

EMPLOYERS' STATE INSURANCE CORPORATION
PANCHDEEP BHAWAN:KOTLA ROAD: NEW DELHI

No.P-12(11)-11/27/99-Ins.IV

Dated: 14th June, 1999

To

Instruction No. 4/99

The Regional Director/Director/
Jt. Director (Incharge),
Regional Office/Sub-Regional Office,
ESI Corporation,

Subject:- Coverage of construction agencies/offices of the builders under the ESI Act, 1948 - clarification thereof.

Sir,

References have been received from some Regional Directors seeking clarification regarding coverage of construction agencies/ Offices of builders particularly on the point as to whether the construction workers working in the construction sites are to be taken into consideration for the purpose of coverage of the construction agencies/offices of builders under Section 1(5) of the ESI Act as a 'shop'.

The matter was examined at Hqrs. Office and it is informed that it has been the policy of the ESI Corporation not to cover the workers engaged by the construction agency who belong to the unorganised sector due to the peculiar characteristics of the construction industry and the peculiar nature of ^{employment of} workers engaged in it. In construction industry the work is carried out through the construction workers at the construction sites where the projects are situated. The workers engaged in it are mobile and migratory in nature. The criteria and duration of employment also vary from work to work. Due to the nature of employment and the nature of work place involving the construction workers, enforcement of ESI Act in respect of such workers and organising Medical & other facilities for them which are normally available under the ESI Scheme will be difficult. Therefore, the existing scheme under the ESI Act is neither applicable nor suitable for workers engaged in construction sites. Hence the following actions may please be taken for coverage of construction agency/

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