

**REPORT OF THE STEERING COMMITTEE**

**FOR CONTINUATION OF ESI FACILITY TO JVVHOWA EMPLOYEES**

1. In pursuance of Jal Vayu Vihar House Owners' Welfare Association President memorandum JVVHOWA/HYD/2023-2024 dated 29 Feb 2024, we, the following members visited the ESIC Regional Office, Hill Fort Road, Adarsh Nagar, Hyderabad on 01 Mar 2024.

- (a) Cdr DP Kothuri (Retd.), DU 272 - Resident Member  
(b) Sri K Vivekananda Swamy - Secretary, JVVHOWA  
(c) Ex CPL URK Prasad - Treasurer, JVVHOWA

2. We had discussions with the ESIC officials at length and obtained the required information from them to enable the JVVHOWA BOM or any other forum, to arrive at a decision in respect of continuation of ESI for JVVHOWA employees, based on the facts and figures. The information obtained by us is summarised in the form answers to the queries (POINTS) listed in the JVVHOWA Memorandum ibid.

3. **Do residential Welfare Associations come under ESI Act?**

No, not as a mandatory stipulation. However, residential associations are not forbidden from enrolling their employees to ESIC as a welfare measure.

4. **If an employee is covered by ESI by virtue of one of his family members being the primary beneficiary of ESI?**

He/She can still join the ESI as primary beneficiary and avail the benefits of various schemes.

5. **If an employee is having Arogyasree ?**

He can still join ESI.

6. **The rates stipulated: 0.75% from employee as his contribution and 3.25% of the employee's salary from the employer; are these rates sacrosanct or can be changed at the whim of the employer keeping the total subscription at 4% ?**

These rates are hallowed and not pliable.

7. **Wage components to be taken in to consideration while arriving at the Gross Salary of the employee for the purpose of calculating the aforesaid 0.75% and 3.25%**

All payments made to the employee, exempting: conveyance allowance, any special allowances and once in a year payments like bonus.

8. **Is the employees' consent required to enrol them in ESI ?**

No, if it is already enumerated in service conditions at the time of appointment. It is advisable to take the employees on board before enrolling them in the scheme. In any case, the ab initio documentation enjoins employee's consent.

*A.V. Subrahmanya*



9. Do we have to take any declaration from employees that they are not covered under ESI in any other way?

No. Para 4 above is self-explanatory and relevant in this connection.

10. And lastly, the ESI officials advised us to approach the Corporation Directly, without any agents/brokers/middleman in between. Most of the so called <sup>agents</sup> are ill informed, interested only in earning a fast buck for themselves and fail to give correct guidance, thus denying many benefits to the enrolled employees. Many a time, the employer too faces the undesirable consequences due to the interference and ignorance of the agent.

11. Suggested future course of action:

- (a) Do not take implementation of ESI as fait accompli.
- (b) Put the issue in front of the General Body in the meeting scheduled around the *ides* of June 2024, as the ESI implementation involves long term ramifications and sizeable annual recurring expenditure.
- (c) Non-continuation of the scheme forthwith, may lead to some financial loss. That has to be accepted as the price for the error of judgement.

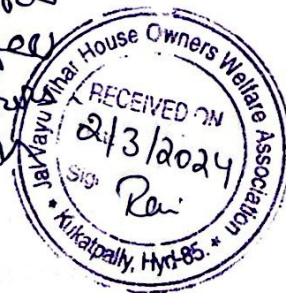
*G.V. Subbarah*

*DP Kothuri*  
*02/09/2024*  
Cdr DP Kothuri (Retd.)  
Resident Member  
JVHWA

*K. An*  
Sri K. Vivekananda Swamy  
Secretary, JVHWA

*URK Prasad*  
Ex CPL URK Prasad  
Treasurer, JVHWA

Date: 02 nd 2024  
Thanks to the above members.  
Received the above reports  
from steering committee  
on 2-08-2024 at late hours  
*G. Subbarah*



*5/20. 1176*