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La Gazette de L'État de Poudouchéry
The Gazette of Puducherry

PART - II

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| No. } Puducherry Tuesday 18th April 2023 | | |
| (28 Chaitra 1945) | | |

GOVERNMENT OF PUDUCHERRY
LABOUR DEPARTMENT

(G.O. Ms. No. 5/AIL/Lab./G/2023, Puducherry, dated 10th April 2023)

NOTIFICATION

The Employee's State Insurance Corporation, Ministry of Labour and Employment, Government of India has advised in its 172nd meeting of the Employee's State Insurance Corporation held on 06-12-2017 to implement the Employees State Insurance Scheme under Section 58(5) of the Employees State Insurance Act, 1948 by creating autonomous, Empowered Body in the form of a Subsidiary Corporation/Society at the state level with adequate administrative and financial powers for

improving the functioning and quality of delivery of medical services. The Government of Puducherry has agreed to implement the Employee's State Insurance Scheme through a Society as per the recommendations of the Employees State Insurance Corporation. Accordingly, the Lieutenant-Governor, Government of Puducherry, is pleased to order establishment of a Society namely "Puducherry Employee's State Insurance Society" in the Union territory of Puducherry.

2. The Memorandum of Association and the Rules and Regulations of "Puducherry Employee's State Insurance Society" are appended to this Order (Appendix-I & II).

3. This issues with the concurrence of the Finance Department *vide* ID No. 1435/FC/FD/F3/2022-23, dated 07-12-2022.

(By order of the Lieutenant-Governor)

P. RAGINI,

Under Secretary to Government (Labour).

APPENDIX-I

PUDUCHERRY EMPLOYEES' STATE INSURANCE SOCIETY

MEMORANDUM OF ASSOCIATION

1. **Name.**— The name of the Society shall be "Puducherry Employee's State Insurance Society" hereinafter referred to as the "Society".

2. **Registered Office.**— The Society shall be situated in the premises of Directorate of ESI Scheme located at "Office of Deputy Director (ESI), Gorimedu, Puducherry-605 006" will have the liberty to establish one or more support offices or outlets elsewhere in the State, if so required.

3. **Objectives.**— The objectives for which the Society is established are:

3.1 The Society shall serve as a Managerial and Health Care Body in terms of section 58(5) of ESI Act, 1948, to the Employees' State Insurance Corporation for administration and management of medical

benefits and medical establishments presently under Employees' State Insurance Scheme as per the MOU, dated 11-05-1970 between the Corporation and the Union territory of Puducherry;

3.2 To operate and maintain ESIS Dispensaries and Hospitals, Operation Theatre, emergency service, library, kitchen, canteen, rest room, recreation, gymnasium, assembly hall, residential and hostel buildings along with furniture, fixture, internet, Information Technology Hardware/Software, telephone, electricity, transportation, parking, water, garden, sanitation blocks, purifying water tanks/storage, potable water and all other utilities so as to facilitate the beneficiaries of the Employee State Insurance Scheme;

3.3 To motivate the Employers and Employees to register under ESI Scheme;

3.4 To formulate policies for implementation, monitoring, repairs and maintenance of the ESIS Dispensaries and Hospitals Campus including all facilities and utilities;

3.5 To formulate policies for admission, charges and fees, facilities to be provided to the Beneficiaries of ESIS Dispensaries and Hospitals. Any user charges collected by Society under Section 73A of ESI Act would be duly accounted by Society and same would be credited/adjusted to ESIC Account;

3.6 To take appropriate decision for efficient administration and management of the ESIS Dispensaries and Hospitals, therefore, formulate policies for code of conduct, disciplinary actions, grievance reversal mechanism and all other policies for the day to day smooth working of the ESIS;

3.7 To provide, arrange and participate in training programs and therefore, to organize conference, seminars, workshop, celebration activities and all such other activities for the purpose of Capacity augmentation of the manpower and beneficiaries of ESI Scheme and therefore, to undertake activities for Human Resource Development, deployment, education in the area of cleanliness and hygiene, its maintenance, administration, creation of specialized skills and infrastructure facility;

3.8 To prepare related Schemes, plans, projects and programs for Employees State Insurance Scheme so as to receive assistance from Central and State Government Schemes and submit the proposal before appropriate authority and avail the funds from time to time;

3.9 To receive and distribute the funds received as grant, contributions, corpus fund or to arrange financial assistance as may be permissible under the provisions of Societies Registration Act, 1860 and the Indian Trust Act, 1882 and management, administration, investment and reinvestment of funds so raised or available with the ESIS;

3.10 To facilitate or enter into MOU, Partnerships with eminent Local National and International Organizations, Universities, Institutions, Body Corporates, Societies, Trusts, Agencies, Associations and Individuals for furtherance of objectives of ESI Scheme, its management and administration;

3.11 To set up supervision, monitoring, coordination and reporting framework and take up work for operation, maintenance, repairs and restoration of the facilities created at ESIS Dispensaries and Hospital Campus as per ESIC policies and guidelines;

3.12 To carry out or undertake Social Audit of implementation of ESIS facilities and to evaluate outcomes through analysis, study or survey data, management, administration and maintenance of records, registers and various other information;

3.13 To undertake publication of newsletters, study reports, survey and analysis report, IEC materials such as brochures, *etc.*, in hard copy and/or soft copy and to carry out information and communication activities for the purpose of awareness creation among ESI Scheme Beneficiaries;

3.14 To support all such activities that promote the objectives of Employees State Insurance Scheme through education, awareness and its related facilities;

3.15 To do such all other acts and undertake such other activities and to create such infrastructure, institutions and organization framework for any other work which may be entrusted by Central or State Government from time to time;

3.16 To carry out any other objective as specified by ESI Corporation;

3.17 To do all other acts and things as may be conducive with the objects of the Society.

Note : The Society will pursue the objective out of the above as may be permitted by ESI Corporation from time to time.

4. **Fund.**— 4.1 The Society shall function with an initial Fund of ₹ 1,000;

4.2 The funds of the Society shall consist of the following:

- (i) Funds of Society;
- (ii) Grants-in Aid or any other receipt from the ESIC;
- (iii) Grants-in Aid from the State Government and or from Central Government;
- (iv) Grants and donations from trade, industry, institutions and individuals;
- (v) Receipts from disposal of movable assets;
- (vi) Any other income such as Bank interest, deposits, tender fee and other miscellaneous expenses, *etc.*

4.3 The Society shall be entitled to receive grant, donations, contribution, subscription, bequests, fees, loan or contingency in cash or kind, either in Indian or foreign currency subject to approval of the Governing Body;

4.4 The funds (Central/State and other) of Society should be kept in a Public Sector Bank Account. The interest accrued on funds shall be treated as part of the Society resources and it may utilize the interest accrued on funds for the purpose of additional activities, however, not exceeding the financial limit kept under the program and for providing additional hardware/infrastructure.

4.5 The Member-Secretary of the Society shall hold and stand possessed of the said amount of ₹ 1,000 (Rupees one thousand only) hereinafter called the Society fund which Expression shall include further additions, the conversions thereof and/or the investments for the time being of the same and/or the investments or conversions of such

accumulations, additions and accretions thereof and the dividends, interest and or any other income of the said Society fund and subject to powers and provisions declared and contained hereinafter;

4.6 The administrative, operation and maintenance expenditure shall be provided in the schemes/programs of the Central/State Government/ESIC and/or various bilateral/multilateral agencies like World Bank, ADB, UNICEF, *etc.*;

4.7 The investment of the Society's fund or the interest and income thereof or any part thereof shall always be kept in the name of the "Puducherry Employees' State Insurance Society" in Public Sector Bank or with Government agency as may be decided by the Governing Body from time to time.

5. **Membership.**— The following shall be the first members of the Governing Body of the Society:

- (a) Chief Secretary to Government, Government of Puducherry.
- (b) Secretary to Government (Labour), Government of Puducherry.
- (c) Secretary to Government (Health), Government of Puducherry.
- (d) Secretary to Government (Finance), Government of Puducherry.
- (e) Chief Executive Officer/Member Secretary/Director ESIS of the Puducherry, Employees State Insurance Society.
- (f) Employers' Representatives- (Non-Official Members).
- (g) Employees' Representatives- (Non-Official Members).
- (h) Regional Director, ESIC, Puducherry.
- (i) State Medical Officer, ESIC, Puducherry.

6. **Governing Body.**— 6.1 All members of the Society as set out in para 5 shall constitute the Governing Body of the Society (subject to the prior approval of ESIC). The State Government may reconstitute Governing Body.

6.2 The Governing Body shall consist of minimum nine Members and maximum fourteen Members.

6.3 The First Members of the Governing Body shall be as follows and they shall hold office until anew Governing Body is appointed according to the Rules and Regulations of the Society:

| Sl. No. | Details | Designation |
|---------|--|---|
| (1) | (2) | (3) |
| 1 | Chief Secretary to Government, Government of Puducherry. | Chairman |
| 2 | Secretary to Government (Labour), Government of Puducherry. | Vice-Chairman/ Member |
| 3 | Secretary to Government (Health), Government of Puducherry. | Member |
| 4 | Secretary to Government (Finance), Government of Puducherry. | Member |
| 5 | Director ESIS of Puducherry | Chief Executive Officer/ Member-Secretary |
| 6 | Employers' Representatives | Member |
| 7 | Employees' Representatives | Member |
| 8 | Regional Director, ESIC, Puducherry | Member |
| 9 | State Medical Officer, ESIC, Puducherry | Member |

6.4 The Governing Body shall consist of the following Members:

| Sl. No. | Details | Designation |
|---------|---|--------------------------|
| (1) | (2) | (3) |
| 1 | Chief Secretary to Government, Government of Puducherry. | Chairman |
| 2 | Secretary to Government (Labour), Government of Puducherry. | Vice-Chairman/ Member |
| 3 | Secretary to Government (Health), Government of Puducherry. | Member |

| (1) | (2) | (3) |
|----------|---|---|
| 4 | Secretary to Government (Finance), Government of Puducherry. | Member |
| 5 | Director ESIS of Puducherry | Chief Executive Officer/ Member-Secretary |
| 6 | ESIC Nominee | Member |
| 7 to 9 | Employers' Representatives (3 Nos.) | Member |
| 10 to 12 | Employees' Representatives (3 Nos.) | Member |
| 13 | Regional Director, ESIC, Puducherry. | Member |
| 14 | State Medical Officer, ESIC, Puducherry | Member |

6.5 The management of the affairs of the Society shall be entrusted to Governing Body and the property of the Society shall be vested in the Governing Body and the Society shall be responsible for repair and maintenance of properties in the possession of the Society and entrusted/vested in the Governing Body.

6.6 The Society may sue or be sued in the name of the Chief Executive Officer of the Society or of such other members as shall, in reference to the matter concerned, be appointed by the Governing Body for the occasion.

6.7 We, the several persons whose names and addresses are hereunder Subscriber are Desirous of being formed into a Society under Societies Registration Act, 1860 and Indian Trust Act, 1882 in pursuance of this Deed of Memorandum of Association and Rules and Regulations:

| Sl. No. | Name | Address | Signature and Rubber stamp |
|---------|--|---------|----------------------------|
| (1) | (2) | (3) | (4) |
| 1 | Chief Secretary to Government, Government of Puducherry. | | |
| 2 | Secretary to Government (Labour), Government of Puducherry. | | |
| 3 | Secretary to Government (Health), Government of Puducherry. | | |

| (1) | (2) | (3) | (4) |
|-----|---|-----|-----|
| 4 | Secretary to Government (Finance), Government of Puducherry. | | |
| 5 | Director ESIS of Puducherry | | |
| 6 | ESIC Nominee | | |
| 7 | Employers' Representatives | | |
| 8 | Employees' Representatives | | |
| 9 | Regional Director, ESIC, Puducherry. | | |

The above signatories have signed before me and I have personally verified the same :

*Chief Executive Officer-cum-
Member Secretary
Puducherry Employees'
State Insurance Society.*

APPENDIX – II

PUDUCHERRY EMPLOYEES' STATE INSURANCE SOCIETY RULES AND REGULATIONS, 2023

1. **Short title, extent and commencement.**— (1) These rules shall be called the Puducherry Employees' State Insurance Society Rules and Regulations, 2023.

(2) They shall extend to the whole of the Union territory of Puducherry.

(3) They shall come into force on and from the date of their publication in the Official Gazette.

2. **Objectives.**— The Society shall serve as a managerial and Health Care Body in terms of Section 58(5) of Employees State Insurance Corporation Act, 1948, to the Employees State Insurance Corporation for administration and management of medical benefits and medical establishments presently under Employees' State Insurance Scheme. The Society shall pursue all other objectives as per Memorandum of Association (MoA), subject to directions and superintendence by ESIC from time to time.

3. **Definitions.**—In these rules, unless the context otherwise requires,—

(a) “Act” shall means and includes, Employees’ State Insurance Act, 1948 in terms of which Puducherry Employees’ State Insurance Society has been constituted and Societies Registration Act, 1860 and Indian Trust Act, 1882 as may be applicable:

(b) “Central Government” shall means and include, the Government of India;

(c) "Chairman" shall means and include the Chairman of the Governing Body of the Society;

(d) "Chief Executive Officer" shall mean and include, the Chief Executive Officer-cum-Chief Executive Officer of the Governing Body or Executive Committee of the Society, as the case may be;

(e) "Corporation/ESIC" shall means, Employees' State Insurance Corporation set up under the Employees' State Insurance Act, 1948;

(f) "ESIC Nominee" shall mean, the Representative of the ESIC as nominated by the Director-General, ESIC;

(g) "ESIS" shall means, and include, the Puducherry Employees' State Insurance Society;

(h) "Executive Committee" shall mean and include, the Executive Committee constituted by this Rules and regulations consisting of Members who are empowered to take Operational and Management decisions within the financial limits as may be prescribed by the Governing Body from time to time;

(i) "Governing Body" shall mean and include, the Governing Body of the Society as may be formed from time to time;

(j) "Government" shall means the Administrator of Puducherry appointed under Article 239 of the Constitution.

(k) "Indian Trust Act, 1882" shall mean and include, a Public Trust as may be applicable to the State of Puducherry ;

(l) "Member" shall means and includes, the Member of the Society including Member of the Governing Body;

(m) "Non-official Member" shall mean and include, person or Representative of Employers and Employees nominated by the Director-General, ESIC as the Member of the Governing Body or Executive Committee;

(n) "Official Member" shall mean and include, the Officer of the State Government/Central Government appointed as the Member of the Society;

(o) "Prescribed" shall means and includes, prescribed Rules and Regulations framed by the Governing Body;

(p) "Review/Inquiry Committee" shall mean, the Review/Inquiry committee constituted for the purpose of periodical review or for inquiry into the affairs of the Society as refunded to it for time to time

(q) "Rules and Regulations" shall mean and include, this regulation framed and as approved by the State Government under this Memorandum of Association;

(r) "Secretariat" shall means and includes, the Secretariat of the Society;

(s) "Secretary" shall means and includes, the Secretary to the Government and shall mean any officer occupying the position of the Secretary, Additional Secretary or Commissioner or such officer in the rank or equivalent Pay Scale of Secretary;

(t) "Society" shall means and includes, the Puducherry Employees' State Insurance Society;

(u) "Vice-Chairman" shall means and includes Vice-Chairman of the Governing Body of the Society;

(v) "Year" shall means and includes, 12 months period commencing on the 1st of April and ending on the 31st March of the succeeding.

4. Registered Office.— The registered office of the Society shall be situated in the premises of the Directorate of ESI Scheme located at the Office of Deputy Director (ESI), Gorimedu, Puducherry-605 006. It will have the liberty to establish one or more Branch Offices elsewhere in the Union territory of Puducherry, if so required.

5. **Functions.**— (a) The Society shall direct its resources towards performance of the following key tasks:

(i) Receive, expend, disburse and account for funds received from ESI Corporation.

(ii) Receive funds from the Government/any other source.

(iii) Administer and manage health establishments for achieving the desired objectives.

(iv) Undertake such other activities for strengthening the medical facilities as may be directed and identified from time to time by the ESIC.

(b) For performing the above tasks, the Society shall:

(i) Follow ESIC or the Government guidelines and its procurement procedures of goods and services.

(ii) Make rules and bye-laws for the conduct of the activities of the Society and its Secretariat and add, rescind or vary them from time to time.

(c) Procure IT related software, hardware, Technical vendors to fulfill the requirements created by changes in technology, the Rules and Regulations relating to it, in order to provide better services to the beneficiaries of the ESI Scheme.

(d) Receive, manage (including disbursement of funds to Implementing Agencies and other implementing Partners as approved by the appropriate Authority within their powers, *etc.*) and account for the funds received.

(e) Funds of the Society shall be used only for its objectives and cannot be diverted for any other Government programmes.

(f) Mobilize financial and non-financial resources for complementing/supplementing the ESI Scheme.

(g) Organize training, meetings, conferences, policy and programme reviews studies/surveys, workshops, innovations and Inter-State exchange visits, *etc.*, for deriving inputs for better implementation.

(h) Undertake all necessary actions for documentation, increasing awareness for all the ESI Scheme related topics.

(i) Establish and carry out the administration and management of the Society Secretariat, which will serve as the implementation arm of the Society.

(j) Create or upgrade administrative, technical and other posts in the Secretariat of the Society as deemed necessary.

(k) Make rules, bye-laws and operational guidelines for the conduct of activities of the Society and its Secretariat and modify or change them from time-to-time, as deemed necessary.

6. Register of Members of the Society.— The Society shall maintain a roll of Members at its Registered Office and every nominated Member shall sign the roll and state therein his Rank or Occupation and address/Contact details. Such Member shall not be entitled to exercise rights and privileges of a Member unless he has signed the roll as aforesaid.

7. Tenure of the Members of the Society.— 7.1 The Membership of an Official Member of the Society shall terminate when he ceases to hold the office by virtue of which he was inducted as a Member and his successor to the office shall become such Member in his place.

7.2 The Society shall maintain a roll of Members at its registered office and every Member shall sign the roll and state therein, his Rank or Occupation and Address. No Member shall be entitled to exercise rights and privileges of a Member unless he has signed the roll as previously mentioned.

7.3 Resignation of Membership shall be tendered in person to its Chief Executive Officer and shall not take effect until the Chairman has accepted it.

7.4 If, a Member of the Society changes his address/Contact details, he shall notify his new address/Contact details to the Chief Executive Officer who shall thereupon enter his new address in the roll of Members.

7.5 Any vacancy in the Society shall be filled by the Authority entitled to make such appointment.

7.6 The management of the affairs of the Society shall be entrusted to the Governing Body and the property of the Society shall be vested in the Governing Body and the Society shall be responsible for the repairs and maintenance of the properties in the possession of the Society and entrusted/vested in the Governing Body.

7.7 The Society may sue or be sued in the name of the Chief Executive Officer of the Society or of such other Member or Members as shall, in reference to the matter concerned, be appointed by the Governing Body for the occasion.

8. **Authorities of the Society.**— The following shall be the Authorities of the Society:

- (1) Governing Body
- (2) Executive Committee
- (3) Society Secretariat

8.1 **Governing Body.**—

8.1.1. *Terms and Conditions of the Governing Body:*—

| Sl. No. | Details | Designation |
|---------|--|--|
| (1) | (2) | (3) |
| 1 | Chief Secretary to Government, Government of Puducherry. | Chairman |
| 2 | Secretary to Government (Labour), Government of Puducherry. | Member |
| 3 | Secretary to Government (Health), Government of Puducherry. | Member |
| 4 | Secretary to Government (Finance), Government of Puducherry. | Member |
| 5 | Director ESIS of Puducherry Employees State Insurance Society. | Chief Executive Officer/ Member-Secretary |
| 6 | Employers' Representatives (3 Nos.) | Member |
| 7 | Employees' Representatives (3 Nos.) | Member |
| 8 | Regional Director, ESIC, Puducherry | Member |
| 9 | State Medical Officer, ESIC, Puducherry | Member |

(i) The following shall be the Member of the first Governing Body of the Society:

- (a) Chief Secretary to Government, Government of Puducherry.
- (b) Secretary to Government (Labour), Government of Puducherry.
- (c) Secretary to Government (Health), Government of Puducherry.
- (d) Secretary to Government (Finance), Government of Puducherry.
- (e) CEO/Member Secretary/Director ESIS of the Puducherry Employees State Insurance Society.
- (f) Employers' Representatives - (Non-Official Members).
- (g) Employees' Representatives - (Non-Official Members).
- (h) Regional Director, ESIC, Puducherry.
- (i) State Medical Officer, ESIC, Puducherry.

(ii) The Members of the Society as set out in Clause 8.1.1(i) constituting the first Governing Body of the Society, shall be re-constituted with the prior approval of the ESIC.

(iii) The term of the Members representing Employers, and Employees shall be for a period of 2 years commencing from the date of their appointment. Vacancies of the Nominated Members will be filled up immediately on expiry of the term of the existing Nominated Members.

(iv) The Governing Body shall consist of a minimum of nine Members and a maximum of Members is 13.

(v) The Membership of an official Member of the Governing Body shall terminate when he ceases to hold the office by virtue of which he was inducted as a Member and his successor to the office shall become successor to the office shall become such Member in his place.

(vi) Non-official Members of the Governing Body will be nominated by the ESIC. The nominated Members shall hold office for a period of two years from the date of their nomination. Such Members will be eligible for re-nomination for a maximum of one additional term of 2 years.

(vii) A Member of the Governing Body shall cease to be Member if he resigns or becomes insolvent or of unsound mind or is convicted of a criminal offence involving moral turpitude or removed from the post by virtue of which he was holding the Membership.

(viii) Resignation of Membership of the Governing Body shall be tendered in person to its Chief Executive Officer and shall not take effect until the Chairman has accepted it.

(ix) If, a Member of the Governing Body changes his address/ Contact details, he shall notify his new address/contact details to the Chief Executive Officer who shall thereupon enter his new address in the roll of Members.

(x) Any vacancy in the Governing Body shall be filled by the Authority entitled to make such appointment.

(xi) No Member of the Governing Body shall be entitled to any fixed remuneration.

(xii) The Governing Body shall maintain a roll of Members of the Governing Body at its registered office and every such Member shall sign the roll and state therein, his Rank or Occupation and Address. No Member shall be entitled to exercise rights and privileges of a Member of the Governing Body unless he has signed the roll.

8.1.2. Proceedings of the Meetings of the Governing Body.—

(i) The meetings of the Governing Body will be held at least once in every six months and at such time and place as the Chairman shall decide. If the Chairman receives a requisition for calling a meeting signed by one-third Members of the Governing Body, the Chairman shall call for such a meeting as soon as may be reasonably practicable and at such place as he may deem fit.

(ii) A meeting of the Governing Body shall be held not later than 10th December and 10th June every year to deliberate/approve the agenda placed for the purpose.

* The financial statement (Receipt and Payment A/c., Income and Expenditure A/c. and Balance sheet) for the year ending on 31st March shall be prepared by 31st May and presented in the Governing Body meeting to be held before 10th June. The approved accounts shall be sent to Chartered Accountant Empanelled with C&AG for audit.

* The audited accounts along with the Audit report shall be placed before the Governing Body meeting to be held before 10th December.

* The Budget Estimates (RE) for current year and (BE) for next year and annual action plan shall be placed in Governing Body meeting to be held before 10th December.

* Other businesses to be transacted shall be brought forward with the permission of the Chairman.

The approved minutes of the meetings along with the income and expenditure account and budget proposal shall be submitted to the ESIC by the prescribed date.

(iii) At the annual meeting of the Governing Body, the following business shall be brought forward and disposed of;

- (a) Annual physical and financial progress report of the Society;
- (b) Income and expenditure account and the balance sheet for the past year;
- (c) Annual Action Plan for the next year;
- (d) Budget for the next year;
- (e) Policy and Project review, notes and recommendations if, any;
- (f) Appointments for the Executive Committee and other Committees;
- (g) Other business brought forward with the permission of the Chairman.

(iv) Every notice calling for meeting of the Governing Body shall state the date, time and place at which such meeting will be held and shall be served upon every Member of the Governing Body not less than ten clear days before the date appointed for the meeting. Such notice shall be under the seal of the Chief Executive Officer and shall be accompanied by an agenda of the business to be transacted in the meeting. The notice shall be served before the meeting provided that accidental omission to give such notice to any Member shall not invalidate any resolution passed at such meeting. In the event of any urgent business, the Chairman may call for the meeting of the Governing Body at clear seven days notice. However, if Governing Body or the Chairman desires to hold more meetings for the reasons of society's better functioning or improvement, they may do so under intimation to all concerned.

(v) The Chairman shall take the chair at the meetings of the Governing Body. In his absence, the Vice-Chairman will chair the meeting, failing which the Governing Body shall elect one from among the Members present as Chairman of the meeting.

(vi) All disputed questions at the meeting of the Governing Body shall be determined by majority of votes. Each Member of the Governing Body shall have one vote and in case of any equality of votes, the Chairman of the meeting shall have a casting vote.

(vii) Any Member desirous of moving any resolution at a meeting of the Governing Body, shall give notice thereof in writing to the Chief Executive Officer, not less than ten clear days before the day of such meeting and seven days in case of an urgent meeting, respectively.

(viii) Any business which may become necessary for the Governing Body to perform, except such as may be placed before its Annual meeting, may be carried out by circulation among all its Members and any resolution so circulated and approved by majority of the Members signing shall be as effectual and binding as if, such resolution had been passed at a meeting of the Governing Body provided that at least two-third Members of the Governing Body have recorded their consent of such resolution.

(ix) In the event of any urgent business, the Chairman of the Society may take a decision on behalf of the Governing Body. Such a decision shall be reported to the Governing Body at its next meeting for ratification.

(x) A copy of the minutes of the proceedings of each meeting shall be furnished to the Governing Body Members as soon as possible after completion of the meeting.

8.1.3. Powers of the Governing Body.— (i) The Governing Body will have full control of the affairs of the Society and will have authority to exercise and perform all the powers, acts and deeds of the Society consistent with the aims and objects of the Society.

(ii) In particular and without prejudice to the generality of the foregoing provisions, the Governing Body, may,—

- (a) Make, amend, or repeal any bye-laws relating to administration and management of the affairs of the Society subject to the observance of the provisions as contained in the ESI Act, 1948 and/or the Societies Registration Act, 1860 and/or ESIC directions, if any.

- (b) Consider the annual budget and the annual action plan, its subsequent alternations placed before it by the Chief Executive Officer from time to time and to pass it with such modifications as the Governing Body may deem fit.
- (c) Monitor the financial position of the Society in order to ensure smooth income flow and to review annual audited accounts.
- (d) Accept donations and endowments or receive grants with the approval of the Governing Body.
- (e) Delegate its powers, to the Chairman, Chief Executive Officer or other authorities of the Society as it may deem fit.
- (f) Appoint Committees or Sub-committees for such purpose and on such terms as it may deem fit, and to dissolve/remove any of them.
- (g) Deploy staff presently working under the Directorate of ESI Scheme, Government of Puducherry comprising of Specialists, Doctors, Officers, Ministerial, Nursing, Para-medical and other existing categories of employees for performing the functions of the Puducherry Employees' State Insurance Society.
- (h) Follow ESIC/State Government guidelines and its procurement procedures of goods and services.
- (i) The society shall perform the functions as contained in Clause 3 of the Memorandum of Association to achieve the objectives of the Society in accordance with the provisions of the ESI Act, 1948 and Rules and Regulations made thereunder.
- (j) Authorize the Chief Executive Officer to execute such contracts on behalf of the Society as it may deem lit in the conduct of the business of the Society, subject to State Government norms.
- (k) Do generally all such acts and things as may be necessary or incidental to carrying out the objectives of the Society: Provided that nothing herein contained shall authorize the

Governing Body to do any act or to pass any bye-laws which may be repugnant to the provisions hereof, to the powers hereby conferred on the Governing Body and other authorities, or which may be Inconsistent with the objectives of the Society.

8.1.4. Powers and functions of the Chairman of the Governing Body.—

(i) The Chairman shall have the powers to call for and preside over all meetings of the Governing Body.

(ii) The Chairman may himself call, or by a requisition in writing signed by him, may require the Chief Executive Officer to call, a meeting of the Governing Body at any time and on the receipt of such requisition, the Chief Executive Officer shall forthwith call for such a meeting.

(iii) The Chairman shall enjoy such powers as may be delegated to him by the Governing Body.

(iv) The Chairman shall have the authority to review periodically, the work and progress of the Society and to order inquiries into the affairs of the Society and to pass orders on the recommendations of the Reviewing or Inquiry Committee. For the purpose of the review/inquiry as the case may be, Reviewing or Inquiry Committee shall consist of the following Members:

1. Director, Department of Health and Family Welfare Services Puducherry;
2. Deputy Labour Commissioner, Puducherry; and
3. Senior Accounts Officer, Department of Health and Family Welfare Services, Puducherry;
4. The person to the mentioned by the Chairman, if the situation so warrants.

(v) Nothing in these Rules shall prevent the Chairman from exercising any or all the powers of the Governing Body in case of emergencies in furtherance of the objects of the Society. However, the action taken by the Chairman on such occasions shall be reported to the Governing Body subsequently for ratification.

8.1.5 Review/Inquiry Committee.—

8.2 Executive Committee.—(1) The Governing Body will constitute an Executive Committee, which will be responsible for carrying out the functions of the Governing Body. It shall take decisions and exercise powers to carry out the day to day functions and implement the plans and schemes as approved by the Governing Body. It shall prepare the Annual Budget, Annual Action Plan and Annual Report and present them to the Governing Body for approval. The Governing Body shall have the right to create, alter, reduce or increase any functions or powers of the Executive Committee.

8.2.1 Composition of Executive Committee.— The composition of the Executive Committee shall be as follows:

| Sl. No. | Details | Designation |
|---------|--|--|
| (1) | (2) | (3) |
| 1 | Secretary to Government (Labour), Government of Puducherry. | Chairman/ Member |
| 2 | Secretary to Government (Finance), Government of Puducherry. | Member |
| 3 | Secretary to Government (Health), Government of Puducherry. | Member |
| 4 | Director, Puducherry ESI (MB) Scheme, Government of Puducherry. | Chief Executive Officer- <i>cum</i> - Member-Secretary |
| 5 | Director, Directorate of Health and Family Welfare, Government of Puducherry. | Member |
| 6 | Employers' Representative (1 No.) (to be nominated by the Governing Body from amongst the member of the Governing Body representing Employers). | Member |
| 7 | Employees' Representative (1 No.) (to be nominated by the Governing Body from amongst the member of the Governing Body representing Employees). | Member |

| (1) | (2) | (3) |
|-----|---|--------|
| 8 | Regional Director, ESIC, Puducherry | Member |
| 9 | State Medical Officer, ESIC, Puducherry | Member |

8.2.3 Term of the members of the Executive Committee.—

(iv) Term of Non-Official Member of the Executive Committee shall be for a period of 2 years. The term of an Executive Member shall be co-terminus with his tenure in the Governing Body.

8.2.4 Meeting of the Executive Committee.—

(i) Meetings of the Executive Committee shall be convened by the Chief Executive Officer by giving clear seven days' notice in writing along with the Agenda specifying the business to be transacted, the date, time and venue of the meeting. The meeting may be convened at a shorter notice by the Chairman of the Executive Committee.

(ii) The meetings of the Executive Committee shall be held at least once in three months or more frequently as may be necessary.

(iii) One-third or at least three, whichever is higher of the filled in posts of the Members of the Executive Committee sitting and voting, shall form a quorum at every meeting of the Executive Committee.

(iv) The minutes of the Executive Committee meetings will be placed before the Governing Body at its next meeting.

(v) The Executive Committee may co-operative additional Members and/or invite subject experts to its meetings from time to time.

(ix) The various Committees constituted by the Governing Body shall submit their reports to the Executive Committee who shall be empowered to take decisions on their recommendations with the approval of the Governing Body.

The Executive Committee of the Society will have the overall responsibility for planning and executing the work of the Secretariat for supervising the work of the technical/management units of the Secretariat, directing and over-seeing its implementation through the Secretariat.

8.3 Society Secretariat.— 8.3.1 (i) The Society will establish a Secretariat of the Society consisting of technical, financial and management professional to serve as the implementation arm of the Society.

(ii) The Secretariat shall consist of all such technical/ management units put together and as may be determined by the Governing Body with due regard to the scope of functions as set out in Article 3 of the Memorandum of Association.

(iii) The Executive Committee of the Society will have overall responsibility for planning and executing the work of the Society for supervising the work of the technical/ management units of the Society directing and overseeing Implementation of the society through the Secretariat.

8.3.2 Powers and Functions of the Secretariat.—

(i) As the implementation arm of the Society, the Secretariat will be responsible for day-to-day management of the Society's activities. In particular, it will be responsible for performing all the functions of the Society as set out in Clause 3 of the Memorandum of Association.

(ii) The Secretariat of the Society shall consist of the Chief Executive Officer and Staff of the Society, including experts and consultants hired with the approval of Governing Body regarding their term and remuneration. Provided the society shall not have its own manpower. All the manpower engaged in executing the ESI Scheme shall be the employee of the concerned State Government or PSU or Central Government or ESIC.

Provided further that the Society may authorize/approve hiring of contractual employees on short term basis till regular employees are in place and shall allow payment from the Society's fund :

Provide also that, the man power services for additional work load in the field of accounts, finance, administration, medical and allied services may be outsourced.

(iii) As a support structure for smooth delivery of medical benefits and management of medical establishments, the Secretariat shall:

- (a) Cause its experts and staff to be subjected to such operational arrangements with the Society (including seating and reporting arrangements) as to generate synergies,
- (b) Host external experts within its premises, and
- (c) Provide such logistic support to the officers and staff of the Society as may be determined by the Governing Body.

(iv) Employees of the Society are on demand deputed from the Government or PSU or Central Government or ESIC and their Pension liabilities wherever applicable rests with the respective appointing authorities. Society does not have any employees in its rolls except on deputation or temporary contract/engagement, till assigned work is completed. All employees on deputation will be governed by the service rules and regulations of the State/ Central Government or PSU concerned and will accordingly be in receipt of pay and allowances and other benefits as applicable to the employees of the Government of Puducherry.

(v) No employee will have the right to claim to be an employee of the ESIC directly or indirectly. No employee of the Society can be absorbed by the ESIC directly except through a suitable recruitment process.

9. **Budget.**— Annual Budget should be prepared on PIP (Program Implementation Plan) model, within the ceiling prescribed. Revised Budget Estimate of the current year and proposed Budget Estimate for the following financial year as per the PIP, duly approved by the Governing Body shall be submitted to the ESI Corporation not later than 10th December of each year. Expenditure of Capital or revenue nature, if any, proposed outside the laid down ceiling should be supported by full justification for its inclusion in the budget.

10. **Powers of the ESIC.**— ESIC may appoint one or more persons to review the work and progress of the Society and to hold inquiries into the affairs thereof and to report thereon in such manner as the ESIC may stipulate. Upon receipt of any such reports; the ESIC may jointly

take such action and issue such directions as they may consider necessary in respect of any of the matters dealt with in the report and the Society shall be bound to comply with such directions. In addition, the ESIC may at any time issue directives or instructions on matters of policy to the Society and the latter shall be bound to promptly comply with such directives or instructions.

11. Accounts and Audit.— 11.1 The Society shall keep proper Books of Accounts in compliance of the Societies Registration Act, 1860 and Indian Trust Act, 1882 as follows:

(a) All sums of money received and the sources thereof and all sums of money expended by the Society and the objects or purposes for which such sums are expended; and

(b) The Society's Assets and Liabilities.

11.2 The Executive Committee may maintain such Bank accounts in its name as may be necessary for operational management of the Society with the approval of the Governing Body.

11.3 The financial year of the Society shall be from 1st April to 31st March;

11.4 The accounts of the Society shall be balanced each year on the 31st day of March and Annual Accounts shall be prepared;

11.5 The Society shall hold a meeting of the Governing Body to consider the Annual Report on its working and Audit Report generally within six months of the close of the financial year.

11.6 The Society shall maintain accounts in the mode and manner and format as specified by the ESIC by following Accrual System of Accounting.

11.7 The Annual Accounts and report on working of the Society shall include the progress and activities of the Society during the year and it shall include the Audited Annual Accounts in a format in conformity with the statutory requirements and good accounting practice;

11.8 The Society shall cause regular accounts to be kept of all its monies and properties in respect of the affairs of the Society. Society may engage a professional Firm for auditing the accounts and for internal audit.

11.9 The Auditor shall be appointed by the Executive Committee every year and fix the remuneration of such Auditor. The Auditor shall be the Chartered Accountant/ Firm of Chartered Accountants Empanelled with C&AG.

11.10 The Society shall submit a copy of the Audited Accounts to the Government as well as to ESIC.

12. **Bank Accounts.**— 12.1 The account of the Society shall be opened in the name of Puducherry Employees' State Insurance Society in a Public Sector Bank approved by the Executive Committee as may be specified by the ESI Corporation. All the funds shall be paid into the Society's account with the appointed bank and shall not be withdrawn except through a Cheque/ RTGS/NEFT/Electronic mode, authorized by such authorities of the Society Secretariat as may be determined by the Executive Committee.

12.2 The Society shall switch over to e-banking procedures as and when the ESI Corporation directs the Society to do so.

12.3 The Executive Committee shall authorize an Officer to operate the accounts of the Society in conjunction with another Senior Officer as may be decided by the Committee.

13. **Returns to be filed with the Registrar.**— 13.1 The Society shall file such returns and documents and in the manner as may be required by the Societies Registration Act, 1860 and Indian Trust Act, 1882.

13.2 Once in every year, a list of the office bearers and Members of the Governing Body of the Society shall be filed with the Registrar of Societies as required under Section 4 of the Societies Registration Act, 1860;

13.3 The Society shall submit its Annual Administration Report along with Audit Report and Annual Accounts to the Government every year.

14. **Investment of Funds.**— All monies forming part of the Society funds and requiring investment shall be invested in the name of the Society and operated in a manner as may be approved by the Governing Body/Executive Committee as per the policies of ESIC.

15. **Annual Reports.**— A draft Annual Report and the yearly accounts of the Society shall be placed before the Governing Body at next meeting for consideration and approval. A copy of the Annual Report and Audited Statement of Accounts as finally approved by the Governing Body shall be forwarded within six months of the closure of a financial year to the Chairman of the Governing Body and ESI Corporation.

16. **Suits and Proceedings.**— 16.1 The Society may sue and may be sued in the name of its Chief Executive Officer as per Section 6 of the Act. No suit or proceedings shall become void by reason of any change in the nomenclature or temporary vacancy of the office.

16.2 No suit or proceedings shall abate by the reason of any vacancy change in the holder of the office of the Chairman or Chief Executive Officer or any other office bearer authorized in this behalf.

16.3 Every decree or order against the Society in any suit or proceedings shall be executable against the property of the Society and not against the person or the property of any office bearer of the Society.

16.4 Nothing in sub-clause 16.3 above shall exempt the office bearer of the Society from any criminal liability or entitle him to claim any contribution from the property of the Society in respect of any fine to be paid by him on conviction by a Criminal Court.

17. **Trustees.**— The Members of the Governing Body shall also be the Trustees of the Society by Post and Designation they hold for the purpose of the Public Trust and therefore, the Society is to be registered under the Indian Trust Act, 1882.

18. **Reimbursement of Expenses.**— It shall be lawful for the Executive Committee for the time being of these presents to reimburse themselves or pay and discharge out of the Society funds, all costs, charges and expenses incurred by them in or about the execution of the Society.

19. **Dispute.**— It shall be lawful for the Executive Committee/ Governing Body to settle accounts and to compromise, compound, abandon, or refer to arbitration, any action, proceeding or disputes,

claims, demands or things relating to any matter in and do all other things for such purpose without being responsible for any loss occasioned thereby to the Society.

20. Dissolution and adjustment of affairs of the society.—

20.1 The Society shall have perpetual existence. However, the Society may be dissolved in accordance with the provisions of Section 13 and 14 of the Societies Registration Act, 1860, after obtaining the previous consent of the ESIC. The Governing Body may resolve to dissolve the Society by bringing a proposal to that effect in a special meeting to be convened for the purpose;

20.2 If, for some reason the Society is to be dissolved as aforesaid, then no assets/property would go to any founder, setter, trustee, donor, or member, *etc.*, but the assets after meeting its liabilities would be handed over as per the provisions of the Indian Trust Act, 1882 to the ESIC with prior permission of the Charity Commissioner.

21. Amendments/Alterations of the Memorandum of the Society under these Rules.— 21.1 The Society may alter or extend the purpose for which it is established and/or the Rules of the Society.

21.2 The proposition for any alteration or extension to the objectives of the Society and/ or the Rules must be circulated to all the Members of the Governing Body and must be included in the written agenda of the ensuing meeting of the Governing Body or a special meeting of the Governing Body.

21.3 No amendments shall be effective unless the proposals in this regard have been endorsed by 3/5th of the Members of the Governing Body provided that such proposals have been endorsed in writing by the ESI Corporation either during the meeting of the Governing Body or through a written communication.

21.4 Any amendment in the Memorandum of Society or Rules will be carried out in accordance with the procedure laid down under Section 12 and 12A of the Societies Registration Act, 1860.

22. **Miscellaneous.**— 22.1 *Contracts.*— (i) All contracts and other instruments for and on behalf of the Society shall be subject to the provisions of the ESI Act, 1948 and Societies Registration Act, 1860, be expressed to be made in the name of the Society and shall be executed by the persons authorized by the Governing Body.

(ii) No contracts for the sale, purchase or supply of any goods and material shall be made for and on behalf of the Society with any Member of the Society or his relative or firm in which such Member or his relative is a partner or shareholder or any other partner or share holder of a firm or a private company in which the said Member is a partner or Director.

(iii) All contracts and other instruments for and on behalf of the Society shall be subject to the provisions of the Act and be expressed to be made in the name of the Society and shall be executed by the person authorized by the Governing Body.

22.2 *Government's Power to Review.*— Notwithstanding anything to the contrary contained in these Rules, the Department of Health/Labour of the Government may appoint one or more persons to review the work and progress of the Society and hold inquiries into the affairs thereof and report thereon and issue directions as deemed appropriate to the Society. The Society shall be bound to promptly comply with such directives.

The Chairman of the Governing Body shall have the right to nominate one or more persons to be part of the review/inquiries.

23. **Interpretation.**— In case of any dispute arising out of the Memorandum of Association and/or regarding interpretation of these Rules and Regulations, the matter shall be referred to the ESIC to decide, and the decision of the ESIC shall be final and binding.