

**GOVERNMENT OF INDIA  
LABOUR AND EMPLOYMENT  
LOK SABHA**

UNSTARRED QUESTION NO:1665  
ANSWERED ON:04.12.2006  
SHARE OF CONTRIBUTION BETWEEN ESIC AND STATE  
Khaire Shri Chandrakant Bhaurao

**Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:**

- (a) whether in respect of ESI Schemes operated in Maharashtra, Jharkhand and Bihar, the ESI Corporations contribution often falls far short of their due share, year after year;
- (b) if so, the prescribed share of contribution between the ESI Corporation and the State; and
- (c) the accumulated excess expenditure incurred by the Government of Maharashtra, Jharkhand and Bihar in respect of ESI Schemes as on August 31, 2006, over and above the State's due share?

**Answer**

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES)

(a): No, Sir.

(b): As per Section 58 of the ESI Act, the responsibility for providing medical benefit is that of State Government. As per agreement between the ESIC and the State Governments the recurring annual expenditure on medical care is shared between the ESI Corporation and the State Government in the ratio of 7:1 subject to actual expenditure incurred by State Government and ceiling prescribed from time to time whichever is less. The ESI Corporation is making the payment to the State Government as per the ceiling prescribed. The ceiling for reimbursement on expenditure on medical care to the States is Rs. 900/- per IP family unit with effect from 01.04.2005. The State Government of Maharashtra, Jharkhand and Bihar are also being reimbursed as per the ceiling amount of Rs. 900/- per IP per family unit subject to actual expenditure whichever is less. However, all capital expenditure on construction of building of dispensaries and hospitals is totally borne by the ESI Corporation. Similarly, the expenditure on purchase of initial equipments for hospitals & dispensaries is borne by ESI Corporation. Besides this the expenditure on additional equipments and replacement of old equipments is also borne by the ESI Corporation over and above the ceiling.

(c): Nil.