

दक्षिण मध्य रेलवे/ **SOUTH CENTRAL RAILWAY**

महाप्रबंधक का कार्यालय /**General Manager's Office,**
सतर्कता शाखा/**Vigilance Branch,**
सिकंदराबाद / **Secunderabad.**

सं. No. **G.265/SDGM/Inst./2024**

दि/**Dt.09/02/2024**

**All PHODs, CAO/Const.,
DRM/SC, HYB, GTL, BZA, GNT, NED
CWM/LGD, TPTY, RYPS, MFT**

विषय:/Sub:- Guidelines for contract execution and contractual labour payments.

During the course of Vigilance checks, it has been noticed that payment to contractual labour is irregular and not monitored. Regarding the payment of wages and other related payments to contractual/outsourced workers by outsourcing agencies, following irregularities are noticed:-

1. In large no. of contracts, Contractors are not submitting the monthly bills in time and the contractual payments remain unpaid for quite a few months. This in turn causes delayed payment of wages to labourers.
2. Monthly wages to contract labours are not being paid by the contractor in time
3. Actual wages received by the labours were not in accordance with Minimum Wages to be paid as per the guidelines issued by the Ministry of Labour & Employment, Govt. of India which is in violation of provisions under Indian Railways GCC for Works/Services.
4. In spite of monthly wages being deposited in bank account of the contract labours, they get less payment on hand due to suspicious activities of the contractors.
5. Some ghost/pseudonymous workers, who without physical presence/working at site, draw monthly wages.
6. Irregularity in remittance of EPF & ESI.
7. Contract labours do not get essential safety equipment's at work site.
8. Supply of low quality consumable items for sanitation work by contractor.
9. Labour data on Railway's Shramikkalayan portal are not being updated properly.
10. Regional Labour Commissioner is not being informed regarding failures of outsourcing agencies towards Wage payments to contractual/outsourced workers as per extant provisions.

In this regard, compliance of Contract Terms & Conditions and provisions under Indian Railways GCC for Works/Services is very much necessary. Railways cannot wish away the responsibilities in such contracts being Principal Employer.

In view of above and irregularities noticed during vigilance investigations, all concerned are advised to monitor and ensure compliance of following:

- i) Contractor has to pay full monthly wages and other payments to contract labours in time and as per the provisions of Payment of Wages Act & Minimum Wages Act issued by the Ministry of Labour & Employment, Govt. Of India. Short payment, if any, should be deducted from the contractor's bill to pay for the respective labours.
- ii) Unlawful activities of the contractor for paying less & untimely irregular payment to workers needs to be viewed seriously as in terms of contract Labour (Regulation & Abolition) Act, 1970 which states that 'In case the contractor fails to make payment of wages within the prescribed period or makes short payment, then the principal employer shall be liable to make payment of wages in full or the unpaid balance due, as the case may be, to the contract labour employed by the contractor and recover the amount so paid from the contractor either by deduction from any amount payable to the contractor under any contract or as a debt payable by the contractor'.

- iii) If the contractor has failed to make any payment to contract workers, then it is incumbent upon the Principal Employer i.e. Railway to make due payments to contract workers and recover the amounts from the bills which are due to the contractor.
- iv) Concerned contractor should provide essential safety equipment's and standard consumable items to contract workers as per the conditions mentioned in the LOA/Contract Agreement.
- v) Recovery of total amounts paid to the ghost/pseudonymous workers from the contractor.
- vi) Proper record of transaction is to be maintained both by the contractor as well as by the executive concerned.
- vii) Being the Principal employer and in true spirit of implementation of the Labour Act, the Railway official should ensure that the contract labour are aware of their Universal Account Number (UAN) for their EPF contribution and Insured Person Number (IPN) for their ESI contribution.
- viii) These UAN for EPF & IPN for ESI benefit should be printed on the identity card of the contract labour provided by the contractor.
- ix) For awareness of contractual labours, information like Minimum Wage etc. are to be displayed at work site.
- x) The terms and conditions made in LOA/Contract Agreement should be strictly adhered to.
- xi) Special conditions of Contract for mandatory up-dation of Labour data on Railway's Shramikkalyan Portal by contractor as per Contract Conditions should be strictly followed without any exception.
- xii) It is mandatory before bill passing of the contractor that along with the monthly bills, contractors must submit a Notarised Affidavit signed by all persons deployed by him during the bill period, clearly declaring that they have been paid monthly wages, other payments, contribution remittance towards ESI, EPF, etc.
- xiii) Ensuring coverage of contractual workers of OBHS, Cleaning, Catering and other labour intensive contracts to enrol under PMSBY & PMJJBY insurance scheme launched by Hon'ble PM as per provisions in the Contract Conditions.
- xiv) If any complaint regarding violation of labour law is received against a contractor, a notice may be issued to that effect immediately to the concerned contractor.
- xv) Contractors who are detected to violate payment of Wages Act & Minimum Wages Act must be dealt sternly.
- xvi) Contractor has to issue monthly payslip to all the contract labours indicating the gross earnings and requisite deductions separately applicable under relevant labour laws.

In case of failure on the part of the Contractor, necessary action should be initiated against the concerned Contractor with due regard to provisions under Contract Agreement as under:-

- a) Advise Regional Labour Commissioner for taking necessary action under relevant labour laws due to failures of outsourcing agencies towards Wage payments to contractual workers as per extant provisions.
- b) Raise incidence (in case of GeM Contract) on GeM Portal against the Contractor towards his failure to comply with contractual obligations for further records, performance and further necessary action towards penalties, recoveries, termination etc.
- c) Initiate termination proceedings as per provisions incorporated in the Contract documents.

The above guidelines are indicative only and concerned authorities shall use their own prudence within the provisions of Contractual obligations in the interest of Railways.


 (ARVIND MALKHEDE) 09.02.2024
 SDGM/SCR

C/- Secy. To GM/SCR – for kind information of GM.