legislative Assembly) agree in making any modification in any such rule or notification or ¹(the Legislative Assembly)] agree that the rule or notification should not be made or issued, the rule or notification shall, thereafter have effect only in such modified form or be of no effect, as the case may be ; so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

¹ Subs. by the A.O.1987 (deemed to have come into force on 1st November 1986)