Employees’ State Insurance Scheme—Simplified
Canteen allowance to be treated part of basic wage for PF contribution - Delhi HC

Delhi HC in the case of whirlpool of India Ltd. vs. RPFC has held that Canteen allowance will be treated as part of basic wages under the EPF Act and accordingly PF contribution are payable of such allowance.

The company provided subsidised canteen facilities to its employees working at factory. A settlement was reached between the company management and the workers union under ID Act relating to reorganisation of canteen services and canteen allowance. In the settlement both managment and union agreed that the workman will be paid Rs. 300/- per month as canteen allowance in lieu of prevailing subsidised canteen facilities.

HC agreed with the contention of the PF Office that the canteen allowance of Rs. 300/- represented the cash value of food concession allowed to the employees since the said allowance was in lieu of pre existing subsidised canteen facilities and consequently the said allowance was liable to be treated as part of basic wage.

HC also held that whatever allowances are payable to all permanent workmen would be included in basic wage and those not paid to all would be excluded. It is also held that “any other similar allowance would mean an allowance which is similar to commision and not otherwise.

Women centric HR Practice

Viacom18 extends to 9 months paid maternity leave

Entertainment network Viacom18 has extended its maternity leave benefits to an unprecedented nine months of paid leave from the current three in an effort to retain high potential women talent and also to have more women in the higher echelons.

In addition to this, the co. is offering flexible work options for three months for returning mothers and a phased approach to get back to work, setting a new benchmark for women-centric policies at workplace. “There is a huge business rationale behind this move. Our top creative talent is women and they are the drivers at all levels. We have designed a bunch of initiatives (including extended maternity leave) to retain and support high potential women talent at this key life stage,” said Sudhanshu Vats, group CEO at Viacom 18 Media.

The company is also offering night travel to all women between 10pm and 6am and will have health camps for women in office on a periodic basis.

The 36 weeks (9 months) of maternity leave is also applicable in case of adoption or surrogacy if the child is an infant. The company also rolled out 30 days of paternity leave, also applicable in case of adoption/surrogacy. In addition to these, female employees will be entitled to leaves for medical check-ups during pregnancy, flexible working option for 12 weeks post maternity leave and an upcoming day care facility, which both female and male employees can avail.

Maternity is a key milestone where a significant number of women, mostly in the age group of 28 and 35 years, choose to stop working, leading to leaking pipeline of high potential women professionals at the middle of the pyramid. Nearly 48% women under the age group of 30 drop out of the workplace on account of motherhood. The cost of replacing these women is higher compared to what can be achieved if they were retained.

Currently, the longest duration paid maternity leave in the private sector in India is offered by Tata Sons, which in May rolled out a paid maternity leave policy of seven months. Apart from that only a clutch of companies mostly in IT, global banking and financial services space that have over the last 6-12 months offered paid maternity leave policy of seven months. Apart from that only a clutch of companies mostly in IT, global banking and financial services space that have over the last 6-12 months offered paid maternity leave of six months. Some of them include Flipkart, American Express, Microsoft India, Nestle India and Hindustan Unilever.

In August, the Rajya Sabha passed the amendments to the Maternity Benefit Act that seeks to provide 26 weeks of maternity leave to women, besides offering 12 week of leave to commissionering mothers and introducing an enabling provision of "work from home". Before this, the statutory requirement for maternity leave was 12 weeks.

Star Bazaar slashes jobs

Star Bazaar, the hypermarket chain operated by the Tata-Tesco joint venture, shrank its staff size by a third in the financial year ended March 2016, signalling the biggest redundancy in Indian retail in recent times.

The employee strength at Star Bazaar decreased by 675 in FY16 compared to the previous year, according to data in parent company Trent’s annual report. The number of employees at Star Bazaar was 1,568 in FY16, down from 2,243 a year ago, the latest annual report of Trent shows. The move was aimed at cutting costs and faster profitability of the company, which set up its first store in 2004, it is learnt. Trent Hypermarket, which runs stores under formats such as Star Hyper, Star Daily, Star Marketand others, reduced its loss before tax in FY16 to Rs 44.77 crore from Rs 65.37 crore in the year-ago period.