

 सत्यमेव जयते	पेटा प्रादेशिक क्षेत्री/उपक्षेत्रीयकार्यालय /Sub Regional Office कर्मचारी राज्य बीमा निगम/कर्मचारी राज्य बीमा निगम Employees' State Insurance Corporation (श्रम एवं रोजगार मंत्रालय, भारत सरकार) (Min. of Labour & Employment, Govt. of India)
બીજો માળ, "સમર્થ હાઉસ", સમર્થ સર્કલ, ન્યૂ પાલ લેક રોડ, પાલ, સુરત, ગુજરાત - 394510 द्वितीयतल, "समर्थ हाउस", समर्थ सर्कल, न्यू पाल लेक रोड, पाल, सूरत, गुजरात-394510 2 nd Floor, "Samarth House", Samarth Circle, New Pal Lake Road, Pal, Surat, Gujarat - 394510 ☎ (0261)-2730124/5/6/7/8/9 📧 dir-surat@esic.gov.in www.esic.gov.in; www.esic.in	

संख्या:- 39/Surat/CoverageRelated/2025/IC-2

दिनांक:- 23.06.2025

सेवा में,

महाप्रबंधक, गुजरात हीरा बुरस, जेम & जवेल्लेरी पार्क, 4 th फ्लोर, एडमिनिस्ट्रेटिव बिल्डिंग, ऑपोज़िट इच्छापुर बस स्टैंड, पाल हज़ीरा रोड, इच्छापुर, सूरत-394510 ghbsurat@gmail.com	क्षेत्रीय प्रबंधक, गुजरात इंडस्ट्रियल डेवलपमेंट कॉर्पोरेशन, प्लॉट संख्या 326-327, फ़ाइर स्टेशन बिल्डिंग, भाटपुर, सूरत-394510
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विषय : Clarification regarding coverage of establishments situated in Gujarat Hira Bourse & GIDC Ichhapore under the provisions of ESI Act 1948.

महोदया/महोदय,

उक्त विषय पर भूतकाल में हुए पत्राचार का संज्ञान लेते हुए और सक्षम अधिकारी से प्राप्त स्पष्टीकरण/समीक्षा के पश्चात अधोहस्ताक्षरी निम्न वस्तुस्थिति आपकी उचित कार्यवाई हेतु प्रस्तुत करने का अभिलाषी है :-

2. In this regard, relevant provisions of the ESI Act 1948 related to coverage of a factory/establishment are extracted as under: -

Section 1 (3) provides that "It shall come into force on such date or dates as the Central Government may, by notification in the Official Gazette, appoint, and different dates may be appointed for different provisions of this Act and for different States or for different parts thereof.

(4) It shall apply, in the first instance, to all factories (including factories belonging to the Government other than seasonal factories. Provided that nothing contained in this sub-section shall apply to a factory or establishment belonging to or under the control of the Government whose employees are otherwise in receipt of benefits substantially similar or superior to the benefits provided under this Act.

(5) The appropriate Government may, in consultation with the Corporation and where the appropriate Government is a State Government, with the approval of the Central Government, after giving one month's notice of its intention of so doing by notification in the Official Gazette, extend the provisions of this Act or any of them, to any other establishment, or class of establishments, industrial, commercial, agricultural or otherwise. Provided that where the provisions of this Act have been brought into force in any part of a State, the said provisions shall stand extended to any such establishment or class of establishments within that part if the provisions

have already been extended to similar establishment or class of establishments in another part of that State.

Section 2 (12) “factory” means any premises including the precincts thereof whereon ten or more persons are employed or were employed on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on or is ordinarily so carried on, but does not include a mine subject to the operation of the Mines Act, 1952 (35 of 1952), or a railway running shed;

3. Govt. of India, Ministry of Labour issued notification dated 14th October 1992 appointing the 16th October, 1992 as the date on which the provisions of the ESI Act were brought into force in the following areas in the State of Gujarat i.e. “Areas comprising of the extended Municipal limits of Surat in District Surat in addition to the areas in which the said provisions of the Act have already been brought into force”.

4. In order to extend the scheme in units established in Gujarat Hira Bourse, Ichhapore, the management of Gujarat Hira Bourse wrote letter No. GHB: 09/2016/ESIC/122 dated 26.09.2016 to Insurance Commissioner, HQrs ESIC, New Delhi with a request to notify the area of “Ichhapore” and implement the scheme for the workers working in Gujarat Hira Bourse Park. The ibid letter dated 29.09.2016 invited reference to DO letter No. N-15/14 (Phase. Prog)/2014-P&D dated 27th Jun, 2014 from Shri P K Srivastava, Insurance Commissioner and addressed to various authorities to augment the medical arrangements and implement the scheme in certain identified areas in phased manner as pe list annexed with the above DO letter. Authorities were requested to focus immediate implementation of the ESI Scheme in areas where medical arrangements were available within the radius of 8 kilometers. Eventually, the name of “Ichhapore” existed at Sl. 15 of the above mentioned list of non-implemented areas identified in the district of Surat.

5. In reply to the above communication, this office, vide letter No. 39/H/14/13/1/2010-IC2 dated 28.04.2017 informed management of Gujarat Hira Bourse that a proposal for implementation of the scheme in “Ichhapore” has been sent to ESIC (Regional Office – Gujarat) further action as per procedure.

6. Subsequently, a query was raised as to whether the areas/villages subsequently added to the municipal limits of Surat shall mutatis mutandis be treated as areas notified for the purpose of implementation of the ESI Act, 1948.

7. In this regard findings of Hon’ble High Court of Jammu & Kashmir and Ladakh in order dated 27.08.2021 against MA 362/2014 are relied upon. While deciding a similar case, Hon’ble High Court observed that “any area subsequently included within the municipal limits of the city would be deemed to have become subject to the provisions of the Act on the premise that the applicability of notification (notifying implementation of the ESI Scheme in a municipal area) would deemed to be coextensive and coterminous with the issuance of any subsequent notification by the local government, either including or excluding any area from the municipal limits of the city, as such, fresh/new notification would not be required to be issued in this regard by the Central Government under sub section (3) of Section 1 of the Act. This would also be so in view of the principle that the construction furthering the policy and object of an Act, more beneficial to the employees has to be preferred, of course without doing violence to the language used by the legislature, as also in light of settled principle that a beneficial piece of legislation has to be interpreted in such a way as to assure a benefit and not to deny the same”.

8. In light of the above, the Competent authority clarified that no fresh notification is necessary in this regard. Thus, any area(s) falling within the municipal limits of Surat shall deemed to be treated as notified for the purpose of implementation of the ESI Scheme from the date such area(s) is declared as part of the municipal limits of

Surat by the Competent Authority. This provision shall also apply to the areas included in the municipal limits of Surat in future. This clarification was published for notice of public by this office on 11.08.2023.

9. It would be pertinent to mention that the Govt. of Gujarat published notification No. KV/46 of 2020/SMN/902019/99331P dated 18.06.2020 and brought Ichhapore revenue village under the administrative jurisdiction of Surat Municipal Corporation. Name of **village panchayat Ichhapor exist at Sl. 13 of Schedule-II declaring Revenue Gram Panchayat area of Ichhapor as part of the Municipal Corporation of the city of Surat from the date of notification i.e. 18.06.2020.**

10. The information related to different wards of SMC available on website <https://www.suratmunicipal.gov.in/Zones/Wards?ZoneId=NZCQm6DXhojGS1zR6oPE5Q==> shows the name of village Ichhapore at Sl. 6 of the Wards under West Zone of Surat Municipal Corporation along with existence of Urban Health Centre of SMC in Ichhapore. The information hosted on a government website sufficiently exhibits that the village Ichhapore falls within the limits of SMC.

11. During the assessment of dues in respect of one of the units situated in Gujarat Hira Bourse, the appellant contended that the notification dated 18.06.2020 **doesn't specify that the "Gujarat Hira Bourse/Gems & Jewelry Park" shall be placed under jurisdiction of Surat Municipal Corporation.**

12. It is a generally known fact that internal administration of the Gujarat Hira Bourse (GHB) area including sewage & its treatment plant, cleaning, water-supply etc. is administered by GHB management on the basis of local taxes collected from the property holders. The appellant challenged the coverage on the grounds that being out of authoritative jurisdiction of Surat Municipal Corporation, the GHB cannot be treated as situated within the limits of Surat Municipality.

13. Similar administrative system is in place in Gujarat for management of areas under GIDC where local taxes are collected by GIDC authorities and the area is maintained independently by the revenue so generated without involvement of municipality.

14. In this regard it is a notable fact is that GHB is surrounded from all sides by areas under authoritative jurisdiction of Surat Municipal Corporation. An ordinary jurisprudence and interpretation of statute notifying implementation of the ESI Scheme by defining the limits as municipal limits would mean the geographical limits of the city concerned and not only the administrative limits. Therefore, by virtue of an area within the geographical limits of the Surat Municipality, the ESI Scheme would be applicable in Gujarat Hira Bourse, Ichhapore from the day when the area Ichhapore Revenue Village was brought under the municipal limits of Surat Municipal Corporation.

15. Even in other cases where scheme has been implemented by way notification for a revenue village, the GIDCs falling in that revenue area are also treated as notified without any exclusion.

16. Like similar mechanism existing in other states, as per state policy in Gujarat, the internal administration of services like water, sewage, cleanliness etc. is done by the concerned industrial area administrative authority. It is a general fact that local municipal type of taxes are collected by GIDC management from the property holders in GIDC area and not the municipal body of that area. In turn, the civil works, otherwise to be performed by a municipal body, are performed by GIDC authorities in such areas. Similar is the state in case of GHB.

17. Subsequent to exchange of communications referred in para 4 above for implementation of the ESI Scheme in GHB, the Govt. of Gujarat issued notification No. KV/46 of 2020/SMN/902019/99331P dated 18.06.2020 bringing village Ichhapore

under municipal limits of Surat and the Scheme became applicable in entire areas of village Ichhapore without any exclusion for the Gujarat Hira Bourse or GIDC situated in village Ichhapore, Surat.

18. **In light of the above facts, Gujarat Hira Bourse shall be treated as area notified for implementation of the ESI Scheme and the units situated in this notified area within limits of the Surat Municipal Corporation, shall be liable to comply with the provisions of the ESI Act, 1948.**

19. In order to ensure lawful compliance of the ESI Act by the units/establishments in the area, it is requested to bring the contents of this letter to the notice of units situated in Gujarat Hira Bourse & GIDC Ichhapore with an advice to comply with the provisions in letter and spirit.

कृपया उक्त स्पष्टीकरण को गुजरात हीरा बर्स व GIDC इच्छापुर में स्थित इकाइयों के संज्ञान में लाने की कृपा करें जिससे ESI एक्ट के वैधानिक प्रावधानों का अनुपालन हो और इन क्षेत्रों में कार्यरत श्रमिकों को विधान के अनुसार सामाजिक सुरक्षा प्रदान की जा सके । किसी भी सूचना या सहायता की आवश्यकता होने पर कृपया इस कार्यालय से संपर्क करने की कृपा करें ।

भवदीय,

(दीपक मलिक)

संयुक्त निदेशक तथा उप क्षेत्रीय कार्यालय प्रभारी

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