



HRV Post

July 14, 2024
Volume - 229

People Management, the Pulse of an Organization

INSIDE

Page 2

ESIC - Review

Page 3

5S levels of achievement

Page 4

Interpretation of Statutes
Process of Green Field becoming a Factory

Excluded/Exempted/ not covered Employees under various legislations

- ▶▶ As per section 2(10) of ESI Act - an Exempted employee means an employee who is not liable under this Act to pay employees contribution. Whose monthly Fixed Gross wages is more than the ESIC threshold wages.
- ▶▶ Section 2(f) of EPF Scheme "excluded employee" means— (i) an employee who, having been a member of the Fund, withdrew the full amount of his accumulations in the Fund under clause (a) or (c) of sub-paragraph (1) of paragraph 69; (ii) an employee whose pay at the time he is otherwise entitled to become a member of the Fund, exceeds [fifteen thousand rupees] per month;
- ▶▶ Any employee who was excluded from EPF is excluded from EDLI and PF Pension Scheme. Besides, currently any employee who is a first timer and whose wages are more than the PF ceiling wages, he is covered under EPF but excluded from PF Pension Scheme
- ▶▶ Where an establishment is currently or before had not reached 10 employees on their rolls, Employees cannot avail Maternity Benefit & Gratuity is not payable to those employees, even if they complete 5 & more years of continuous service
- ▶▶ Where an establishment is currently or before had not reached 20 employees on their rolls, employees are not eligible for Payment of Statutory Bonus

DISCLAIMER

The views and opinions expressed herein, are in no way to be considered legal or consultative advice. The thoughts merely represent the author's opinion and for information purpose only. It cannot be treated as Legal Advice. Neither the Author nor HR Vidyalaya Corporate Services LLP makes any representation or warranties on the information published

News for the Week

News Item-1

The Tamilnadu Government has notified the new Rule of Obtaining Registration Certificate for all Shops and Establishments in the State. This is applicable from 2nd July 2024. The current arrangement of getting FORM - III under the Tamilnadu National Festival and Special Holidays Act is also required but henceforth, it will not be considered as License.

Write your Feedback / Suggestions / Contributions to: hr.vidyalaya@gmail.com

www.hrvidyalaya.in
hr.vidyalaya@gmail.com
63833-80112

ESIC

Do You Know

If the Insured Person (Employee) is not married and no parents, can add Brother/s and Sister/s, who are below 18 years of age, as family members.

Such persons will be eligible for Medical benefits.

An Employer cannot dismiss or discharge an Insured Person in the following situations:

1. An Insured Person is getting Temporary Disablement Benefit, upto 6 months
2. An Insured Person who is availing Sickness benefit or Pre/Post Maternity Benefits, upto 6 months
3. While an Insured Person is getting treatment TB, Leprosy, Mental Disorder or any other Dangerous disease, upto 18 months.

Funeral Benefit (of Rs.15,000) under ESIC, is payable even to an Individual who is availing Permanent Disablement Benefit

Employee has right to take leave during notice period.
Ghanshyam Vs Delhi Metro Rail Corporate, 2007, Delhi High court has confirmed the same.

Medical Certificate not required for 1 day sick leave...
From a practical point of view, we do not think that it would be expedient to insist that a workman should produce a medical certificate from a qualified doctor to avail himself of sick leave for a day on the ground of illness
Supreme Court of India.... The Associated Cement Companies ... vs Cement Workers Kamdar Union And ... on 17 March, 1972

Monthly Return in ESIC - Reason to be mandatorily mentioned (any one)

Reason	Code
Without Reason	0
On Leave	1
Left Service	2
Retired	3
Out of Coverage	4
Expired	5
Non Implemented area	6
Compliance by Immediate Employer	7
Suspension of work	8
Strike/Lockout	9
Retrenchment	10
No Work	11
Doesn't Belong To This Employer	12
Duplicate IP	13

5S Levels of Achievement (courtesy....Anon... in a web page)

Level V continuously improve	Cleanliness problems are identified, and mess prevention actions are in place	Needed items can be retrieved within 30 seconds and required a minimum of steps	Potential problems are identified, and counter measures are documented	Reliable methods and standards for housekeeping, daily inspections and workspace arrangement are shared and are used throughout similar work area	Root causes are eliminated, and improvement actions focus developing preventive methods
Level IV: Focus on Reliability	Work area has documented housekeeping responsibilities and schedules and the assignments are consistently followed	Needed items in work area are minimized in number and are properly arranged for retrieval and use	Inspection occurs during daily cleaning of work areas and equipment and supplies	Reliable methods and standards of housekeeping, daily inspections and workplace arrangement are documented and followed by all members of the work group	Sources and frequency of problems are documented as part of routine work, root causes are identified, and corrective action plans are developed
Level III Make it Visual	Initial cleaning has been performed and sources of spills and messes are identified and corrected	Needed items are outlined, dedicated locations are properly labelled and required quantities are determined	Visual controls and identifiers are established and marked for the work area, equipment, files and supplies	Work group has documented agreements on visual controls, labeling of items and required quantities of needed items	Work group is routinely checking area to maintain 5S agreements
Level II: Focus on Basics	Needed and not needed items are identified. Those not needed are removed from work area	Needed items are safely stored and organized according to frequency of use	Key work area items to be checked are identified and acceptable performance levels documented	Work group has documented agreements for needed items, organization and work area controls	Initial 5S level has been determined, and performance is documented and posted in work area
Level I: Just Beginning	Needed and not needed items are mixed throughout the work area	Items are placed randomly throughout the workplace	Key work area items checked are not identified and are unmarked	Work area methods are not consistently followed and are undocumented	Work area checks are randomly performed and there is no visual measurement of 5S
	Sorting	Simplifying	Systematic Cleaning	Standardizing	Sustaining

Interpretation of Statutes

Benefit Construction

When a word is ambiguous i.e. if it has multiple meanings, which meaning should be understood by that word? This is the predicament that is resolved by the principle of Beneficial Construction. When a statute is meant for the benefit of a particular class, and if a word in the statute is capable of two meanings, one which would preserve the benefits and one which would not, then the meaning that preserves the benefit must be adopted.



Example 1

In the case of *B Shah vs. Presiding Officer*, AIR 1978, where Section 5 of Maternity Benefits Act, 1961 was in question, where an expectant mother could take 12 weeks of maternity leave on full salary. In this case, a woman who used to work 6 days a week was paid for only $6 \times 12 = 72$ days instead of $7 \times 12 = 84$ days. Hon'ble SC held that the words 12 weeks were capable of two meanings and one meaning was beneficial to the woman. Since it is a beneficial legislation, the meaning that gives more benefit to the woman must be used.

Example 2

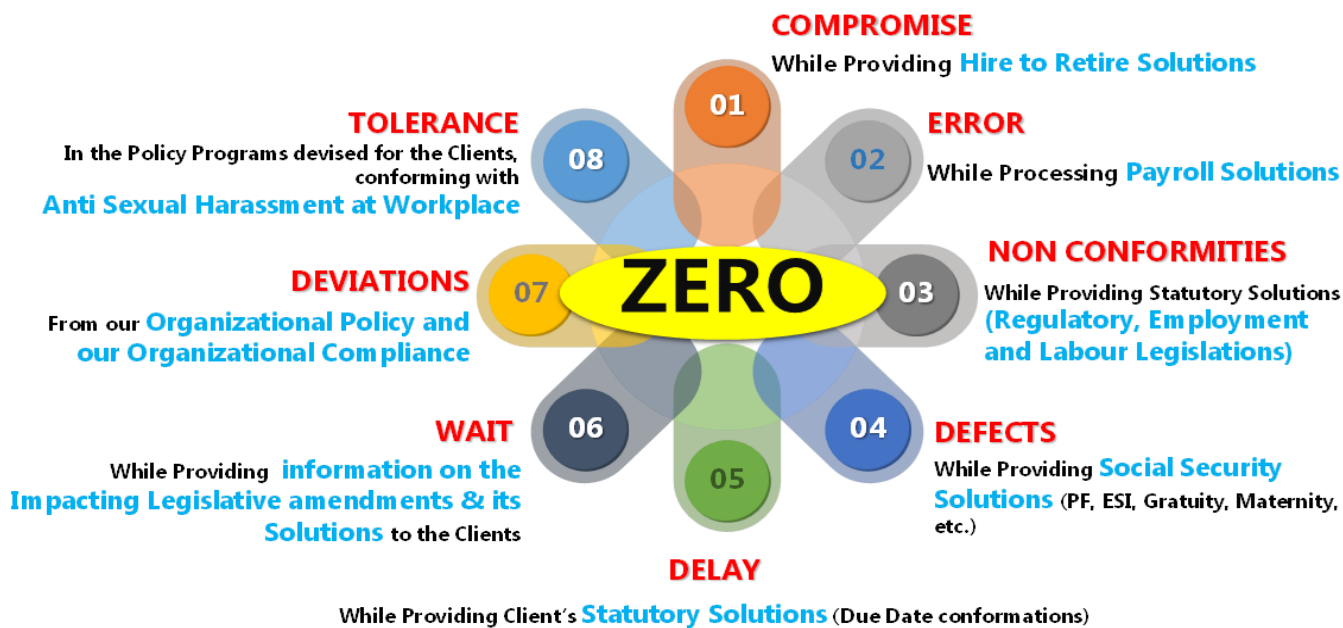
In the case of *Alembic Chemical Works vs. Workmen* AIR 1961, an industrial tribunal awarded more number of paid leaves to the workers than what Section 79(1) of Factories Act recommended. This was challenged by the appellant. The Supreme Court held that the enactment being a welfare legislation for the workers, had to be beneficially constructed in the favour of worker and thus, if the words are capable of two meanings, the one that gives benefit to the workers must be used.

Process of Green field becoming a Factory

Act	Activity	When
BOCW Act	Notice of commencement of construction work	30 days before the commencement of construction work
BOCW Act	Registration of establishment	Within 60 days from commencement of work
BOCW Act (Cess)	Payment of cess	Within 30 days of completion of the construction project
BOCW Act	Surrender of registration	After completion of construction work
The Factories Act	Factory Plan approval, Fire License, Electricity Connection, Air, Noise & Water pollution approval	After Completion of the construction project (before occupation)
The Factories Act	Factory Licence, Stability Certificate, Certification of machineries (Trade / Explosive / Lift /Weights licenses as applicable)	After approval of factory plan, before Occupation
The Factories Act	Intimation of commencement of work (Occupation)	Before 15 days
The Factories Act	Registration of Contractor/s	After Occupation & Before engaging contractor/s
EPF Act	Grant of EPF Code	Once applicable
ESI Act	Grant of ESI Act	“
Gratuity Act	Notice of Opening	“
PT Act	Grant of PT Code	“
LWF Act	Grant of LWF Code	“



Where an Organization is delighted if there is ZERO DEFECT of its Products/ Services or ZERO ACCIDENT in their Shop Floor/Workplace; We as a Proud Partner in providing HR Services to our Client's, would like to brand (and ensure) **ZERO based Solutions**



HR VIDYALAYA CORPORATE SERVICES LLP

We Serve, PAN-INDIA, to Industries as,

(a)...Factories (b)...Shops & Commercial Establishments (c)...Contract Labour
(d)...Catering Establishments, etc.

service@hrvidyalaya.in | www.hrvidyalaya.in | 63833-80112