



EMPLOYEES' STATE INSURANCE CORPORATION

(Ministry of Labour & Employment, Govt of India)

REGIONAL OFFICE HYDERABAD

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Sub: Updation of dormant status of ESIC registration number. Reg-

It is to inform that as per the recent guidelines issued by HQ Office, ESIC , New Delhi, those employers who have obtained registration under ESIC for their unit through the website of Ministry of Corporate Affairs (MCA) and whose total employees' strength is less than 10 (the existing threshold level of employment attracting liability to comply under the ESI Act) are mandatorily required to update the status of their factory/establishment on ESIC website through "employer login" using official credentials provided to them.

On logging in, under the head "Update Status of Factory/Establishment", the employer can see two questions regarding the liability to comply under the ESI Act as under.

1a. Factory/Establishment has become coverable and shall comply with the provisions of the ESI Act, 1948, with immediate effect.

1b. Factory/Establishment has not yet reached threshold limit for compliance with the provisions of the ESI Act,1948.

The employer will have to choose appropriate options for the questions through the drop down menu. Based on the options chosen, the employer will be navigated to the appropriate page and is required to-

- a. **If threshold employment level is reached:** enter the details of employment and submit the same. The unit will immediately be classified as "active" and the employer will be required to start compliance forthwith failing which, defaulter action as per the law will be initiated.
- b. **If threshold employment level is not reached:** choose the "grace period" (maximum 6 months at a time) which will lead to classification of the unit as "dormant" and the employer is not liable for compliance under the ESI Act, 1948, till the end of grace period, provided threshold employment level is not reached. The dormancy of the unit will last for 6 months or till the date of reaching/crossing the threshold employment level, whichever is earlier. In case, the employment threshold is reached before completions of a "grace period", the employer is required to update the status and start compliance immediately, without waiting for any notice from the corporation. At the end of a "grace period", the employer should repeat the process, choosing appropriate options. In case, the employer fails to timely update the status of the Factory/Establishment, the registration will be automatically activated from the start of dormancy and the employer is required to start compliance immediately, as per the law.

Co-Operation & Immediate compliance of all employers is solicited.

(AMAR KALE)
ASSISTANT DIRECTOR

