



EMPLOYEES' STATE INSURANCE CORPORATION
PANCHDEEP BHAWAN, CIG ROAD, NEW DELHI – 110002.
(Website address: www.esic.nic.in)

No. X-11/14/1/2002-P&D

Dated: 19th July, 2010

To

The Secretary to the Government of
All State Governments

Subject :	<u>Amendments in the Employees' State Insurance Act, 1948 vide Employees' State Insurance (Amendment) Act, 2010- Notification to be issued by the state governments for reduction in threshold of coverage of establishments.</u>
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Sir,

Taking into account the changes in economic scenario in the country since 1989, the ESI Corporation, at its 139th meeting held on 17-7-2007, while discussing amendments in certain provisions of the ESI Act, decided that a sub-committee of the Corporation be constituted. Accordingly, the ESI Corporation constituted a Sub-Committee for reviewing the entire Act and suggesting comprehensive amendments therein. The Sub-Committee, comprising of representatives of employers, employees, Members of Parliament, State and Central Government, submitted its report to the Corporation which was considered and approved by the ESI Corporation at its 142nd meeting held on 22.2.08.

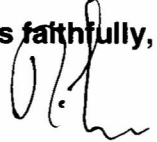
2. One of the amendments approved by the Corporation was to reduce the threshold for coverage of factories as well as other establishments to 10 from 20 in case of non-power using factories as well as other non-factory establishments. Based on the recommendations of the Corporation, the Employees' State Insurance (Amendment) Act, 2010 (No.18 of 2010) was enacted with effect from 1st June, 2010 vide which, among other things, the threshold for coverage of factories has been brought down from 20 to 10.

3. Keeping in view the recommendation of the Corporation to bring about uniformity in coverage criteria of both factories and non-factory establishments, it is requested that the threshold for coverage of establishments under the Act in your State may be brought down from existing 20 to 10 or more persons as in the case of factories by issue of a notification by the State Government under Sub-Section (5) of Section-1 of the Act. Draft of the notification to be issued by the State Government under amended sub-section (5) of Section -1 of the Act (Copy enclosed) for the purpose is enclosed.

This issues with the approval of Director General.

Receipt of this letter may please be acknowledged.

Hindi version will follow.

Yours faithfully,

(R.C.SHARMA)
Director (P&D)

Copy for information and necessary action to :-

1. Directors of ESI Scheme: All State Governments
2. All Regional Directors/ SMCs/ SSMCs
3. Director (Revenue)
4. Joint Dir (OL) – for Hindi translation
5. PS to IC.

Encl: as above.


Director (P&D)

To be published in the State Gazette

GOVERNMENT OF _____
_____ : Dated:

S.O. _____ : In exercise of the powers conferred by Sub-Section (5) OF Section 1 of the Employees' State Insurance Act, 1948, the Government of _____ in consultation with the Employees' State Insurance Corporation hereby gives notice of its intention to extend the provisions of the Act to the classes of establishments specified in the schedule annexed hereto, on or after one month from the date of publication in the Official Gazette.

1. Any objection or suggestion, which may be received from any person in respect of the said notification within the period specified above, will be considered by the State Government.
2. The objections and suggestions may be addressed to _____.

SCHEDULE

Description of establishments	Areas in which the establishments are situated
(1)	(2)
The following establishments whereon ten or more persons are employed, or were employed on any day of the preceding twelve months, namely - i) Shops; ii) Hotels; iii) Restaurants; iv) Road Motor Transport establishments; v) Cinemas including preview theatres; vi) Newspaper establishments as defined in Section 2(d) of the Working Journalists (conditions of service) and Miscellaneous Provisions Act, 1955 (45 of 1955).	All areas where the provisions of the ESI Act, 1948 have already been brought into force under Sec. 1(3) of the Act.

vii) Educational institutions (including public, private, aided or partially aided) run by individuals, trustees, societies or other organization;	
viii) Medical institutions(including corporate, joint sector, trust, charitable and private ownership hospitals, nursing homes, diagnostic centres, pathological labs.	

(No. -

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