



ESI CORPORATION

(Under Ministry of Labour & Employment, Govt. of India)
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ATTENTION - PRINCIPAL EMPLOYERS / CONTRACTORS

It is observed that large number of Principal Employers who are covered under ESI Act 1948 are engaging contract workers through various Contractors for carrying out of their activities. Though most of the Labour Contractors are separately covered under ESI Act 1948, the Principal Employers are not paying adequate precaution while releasing the payments to the contractors. As a result, a lot of contract workers are not registered under ESI Act and thereby denying the much needed social security protection to the contract workers under ESI.

In this connection, all Principal Employers who engage contract workers are advised to take a note of the following provisions of ESI Act 1948.

1. Principal Employers are liable to pay contribution in respect of all his employees including contract workers **(Sec-40)**.
2. A Principal Employer who has paid ESI Contribution in respect of a Contractor shall be entitled to recover the ESI Contribution from the contractor either by deduction from any amount payable to the contractor under any contract or as a debt payable by the contractor. **(Sec-41)**
3. Every contractor shall maintain **Register of Employees in Form-6** in respect of every employee engaged by him and submit the same to the principal employer before receiving the payments from Principal Employer **(Sec 41-(A) and ESI Regulation 32 (1 A)**.

It is observed that most of the Principal Employers are not insisting for the production of Register of wages in respect of the contract workers engaged in their premises and also not ascertaining whether all such contract workers are registered under ESI Act or not? Mere production of ESI Code no. or any ESI remittance challan of the Labour Contractor cannot prove the ESI coverage of the workers deployed at a specific location. In order to ensure social security protection to all contract workers, all Principal Employers are advised to enforce **Sec- 41 and Sec 41-(A) of ESI Act 1948** strictly, if they are engaging contract workers in their premises.

Further, in view of the computerisation process undertaken by ESIC, now Principal Employers can also check /ascertain the ESI compliance status of each and every contract worker by logging on to **www.esic.in** and click the "**IP portal**" and by entering the 10 digit Insurance No. of the worker, ESI compliance details can be accessed and in case of any default by any of the contractors, Principal Employers should not hesitate to recover the ESI dues from any amount payable to the contractors invariably in future and also initiate prompt action for registration of all workers under ESI. The timely action by the principal employer will help in long way to extend ESI benefits to the contract workers.

Please Note

Principal Employers are not absolved of their liabilities in respect of Contractors with or without ESI Code Nos.

Date: 25/10/2013
Place: Panaji

Sd/-
(C.V. Joseph)
Regional Director

ESIC- SOCIAL SECURITY FOR SOCIAL JUSTICE