The Secretary
Confederation of Indian Pharmaceutical Industry
128, Lok Vihar Appts,
Vikaspuri
New Delhi-18

Sub: Extension of ESI benefits to the Travelling Sales Promotion Employees (SPE)

Sir,

Kindly refer to your letter no. 20th December, 2010 on the above mentioned subject.

In this connection, replies to the queries raised by you is as under:-

1. Compliance and coverage

Sales Promotion Employees (SPEs) posted in different places falls under different regions/SROs either in the State where H.O or plant is situated or in other States where establishment has no branch office/sales office or plant but operate sales promotion activities only. Then

- How the contribution can be deposited, returns be filed and benefits be extended to SPEs.
  - For the purpose of Contribution: As per instruction No. P-12/11/31/21/2008-Rev-II dated 31/12/2008, the employer is supposed to obtain the sub-code number by submitting the address of the nearest/immediate controlling office which will ensure the compliance in r/o the employee(s) of such cases or through head office.
  - For the purpose of filing the returns: Returns are required to be filed in the respective allotted Branch Office or at branch office of ESI allotted to Head Office of the company.
  - For the purpose of benefits: Benefits can be availed from the dispensary/IMP opted by the employee in the Declaration Forms.

- Under such circumstances, how compliances can be made as aforesaid and SPEs will be benefited by different facilities provided under the ESI Act, in the present Scenario or after introduction of smart card
  - In present scenario: As mentioned above at (a) After the introduction of smart card, The registration of company, registration of employees, deposit of contribution through challan etc shall be online. The benefits can be availed anywhere across India.
II **Sub-Code** To obtain the sub-code number in respect of those travelling Sales Promotion Employees who are posted outside the State where the Head office of the company is situated.

a) How can sub-code be obtained when Establishment has only Principal/H.O at one state or may be in another State from where all ESI compliances/formalities could be made for implemented areas, but no sales office/branch office in rest of the states

As per instruction No. P-12/11/31/21/2008-Rev-II dated 31/12/2008, for the purpose of issuing the sub-code number, the employer of the main covered establishment is required to furnish the detail address of the nearest/immediate controlling office. But where there is no nearest/immediate Controlling office is there, then as per the instruction dated 1/5/2000, the residential address of the employee posted in that area shall be taken for the purpose of allotment of sub-code number.

b) For such reasons, how information can be furnished in the prescribed Application form under Col. No.3, 4, 6 & 8 i.e address of the branch, Name of the Branch Head, Local bank A/cNo., Date of opening branch office etc for obtaining sub-code, as stated above

Col.3: Name and Address of the Nearest/immediate controlling office/residential address shall be mentioned as the case may be

Col.4: As designated by the Controlling office

Col.6: Not required, if not available

Col.8: Date of opening shall be the date of posting the employee in that area.

III **Exemption from State Govt.** Exemption from the State Govt in r/o the employees posted in the non-implemented area is not required. Only the records in r/o these exempted employees shall be maintained by the employer for inspection by ESIC. But when the already covered employee is posted in the non-implemented area then the exemption from the State Govt is to be sought.

It is hoped that the above information shall suffice your requirement.

This issues with the approval of Insurance Commissioner.

Yours faithfully,

(SUSHIL SACHDEVA)

ASSSTT. DIRECTOR (REV-II)

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**Copy to:** 1) All RDs/JD I/cs – for further necessary action.

2) System Division for posting in Website