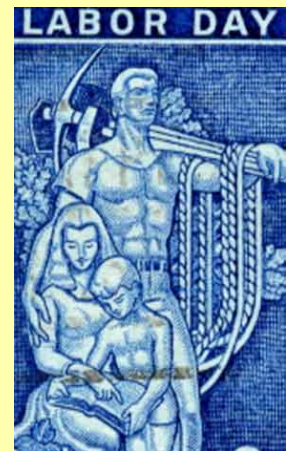


# Happy Labour Day !!!

**L**abour Day or Labour Day is an annual holiday celebrated all over the world that resulted from the labour union movement, to celebrate the economic and social achievements of workers. The majority of countries celebrate Labour Day on May 1, and it is popularly known as May Day and International Workers' Day, while some celebrate on the first Monday of September.

India started observing Labour week beginning on May 1, 1927. However, Labour Day in India is not a national holiday, but is confined to specific states List of 2010 national holidays in India. In Maharashtra and Gujarat (States in India), Labour week also coincides with 'Maharashtra Divas' and 'Gujarat Divas' (respectively, Maharashtra Day and Gujarat Day) because the states of Maharashtra and Gujarat were created on the same week in 1960.



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Please send us your valuable comments, questions, complaints and /or suggestions to Karma Management Consultants Pvt. Ltd. Please send information you would like to share, either professional or personal to [newsletter@karmamgmt.com](mailto:newsletter@karmamgmt.com)

## FAMOUS LABOUR QUOTES

No business which depends for existence on paying less than living wages to its workers has any right to continue in this country. By living wages I mean more than a bare subsistence level—I mean the wages of decent living.

**Franklin D. Roosevelt (32nd President of the United States [1933–1945])**

Labour, if it were not necessary for existence, would be indispensable for the happiness of man.

**Samuel Johnson (1709-1784) British Author.**



- Under what circumstances, the dependents of the deceased employee dying before his superannuation, would get the pension? What will be the age of superannuation?
  - (b) Whether there is any condition of minimum membership?
  - (c) Amount of pension?
  - (d) Who will be entitled to pension?

A. Para-16 of the Employees Pension Scheme, 1995 provides for admissibility of pension payment to family members of the deceased i.e., Spouse and the children below 25 years of age or in the absence of any family member, the nominee / dependent parents, as the case may be.

- (a) The age of Superannuation will be attaining the age of 58 years by the member.
- (b) Death of a member requires no minimum membership period.
- (c) Quantum of Pension will be in accordance with the provisions made in the scheme, subject to minimum spouse pension Rs.450/-per month and children pension Rs.150/- per month per child limited to maximum two children at a time.
- (d) Nominee/parents pension will be that of Spouse pension amount.

**• Incentive - Not Wages To Attract Contributions •**

The appellant challenged the order passed by the PF Authority under Section 7A of the Act directing the appellant to deposit the dues putting forth its grievance that appellant was appointed by M/s. Reliance Petro Marketing Private Ltd.

The EPF authority has wrongly treated the service, advertisement, housekeeping charges and payment made to consultants as basic wages. Hence, the proceedings initiated under Section 7A are illegal and the order of the EPF Authority is untenable.

While accepting the arguments as advanced by Advocate S.K. Gupta, the Ld. Tribunal observed that the perusal of definition of "basic wages" as provided under Section 2(b) of the Act, reveals that the payment to be considered as wages should be made to all the employees while they are on duty. The payments towards service, advertisement, housekeeping charges and consultant, do not show that the same were made to the employees working exclusively for the appellant. Hence, the order of the EPF authority cannot sustain and appeal is allowed.

**• SOCIAL SECURITY AGREEMENT WITH SWITZERLAND**



The Governments of India has entered into an Agreement on Social Security with the Swiss Confederation. Following the principles of reciprocity this agreement is intended to benefit the employees and employers of both India as well as Swiss Confederation. The Agreement has come into force w.e.f. 29th January, 2011.

The agreement provides inter-alia for posting i.e. detachment up to the period of 72 months for employees of both the countries. Accordingly, the employees of one country deputed by their employers to the other country on short-term assignment for a pre-determined period of upto 72 months need not remit Social Security contributions in that country. Thus, the employers are saved from making double social security contributions for the same set of employees thereby enhancing the competitiveness of their products and services. Employees' Provident Fund Organisation (EPFO) has been identified as the Liaison Agency to implement the provisions of the agreement in India and has been authorized to issue "Certificate of Coverage" to the employees of Indian establishments to be posted to Swiss Confederation. Therefore, the employers who have already deputed/intend to depute their employees to Swiss Confederation can avail of this facility. The application form for this purpose is available on official website [www.epfindia.nic.in](http://www.epfindia.nic.in).

**A Survey Finds Young India Lacks Soft Skills**



A survey of 303 employers across the country by the Federation of Indian Chambers of Commerce and Industry (FICCI) in 2010 found a majority of graduates lacked adequate "soft skills" to be employed in the industry.

Herein below is the outcome :

**Speaking in English:**

46.5% employers stress importance of English fluency. But only 26.4% are happy with the current employee standard.

**Written Communication:**

41% said it is important. But 26.5% are extremely satisfied with their employees.

**Reading Skills:**

46.1% give it top priority, but a mere 25.8% are confident about their workers' reading skills.

**Computer Knowledge :**

56.8% said no one can do without it but no more than 35.7% feel their juniors are equipped with it.

**Customer Service :**

51% bosses find it crucial 34.3% feel their workers make the cut.

**Aptitude for Modern Tools:**

45.2% employers find it essential to survive in today's job scenario. Only 32.2% are assured their employees are open to it.

## **Flexible Working Hours on Increase: Study**

India Inc is increasingly adopting flexible working hours at the office as it helps contain costs and push up employee productivity, a survey said. Four-fifth of companies in India are now offering their staff flexible working hours and a majority of these companies are finding that it is bringing them major benefits such as reduced overheads, a research report by Regus said. About 59% of firms in India believe that flexible working costs less than fixed office working, the report said.

Over eight out of 10 businesses offering flexible working report that their staff has a significantly better work-life balance, improving satisfaction and motivation, while almost four in 10 believe that it improves staff productivity. Three in 10 say that it helps them scale rapidly to cope with rapid growth, the report said, "Of particular interest for emerging economies, over one-fifth businesses globally (21%) believe that flexible working practices are an asset to them in periods of sudden growth, as they allow rapid scalability", it said. One-fifth of businesses also regard flexible working as a solution that helps attract a wider talent pool (21 per cent) and even allows them to employ valuable people that live in more remote parts of their country (19 per cent), it said.

### ● **Small Scale Industries on Hiring Spree : Survey** ●

In a survey of 5000 entrepreneurs in 78 countries asking them about their recent revenue and profit trends, along with their intentions to hire in the coming six months, a trend that surfaced showed that Indian entrepreneurs are more bullish on recruitment than their counterparts abroad, with two-fifth of entrepreneurs (40%) surveyed saying they will go on a hiring spree in the next six months compared to the 36% global average. Entrepreneurs are also just as keen to hire returning mothers (36%) as larger businesses. In addition, the survey found that entrepreneurs are more likely to be flexible about work location (76%) than businesses overall (66%) indicating that accommodating staff needs is a priority that must be met for SMEs to secure top talent. In India, 78% of businesses are flexible about their employees working location, 37% net intend to add staff, and fully 60% of businesses plan to hire mothers returning to the workforce.

### ● **15 Lakh Jobs In Education Sector** ●

With over 50,000 crore rupees being pumped into this education sector by the government in the budget this year, it is raining jobs in Higher Education. India needs trainers, better quality teachers, content developers, as well as IT professionals with product applications in education, which underlies the importance of technology in transforming learning. According to Shiv Agrawal, demand starts right from the pre-nursery level with play schools and day care crèches which have increased due to the growing pattern of both parents working.

## **Older Staffs Are More Productive : Study**

A team of German researchers found that more mature staffers may be weaker and less agile than their junior colleagues but they more than compensate with their greater experience, ability to work in teams, and success at coping when things go wrong.

"While older workers make more errors, perhaps due to declining physical attributes, they hardly make any severe errors, perhaps due to more experience. It is experience that prevents severe errors", the Daily Mail quoted the team from University of Mannheim as saying.

In fact, the researchers who studied production lines at a Mercedes-Benz truck factory in Germany also found that younger, more educated workers were less productive than those who had fewer qualifications - perhaps because the educated workers got bored more easily.

### **Office Humor**



"Ms. Jennings, have you seen my 'ORGANIZATION IS THE KEY TO SUCCESS' poster?"



## Pay Hikes Will Soar to Double-Digit Levels This Year

This year, employees across sectors are in for a windfall, with the economic growth outlook looking good and the war for talent intensifying. While salaries across telecom, FMCG, BPO, consulting and automobiles are expected to rise by up to 15%, increments could be anywhere between 8% and 30%, says LG Electronics COO, YV Verma. "A sustained increase in domestic consumption, investment in infra-structure, continued momentum in services and efforts towards fiscal consolidation will drive this," says Nitin Sethi, India practice leader for broad-based compensation at Aon Hewitt.

Double-digit increases, in the 12-15% range, will continue in India for the next few years, according to Aon Hewitt's annual salary increase survey. Salary increases are likely to be at an average of 12.9% in 2011, higher than actual increase of 11.7% in 2010 and 6.6% in 2009, the survey added. Many companies in India follow this survey to bench-mark salary increases for their employees.

Salary increases are gradually moving towards the 2007-levels, when the average rise was at 15.5%, just before the economic crisis. Healthier economic growth may lead to an actual pay rise of about 13-15% in the country, says Nishchae Suri, managing director of Mercer India.

Sectors that did well in FY11 and are likely to remain on the growth track this year — like automobiles — are more likely to offer better salary increases and bonuses. Car sales hit a record in 2010, with an average growth of 30% and the current fiscal may not be too different.

Maruti Suzuki has lined up salary increments of 11% or more. The sector will grow at 25-30% in 2011-12, says SY Siddiqui, chief managing executive — HR, administration. The company will announce increments for its 8,600 employees in June this year. The final decision on increments will be taken post the compensation alignment survey with the industry, which the company is conducting.

For the previous year, though, it plans to pay a 100% variable. Bonuses/variable pay comprise 10-25% of the basic salary at Maruti Suzuki. "The automotive sector is growing in double-digits, which is likely to continue in the coming years with huge investments planned ahead by the players. It's natural that competitive salaries will be offered," says Mr Siddiqui.

Food and beverages major Pepsi-Co India has better news in store. The company has not only given an average salary hike of 11%, but has also paid out up to 130% variable this year, up from last year's 110%. At PepsiCo India, variable pay for employees ranges from 10% at the entry level to 60% at the senior management level. The Essar Group too plans to go with industry estimates and offer up to 13% salary increments. Salary increments and bonuses are also likely to be better in sectors such as BPO and telecom. The BPO segment grew at 16% last year and is expected to grow at 19% in 2011. In telecom, revenue or profits have not been growing since the past two to three years, but the total number of subscribers has increased by 36.22% over the previous fiscal. EXL Services is planning to give increments at 8-9% for its India employees, although it is yet to take a final decision on hikes, says president and CEO Rohit Kapoor. Telecom company MTS, which commenced operations in India in 2009, plans to pay up to 150% of an employee's variable pay. This means, employees are likely to get a bonus of up to 50% of their variable salaries.

Not only companies, but HR consultants such as Aon Hewitt too reiterate 2011 will become an employee's market again. But unlike the previous years, salary increases this year are not focused on attracting or retaining talent. Companies that have performed well will give better salary hikes, taking into consideration individual performance as well. "Companies will not pay more to retain or attract a certain number of employees. There's a bigger problem if the company is not engaging with talent, because demotivated employees are more likely to change jobs, if offered even marginal hikes," says Adil Malia, group president — HR, Essar Group.

### Interesting Facts

\*Gokaldas Exports is the largest exporter of garments in India and employs more than 40,000 people in its manufacturing facilities.

\*Over 130 million workers in India are engaged through contractors.

\*Reliance Refinery at Patalganga has trained Over 3,00,000 unskilled, unemployed youth to become carpenters, plumbers and electricians, as our billion- plus human resource couldn't provide this workforce when they required. After the construction of the refinery, all of them left for lucrative careers in West Asia and Europe.

\*The domestic BPO industry is employing 4.67 lakh people.



## Reduction of Threshold of Coverage of Certain Establishments in The Act, Delhi Area Under Section 1(5) of ESI Act.

### MINISTRY OF LABOUR AND EMPLOYMENT NOTIFICATION

New Delhi, the 23rd March, 2011

S.O. 616(E).—Whereas, by a notification of the Government of India in the Ministry of Labour and Employment, published in the Gazette of India, Extraordinary, Part II, Section 3, Sub-section (ii), vide number S.O. 148(E), dated the 29th November, 2010, the Central Government, in consultation with the Employees' State Insurance Corporation, gave notice of its intention to extend the provisions of the Employees' State Insurance Act, 1948 (34 of 1948) to certain classes of establishments specified in the Schedule to the said notification after one month from the date of that notification;

And whereas, the copies of the said notification were made available to the public on the 24th day of November, 2010;

And whereas, no objections and suggestions have been received within the said period of one month in respect of the said notification;

Now, therefore, in exercise of the powers conferred by sub-section (5) of Section 1 of the Employees' State Insurance Act, 1948 (34 of 1948), the Central Government, in consultation with the Employees' State Insurance Corporation, hereby extends with effect from the 1st day of April, 2011, the provisions of the said Act to the classes of establishments specified in column (1) and situated within the areas specified in column (2) of the Schedule annexed hereto, namely :—

#### SCHEDULE

Description of establishments	Areas in which the establishments are situated
(1)	(2)
The following establishments wherein ten or more persons are employed, or were employed, on any day of the preceding twelve months, namely :— (i) shops; (ii) hotels; (iii) restaurants; (iv) road motor transport establishments; (v) cinemas including preview theatres; (vi) newspaper establishments as defined in clause (d) of Section 2 of the Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955 (45 of 1955); (vii) educational institutions (including public, private, aided or partially aided) run by an individual, trust, society or other organisation; (viii) medical institutions (including corporate, joint sector, trust, charitable and private ownership hospitals, nursing homes, diagnostic centres, pathological labs).	All areas in the National Capital Territory of Delhi where provisions of the Employees' State Insurance Act, 1948 have already been brought into force under sub-section (3) of Section 1 of the Act.

[No. S-38025/23/2010-SS.1]

RAVI MATHUR, Addl. Secy.

## Revised Minimum Wages Rates (as per Central Rules) w.e.f. 1-4-2011

### A Statement showing the Area wise Rates of Minimum Wages for Scheduled Employments in the Central sphere As on 01.04.2011

Name of Scheduled Employment (Number)	Category of Worker	Rates of wages including V.D.A per day (in Rs.)		
		Area A	Area B	Area C
1. Agriculture (1)	Unskilled	169.00	153.00	151.00
	Semi-Skilled/Unskilled Supervisory	185.00	171.00	156.00
	Skilled/Clerical	201.00	185.00	170.00
	Highly Skilled	224.00	206.00	185.00
2. Workers engaged in Stone Mines for Stone Breaking and Stone Crushing (1)	1. Excavation & removal of over burden with 50 meters lead/1.5 meters lift:			
	(a) Soft Soil	165.40		
	(b) Soft Soil with Rock	250.56		
	(c) Rock	331.82		
	2. Removal and Staking of rejected stones with 50 metres lead 1.5 metres lift			
	131.93			
	Stone breaking or Stone Crushing for the stone size			
	(a) 1.0 inch to 1.5 inches	1030.01		
	(b) Above 1.5 Inches to 3.0 Inches	880.00		
	(c) Above 3.0 Inches to 5 Inches	514.47		
(d) Above 5.0 Inches	422.23			
3. Sweeping and Cleaning (1)	Unskilled	247.00	205.00	165.00
4. Watch and Ward (1)	Without Arms	247.00	205.00	165.00
	With arms	273.00	232.00	192.00
5. Loading and Unloading (1)	Unskilled	247.00	205.00	165.00
6. Construction (4)	Unskilled	247.00	205.00	165.00
	Semi-Skilled/Unskilled Supervisory	273.00	232.00	192.00
	Skilled/Clerical	301.00	273.00	232.00
	Highly Skilled	327.00	301.00	273.00
7. Non-Coal Mines ((36)			Above Ground	Below Ground
	Unskilled	165.00	205.00	
	Semi-Skilled/Unskilled Supervisory	205.00	247.00	
	Skilled/Clerical	247.00	287.00	
	Highly Skilled	287.00	327.00	

## The Payment of Bonus (Maharashtra Amendment) Act, 2010

An Act further to amend the Payment of Bonus Act, 1965, in its application to the State of Maharashtra. WHEREAS both houses of the State Legislature were not in session AND WHEREAS the Governor of Maharashtra was satisfied that circumstances existed which rendered it necessary for him to take immediate action further to amend the Payment of Bonus Act, 1965 (21 of 1965) in its application to the State of Maharashtra, for the purposes hereinafter appearing; and, therefore, promulgated the Payment of Bonus (Maharashtra Amendment) Ordinance, 2010 (Mah. Ord XII of 2010) on the 17th September, 2010; AND WHEREAS it is expedient to replace the said Ordinance by an Act of the State Legislature; it is hereby enacted in the Sixty-first year of the Republic of India as follows:-

1. **Short title and commencement** - (1) This Act may be called **The Payment of Bonus (Maharashtra Amendment) Act, 2010**.

2. **Insertion of Section 11-A in Act (21 of 1965)** - After Section 11 of the Payment of Bonus Act, 1965 (21 of 1965), in its application to the State of Maharashtra (hereinafter referred to as "the principal Act"), the following section shall be inserted, namely :-

"11-A. **Mode of payment of bonus.**- All amounts payable to an employee by way of bonus under this Act shall be paid either by an account payee cheque drawn in favour of the employee or by crediting the same in the bank account of an employee".

3. **Amendment of Section 19 of Act 21 of 1965** . - (1) In Section 19 of the principal Act, the words "in cash" shall be deleted.

4. **Repeal of Mah. Ord. XII of 2010 and saving** .- The Payment of Bonus (Maharashtra Amendment) Ordinance, 2010 (Mah. Ord. XII of 2010), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the provisions of the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken, as the case may be, under the corresponding provisions of the principal Act, as amended by this Act.

**Govt. Of Andhra Pradesh has changed the ESIC coverage criteria from 20 to 10 (w.e.f. 15-4-2011)**

**NOTIFICATION**

In exercise of the powers conferred by sub-section (5) of Section 1 of the Employees State Insurance Act, 1948, (Act 34 of 1948) the Government of Andhra Pradesh, in consultation with the Employees State Insurance Corporation and with the approval of the Central Government hereby extend the provisions of the Act, to the classes of establishments specified in the schedule, as the same having been previously published in Part-I Extra Ordinary issue of the Andhra Pradesh Gazette No.505, dated : 16<sup>th</sup> September,2010 vide : G.O. Rt.No.1062, LET & F(IMS) Dept., dated:13.09.2010.

**SCHEDULE**

Description of establishments (1)	Areas in which the establishments are situated (2)
The following establishments wherein ten or more persons are or were employed on any day of the preceding twelve months, namely:	All areas where the provisions of the Employees State Insurance Act, 1948 have already been brought into force under Section 1 (3) of the said Act.
(i) Shops;	
(ii) Hotels;	
(iii) Restaurants;	
(iv) Road Motor Transport establishments;	
(v) Cinemas including preview theatres;	
(vi) Newspaper establishments as defined in section 2(d) of the Working Journalists (conditions of service) and Miscellaneous Provisions Act, 1955 (Act 45 of 1955);	
(vii) Educational Institutions (including public, private, aided or partially aided) run by individuals, trustees, societies or other organization;	
(viii) Medical Institutions (including corporate, joint section, trust, charitable and private ownership hospitals, nursing homes, diagnostic centres, pathological labs.	

// Forwarded by order//

P. Deshaigiri Rao  
SECTION OFFICER

**GOVERNMENT OF ANDHRA PRADESH**

**ABSTRACT**

Labour Employment Training & Factories Department - Insurance Medical Services - Coverage of establishments of 10 or more persons in the State of Andhra Pradesh under the Employees State Insurance Act, 1948 - Final Notification - Orders - Issued.

**LABOUR EMPLOYMENT TRAINING AND FACTORIES (IMS) DEPARTMENT**

G.O.Rt.No.684

Dated:15-04-2011.

Read the following:-

- 1) G.O. Rt.No.1062, LET & F(IMS) Dept., dated:13.09.2010
- 2) From the DIMS Lr.No:13665/Pg./2010, dt.09.02.2011

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**ORDER:-**

The Commissioner, Printing, Stationary and Stores Purchase, Hyderabad is requested to publish the appended notification in an Extra - Ordinary issue of Andhra Pradesh Gazette in English and other languages of the State.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

D. SREENIVASULU  
SECRETARY TO GOVERNMENT

P.S.  
A.S. P.  
15/4/11

**Govt. Of Andhra Pradesh has changed the Minimum wages under Shops & Establishments & Security Services as per following chart :**

SHOPS AND COMMERCIAL ESTABLISHMENTS (ANDHRA PRADESH)							
Notification issued vide G.O.Ms.No.116, LET&F (Lab.II) Dept., dt:07-12-2007							
Published in Gazette No.705, dated 19-12-2007							
Wages Linked at 525 CPI points							
CPI points notified as on 01-04-2011 = 835 points							
VDA to be paid from 01-04-2011 to 30-09-2011 = 835 - 525 = 310 points							
Per point rate of VDA notified in the notification = Rs.6.40							
Minimum Wages and VDA payable from 01-04-2011 to 30-09-2011							
Sl.No.	Name of the Category	Basic Wage		VDA for 275 points		Total Wage	
		Zone-I	Zone-II	Zone-I	Zone-II	Zone-I	Zone-II
<b>A</b>	<b>SHOPS</b>						
1	Manager/ Sales Manager/ Security Officer/ Computer Programmer	5557.00	5357.00	1984.00	1984.00	7541.00	7341.00
2	Asst.Manager/ Accountant Supervisor/ Purchaser	4722.00	4302.00	1984.00	1984.00	6706.00	6286.00
3	Salesman/Sales Representative/ Bill Writer/ Cashier/ Tradesman	4520.00	4302.00	1984.00	1984.00	6504.00	6286.00
4	Clerk/ Godown Incharge/ Accounts Assistant/ Typist/ Receptionist/ Lineman/ Stenographer/Clerk-cum-Typist/ Xerox Machine Operator/ Clerks in STD, ISD, FAX/ Asst.Salesman	4102.00	3886.00	1984.00	1984.00	6086.00	5870.00
5	Kolagari/ Weighman/ Milk Vender in Milk Booths	3886.00	3757.00	1984.00	1984.00	5870.00	5741.00
6	Bicycle Fitter/ Attender/ Peon/ Water Boy/ Shop Boy/ Helper/ Messenger/ Gas Cylinder Carrier	3700.00	3370.00	1984.00	1984.00	5684.00	5354.00
7	Computer Operator	3886.00	3757.00	1984.00	1984.00	5870.00	5741.00
8	Security Guard	3700.00	3370.00	1984.00	1984.00	5684.00	5354.00
9	Type Writing Instructor	4520.00	4302.00	1984.00	1984.00	6504.00	6286.00

SECURITY SERVICES (ANDHRA PRADESH)										
Notification issued vide G.O.Ms.No.43, LET&F (Lab.II) Dept., dt: 28.05.2010										
Published in Gazette No. 251, dated 02-06-2010										
Wages Linked at 590 CPI points										
CPI points notified as on 01-04-2011 = 835 points										
VDA to be paid from 01-04-2011 to 30-09-2011 = 835 - 590 = 245 Points										
Per point rate of VDA notified in the notification = Rs.6.75										
Minimum Wages and VDA payable from 01-04-2011 to 30-09-2011										
Sl.No.	Name of the Category	Basic			VDA for 210 points			Total Wage		
		Zone-I	Zone-II	Zone-III	Zone-I	Zone-II	Zone-III	Zone-I	Zone-II	Zone-III
	<b>Highly Skilled</b>									
1	Security Supervisor, Security Officer, Field Officer	7500.00	6500.00	5000.00	1653.75	1653.75	1653.75	9153.75	8153.75	6653.75
	<b>Skilled</b>									
2	Security Inspector, Assistant Security Inspector, Intelligence and Fire Fighting Personnel, Head Guard	7000.00	6000.00	4500.00	1653.75	1653.75	1653.75	8653.75	7653.75	6153.75
	<b>Semi-skilled</b>									
3	Assistant Security Inspector, Security Guards with Arms	6500.00	5500.00	4250.00	1653.75	1653.75	1653.75	8153.75	7153.75	5903.75
	<b>Un-skilled</b>									
4	Security Guards without Arms	5000.00	4250.00	4000.00	1653.75	1653.75	1653.75	6653.75	5903.75	5653.75

# REVISED RATES OF D.A. OF SHOPS & ESTABLISHMENTS (TAMILNADU)

96      RATES OF MINIMUM WAGES

### EMPLOYMENT IN SHOPS AND COMMERCIAL ESTABLISHMENTS

G.O. (2D) No. 5, (J1) dated 22/2/2005  
(Notification No. II (2) / LE/ 206 / 2005, Tamil Nadu Government Gazette, Part II, Section 2, dated 30/3/2005, at pages 146-149)

**EXPLANATIONS :**

- The dearness allowance payable shall be as follows :
  - The Dearness Allowance is linked to the average consumer price index of Chennai City for the year 2000, namely, 475 points with base 1982=100, and for any further rise of every one point over and above 475 points, an increase of ₹ 4.30 per month shall be paid as Dearness Allowance.
  - The Dearness Allowance shall be calculated every year on the 1st April on the basis of the average of the indices for the preceding 12 months, that is from January to December.
  - The first calculation of the dearness allowance shall thus be effective from the date of publication of this notification in the Tamil Nadu Government Gazette based on the average of Chennai City Consumer Price Index for the previous year, that is from January to December.
- Classification of Zones shall be as follows :
 

Zone A : Shall include, Corporations and special grade municipalities.

Zone B : Shall include, Municipalities other than special grade municipalities.

Zone C : Shall include, Townships, Town Panchayats and Cantonments.

Zone D : Shall include places other than those mentioned in Zones A, B, C.
- Where the same work or work of similar nature is performed by men and women, no distinction in the payment of wages shall be made between men and women workers.

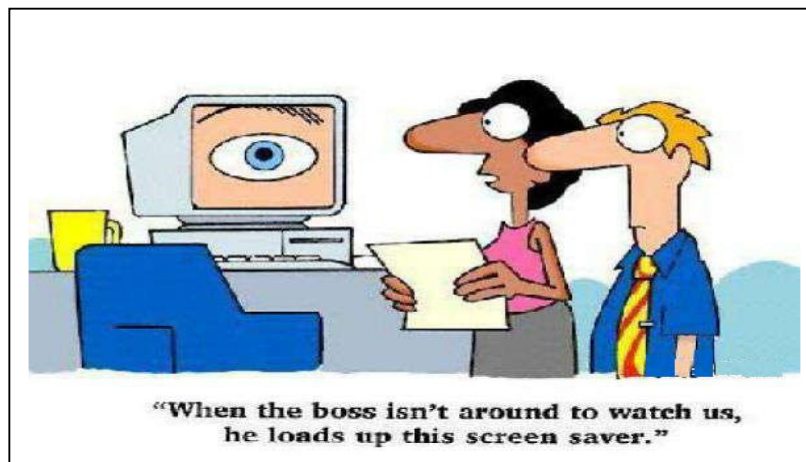
RATES OF MINIMUM WAGES

- To arrive at the daily rate of wages, the monthly wages shall be divided by 26.
- Wherever the existing wages are higher than the minimum wages fixed herein such higher wages shall be continued to be paid.

**Apart from the rates of minimum wages detailed herein the dearness allowance payable for the period from 01/04/2011 to 31/03/2012 shall be ₹ 1,385.00 per month.**

Classes of Employees	Rates of Minimum Wages (₹ / p.m.)			
	Zone A	Zone B	Zone C	Zone D
<b>I. GENERAL CATEGORIES</b>				
(1) Manager, (2) Sales Manager, (3) Field Officer, (4) Development Officer, (5) Officer in-charge	2,540.00 <u>1385</u> 3925	2,507.00 <u>1385</u> 3892	2,473.00 <u>1385</u> 3858	2,447.00 <u>1385</u> 3832
(6) Asst. Manager, (7) Accountant, (8) Supervisor, (9) Sales Executive, (10) Purchaser, (11) Store keeper, (12) Agent, (13) Sales Promotion Employees	2,269.00 <u>1385</u> 3654	2,235.00 <u>1385</u> 3620	2,202.00 <u>1385</u> 3587	2,169.00 <u>1385</u> 3554
(14) Cashier, (15) Clerk, (16) Typist -cum -clerk, (17) Typist, (18) Stenographer, (19) Salesman, (20) Sales Representative, (21) Auction Bidder, (22) Tradesman, (23) Bill Writer	2,242.00 <u>1385</u> 3627	2,202.00 <u>1385</u> 3587	2,163.00 <u>1385</u> 3548	2,130.00 <u>1385</u> 3515
(24) Bill Collector, (25) Booking Clerk, (26) Bill Clerk, (27) Godown Keeper, (28) Asst. Salesman, (29) Godown in-charge, (30) Accounts Assistant, (31) Receptionist, (32) Lineman, (33) Tally Clerk, (34) Weighman, (35) Security Guard, (36) Driver	2,209.00 <u>1385</u> 3594	2,169.00 <u>1385</u> 3554	2,130.00 <u>1385</u> 3515	2,096.00 <u>1385</u> 3481

### Office Humor



## TEAM LEADER AS DHONI - A NEW HR MANTRA



'Success has many fathers but failure is orphan' is an age old saying. However, the modern Management underlines that success and failures should be critically analysed for the benefit of others to be adopted and shunned, as per the demand of the need, in future. There is no doubt that the lifting of Cricket World Cup after a long gap of 28 years has filled every Indian with new surge of proud and confidence. Yes; 'We can do it' has now become the buzzword.

### ► Dhoni Factor

The way Mahendra Singh Dhoni led from the front to successful victory in the Cricket World Cup has now become a subject-matter of study for the giants of the Management. HR leaders and leading business schools are now looking at his conduct and temperament from every conceivable angle.

Experimentative, innovative and risk-taking are some of the characteristics being attributed to him. So what really is Dhoni's management style? "He sets stretch goals and works determinedly to achieve them by getting the best out of his team. Dhoni is being described as a true leader, who did not hesitate to push himself up the batting order in the final, when the team needed him the most. He was not afraid to make changes. He knew well that had he failed, he would have been criticized but yet he fearlessly took up the challenge at a critical time in the Indian innings. This 'killer instinct' brought him on the top of the world. Dhoni is inclusive, but at the same time when the moment of truth comes, he doesn't hesitate to take decisions. And what does one learn from Dhoni's leadership skills? Take measured risks and back your team to deliver: A leader should maintain his calm. He should know his business and take appropriate decisions in changing contexts: this is the mantra of Dhoni.

### ► Cool and Calm

One could see how these characteristics came to the fore when, in a crisis situation during the World Cup (India had lost two crucial wickets of Sachin Tendulkar and Virender Sehwag), Dhoni kept his cool and led India to victory. Dhoni has been consistent match-after-match. He has stuck his neck out and accepted his mistakes. What's more, the captain succeeded in building a team where young people can come up with their opinions. In a situation where a much younger player like Virat Kohli can give his opinion towards a senior player like Sachin Tendulkar without inhibitions itself speaks volumes about the team culture, developed by Mahi.

During usual course of life, everybody goes through lows and highs. And, the one who could bear with difficult moments, and still continues his fight, emerges the ultimate winner. It is said that the seeds of success or failure are planted in one's mind. For, our minds drive all actions on our part. If an action brings on a weak premise, it will evidently end up with a low note. On the contrary, if a task is carried out with a force of conviction, the probability of success will be higher. Evidently, Mr Cool, as Dhoni is popularly called, came out with his best in terms of his frame of mind. It is pertinent to note that when mind is cool and relaxed, it works effortlessly. For, the constituents of mind then work in perfect coordination with each other. As a consequence, one's wisdom plays to its optimum. The men could then visualise even improbable, pick up the right to prove his excellence.

The fact of life, however, remains that more often than not our minds are preconditioned one way or the other. That restricts the scope of our vision because of which one is not able to comprehend a situation in the right perspective. One also fails to perceive the varying dynamics of the contemporary and emerging times correctly. And, then, our impressionable minds get affected by ongoing events as well those in the near past. If the impressions are negative, that could be bring in a sense of fear & erode one's confidence.

### *Interesting Facts*

In last 6 months, Maharashtra has seen more than 7 IAS officers have left their jobs to join the private sector on salaries are atleast five times higher.

Indian companies will raise their employees' salaries by an average 25% this year compared to 14% in 2005 whereas in US the raise has averaged around 5% and in China 8%.

five persons of Bakani village died several years ago but their names were included in the muster roll as maintained by the government of labourers given employment under the National Rural Employment Guarantee Act (NREGA) and the sarpanch got payment for this.

## IMPORTANT GLANCE ON CASE LAWS

### No escape from interest on delayed payment of ESI contributions. and Pendency of BIFR proceedings is no bar for enforcing ESI Act.

- When there is delayed payment of ESI contributions, it has no escape from the interest on the delayed payment whereas the damages being in the nature of penalty can be waived or reduced.
- Pendency of BIFR proceedings cannot prevent the ESI Authorities from enforcing the provisions of ESI Act since exercise of power under section 45A of the ESI Act, is a special remedy to deal with special cases.

Reference D/-12-1-2011 M.M. Rubber Company Ltd. vs. Deputy Director, Employees' State Insurance Corporation & Ors. 2011 LLR 454

### Coverage under ESI, by clubbing Manufacturing Unit with Sales Office, would be proper.

Coverage under ESI Act by clubbing Manufacturing Unit with Sales Office would be proper and the Employees' Insurance Court has misdirected itself by holding that these were two separate establishments.

Reference D/-25-11-2010 E.S.I. Corporation vs. Vijay Grover 2011 LLR 499

### Reinstatement, with full back-wages, of a daily wager, not proper for not complying of S.25F of the I.D.

Non-compliance of provisions of section 25F of the Industrial Disputes Act providing for payment of retrenchment compensation at the time of termination will not be tenable since the workman was daily-wager, hence the Award directing reinstatement with full back-wages is to be set aside.

Reference D/-24-1-2011 State of U.P. Vs Presiding Officer, Labour Court (1st) U.P., Kanpur and Another 2011 LLR 516

## MANAGEMENT TO PROVE MISCONDUCT

On 3 rd November, 2000, the respondent-Management of Maruti Suzuki India Ltd. dismissed Mr. Amar Chakravarty, the appellant without holding an enquiry mainly on the allegations that he had been participating in tool-down strike; had been exhorting other workers to slow-down the work so that there is fall in production of cars; had indulged in holding demonstrations within the factory premises and raised derogatory and offensive slogans against the Management; had threatened the supervisors, etc. The relevant portion of the dismissal order reads thus: "In view of the situation created by you, Management finds that it is not reasonably practical to hold an enquiry. In view of the gravity of the misconduct, thus committed by you, you are hereby dismissed from service." The appellant having raised an industrial dispute, the State Government referred the same to the Labour Court, Gurgaon under Section 10(1) (c) of the Industrial Disputes Act, 1947 (for short "the Act"). On 13 th May, 2002, the Labour Court framed the following issues:

1. Whether the termination of services of the petitioner is justified and, if not, to what relief he is entitled to?
2. Whether the petitioner is gainfully employed?
3. Relief."

It is manifest that in relation to issue No. 1. the Labour Court had placed the onus of proof on the Management. Thereafter, the appellants preferred an application before the Labour Court for framing additional issues and disposal of the reference by treating them as preliminary issues. One of the proposed additional issues was with reference to the violation of Standing Order No. 21.3 which stipulates that no order of dismissal shall be made except after holding an enquiry against the workman concerned in respect of the alleged misconduct. However, the Labour Court, vide order dated 12 th August, 2003, dismissed the application. The Labour Court, thus, held that in the first instance, it was for the Management to prove, by adducing cogent evidence, that the order of dismissal passed against the workman was legal. However, on a motion being made by the Management, the Labour Court, vide a short order dated 31 st January, 2006, shifted the onus of proof in relation to the afore-extracted issue No. 1 on the workman. The order reads as: "In view of the latest law on the point. I hereby shift the onus to prove issue no. 1 from the Management to the workman. To come up on 11.01.2007 for evidence of the workman." Being aggrieved by the said order, the appellant preferred a writ petition before the High Court. As afore-mentioned, the High Court, vide judgment dated 22 nd January, 2008 has dismissed the writ petition of the appellant, inter alia, observing that onus of establishing a plea of victimization or that he had completed 240 days of service in the last calendar year, in order to avail of the benefit of Sections 25F, 25G and 25H of the Industrial Disputes Act, is on the workman. The High Court held that the order of the Labour Court cannot be said to be perverse or illegal warranting its interference. Hence, the present appeal in the Apex Court. While accepting the appeal, the Supreme Court held: When a workman is dismissed for a misconduct pertaining to indulging in tool-down strike and the enquiry has been dispensed with, it is for the employer to prove the misconduct resulting into dismissal from service hence the Labour Court and the High Court erred in shifting the burden to prove the misconduct upon the workman.



## COMPLIANCE Checkup

### Statutory Compliance June 2011

- √ Pay PF before 15.06.2011
- √ Pay ESIC before 21.06.2011
- √ Pay Profession Tax before 31.06.2011
- √ Submit Form No. 5 & 10 under PF Act before 15.06.2011
- √ Submit Form No. 12 A under PF act before 25.06.2011

\* [Employers employing International Labour to submit the information to the EPFO]

### Office Humor



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