

**INSTRUCTIONS TO CONTRACTOR FOR STATUTORY COMPLIANCES FOR JOB / WORK /
LABOUR CONTRACT (Ref: - 10/99/PER (Fy) CLC)**

1.0 Statutory registrations and clearances

Contractor shall commence the work only after obtaining valid Labour License, independent Provident fund no., ESI Registration no., Income tax no. and Clearance Certificate in respect of Provident Fund, ESI and Income Tax from respective enforcement authorities.

2.0 Appointment and termination of workers by contractor

2.1 **Contractor shall make appointment of his Employees only for a specific period and same shall be recorded in employment card. Appointment letter should clearly state that the services shall stand terminated on expiry of contract period or completion of the work.**

2.2 Contractor shall have the sole discretion to decide on employing, rewarding or terminating the services etc. of his employees. However, his employees must possess such qualifications, experience, age requirement and medical and physical standards as required for the work awarded to the contractor.

2.3 In case of termination of services of any employee of contractor, the contractor will ensure that wage payment and other dues to his employee are made within 48 hours of termination of services of such employee. While termination of the services of any of his employee, the contractor will discharge all formalities as per the Industrial Dispute Act such as payment of retrenchment compensation and gratuity as due and admissible.

3.0 Leave with wages

3.1 Contractor shall allow Annual leave with wages as under

3.2 One-day leave for every 20 days of work performed during preceding calendar year after completing 240 days of service in preceding calendar year.

3.3 Unavailed leave can be carried forward to next Calendar year but carry forward should not exceed 30 days. Leave should not be taken more than 3 times in a Calendar year and for which application before 15 days should be made.

3.4 In addition, 7 festival and 3 National Holidays and 7 days Casual leave shall also be availed by employee of contractor during the Calendar year.

3.5 Contractor shall maintain leave record register.

4.0 Attendance Card

4.1 Contractor has to provide attendance card to his employee who will obtain endorsement of time of arrival at the work place and time of leaving the work place. The contractor shall maintain Attendance card which will be retained by his employee and will be handed over to the contractor after the end of each wage month.

Identification card

4.2 Contractor shall provide to each of his employee an identification card which shall have his photograph verified by contractor, his name, place of work and name of the contractor.

5.0 Statutory obligations

5.1 Contractor shall engage only adult workers who have attained the age of 18 years and female workers shall not be employed between 7 PM to 6 Am on all days including Sundays and Holidays.

5.2 Contractor shall observe local laws. As far as possible unskilled workers shall be engaged from the local areas only in which work is being executed.

- 5.3 Contractor shall not employ any inter-state migrant workmen as defined in the Inter-State Migrant Workmen Act in the establishment except by prior permission of the Principal Employer.
- 5.4 Contractor shall observe Provisions of the Factories Act in respect of working hours, holidays, rest intervals, leave and overtime to his employee. No work shall be done on second/third shift, overtime, Sundays or on other declared holidays without written permission.
- 5.5 In case a contractor employs women as his employee, he will discharge his obligation under law in respect of such women workers such as prohibition of engaging them during night-hours, prohibition of employing them for more than 9 hours per day, provision of crèche facility, grant of maternity leave as per rules etc.
- 5.6 Payment of bonus under the Payment of Bonus Act, Payment of gratuity under the payment of Gratuity Act, will be the sole responsibility of the contractor.

6.0 PF & ESI Contribution & Returns

- 6.1 Contractor shall remit Provident fund contribution of employee's together with Employer's within 15 days from the date of disbursement of wages to his employee. Monthly and annual returns in 3A & 6A prescribed forms should be submitted to the RPFC office, Bhopal. Present rate of employer share of PF is 13.61% and employee share is 12%.
- 6.2 Contractor shall remit ESI contributions of employee's together with employer's within 21 days of the last day of the calendar month in which the contribution falls due and shall send a return of contribution in Form 6 before 12th May and 12th November of every year along with receipted challans to ESI office. Present rate of employer share is ESI 4.75% and employee is 1.75%
- 6.3 Contractor shall submit a copy of latest PF& ESI returns and inspection reports from statutory authorities along with a copy of challans for having deposited PF & ESI contributions every month.
- 6.4 Contractor shall submit following Certificate for each contract separately.

“It is certified that PF challans of the amount ----- pertains to my workers whose names are appearing in the wage sheet of the month ----- and these workers are engaged in -----
----- (type of work) against work order no. ----- in ----- (name of department).

Signature of Contractor

Note: - Similar certificate shall be submitted for ESI also.

- 6.5 Contractor shall fully comply with all other formalities as per the PF & ESI statutory provisions and submit a copy of the same for replying to Statutory authorities in case of any complaints.
- 7.0 Contribution to M.P. Welfare Board
- 7.1 Contractor should ensure payment of contribution as per section 9 of “The M.P. Shram Kalyan Nidhi Adhiniyam 1982. Both employee's contribution and employer's contribution should be paid every year before 15th day of July and 15th day of January.
- 7.2 Presently, if the name of employee stands on the register of an establishment on 30th June and 31st December respectively, the amount of contribution payable every six month by every employee shall be ONE RUPEES only and by an employer shall be THREE RUPEES payable every six months. The contribution payable by employer every six month shall not be less than Rs. 150/-
- 8.0 Medical care in case of accident
- 8.1 It is the responsibility of contractor to undertake necessary care and make arrangement for transportation and the treatment of his employee at ESI Hospital. Medical treatment in emergency cases on written request of contractor shall be done in Kasturba Hospital for which the charges should be deposited in

advance or BHEL is authorized to deduct the medical expenses from the bills of the Contractor. BHEL will have the right to deduct the medical expenses from the bills of the contractor.

8.2 Contractor should assist and guide his employees for claiming lawful benefits from ESI.

9.0 Supervision

Contractor shall employ adequate number of competent and qualified supervisors to supervise and control his employee at the work spot during execution of work for effective supervision. They will also identify their employee and regulate entry at gate at the time of entering and leaving the factory. Name and address of the Supervisor shall be submitted to the concerned department by the contractor.

10.0 Payment of wages

10.1 Payment shall be made by the contractor to his employees as per their category & nature of work, which shall not be less than the rates declared from time to time under Minimum Wages Act, by Govt. of M.P.

10.2 Over and above the daily wage rate, payment shall be made for leave with wages.

10.3 Contractor shall be responsible for making payment of wages before expiry of 7 days from the last day of wage period and to ensure disbursement of wages in the presence of the authorized representative of contract operating division who shall record under his signature at the end of entries in the Register of wages in the following form

“ Certified that the amount shown in column no. has been paid to the workers concerned in my presence on date at time.....”.

Signature of representative

10.4 Contractor shall distribute wage slip to his employee one day before the last day of the month.

10.5 Contractor shall furnish a copy of the Wage Bills after disbursement of wage to his employee duly witnessed by the nominated representative of the contract operating division. The contractor must note that this copy will be used by BHEL to make payment of wages for the subsequent month in the event of failure on the part of contractor to make payment of wage within the prescribed period. If payment of wage through this method in the absence of any other available document results in excess payment than what is due and admissible to the employee of the contractor, the responsibility for such excess payment will be that of the contractor.

11.0 Safety and disciplinary action

11.1 Contractor shall ensure that his employee does not indulge in any unsafe or hazardous practices. They use safety equipment such as safety belts, safety shoes, goggles, helmet and masks where use of such equipment is required in day-to-day operations. All such safety gadgets will be provided by the contractor failing which the contract operating division will provide safety equipment to such employee of the contractor at the cost of the contractor to be recovered from his bills. Contractor shall fully indemnify BHEL against any claim for damages for injury to person or property resulting from such accidents.

11.2 Contractor shall take prompt disciplinary action as per “Model Standing Orders “ on the advice of Contracting officer.

12.0 Records & information to be furnished by contractor

12.1 Contractor shall maintain neatly, completely and legibly registers, records, reports and returns for inspection by various authorities at short notice.

12.2 Contractor shall submit the details of work awarded to him by other departments indicating work order No., nature of work and maximum number of workers employed etc.

- 12.3 Contractor shall provide information as required in respect of all of his employees employed by him to enable the Contract operating division to monitor compliance of P.F./ESI and also to enable him to furnish information to Ministry and Labour deptt. as may be required.**
- 12.4 Contractor shall provide full particulars of each employee employed by him before start of the work and from time to time. He will also endorse a copy of returns furnished by him to the Labour Department under the Contract Labour (Regulation and Abolition) Act 1970 .
- 13.0 Security deposit & Indemnity Bond
- 13.1 Contractor shall make Security Deposit to use this security amount to discharge any legal obligations otherwise cast on the contractor under the Contract Labour (Regulations and Abolition) Act, The Factories Act, Workmen Compensation Act, The Minimum Wages Act, The Payment of Wages Act, The Interstate Migrant Workmen Act or any other law for the time being in force. Security money shall remain upto 3 months after termination/ completion of contract. No interest shall be payable on such Security deposit.
- 13.2 Notwithstanding the above, in case of any financial loss incurred by company on account of contravention of Provident fund, ESI, Minimum Wages Act or any other act, rule and regulations the contractor shall be responsible to make good the loss incurred by the company.
- 13.3 The contractor will not engage any sub-contractor without a specific permission in writing and where so permitted he will furnish an Indemnity Bond. Indemnifying the BHEL from any actions of his sub-contractor(s) which may be involving extra financial liabilities.

14.0 Abandoning the work

In the event of contractor abandoning the work or BHEL revoking the contract, BHEL shall deserve the right to get the unfinished work completed at the contractor's risk and cost.

15.0 Termination of Contract

Contract awarded is liable for termination for any contravention of statutory provisions or any other reasons without assigning any explanation or notice to the contractor.

16.0 Compliance of Statutory provisions

- 16.1 Contractor shall fully comply provisions of the following enactments and other enactments as applicable for such contracts.

Contract Labour (R&A) Act 1970 and rules 1971.

Payment of Wages Act.

Minimum Wages act 1948, M.P. Rules 1958

Employees State Insurance Act 1948, Rules and regulations 1950

Employees Provident Fund Act 1952 and Pension Scheme 1995

Workmen's Compensation Act 1923

M.P. Industrial Relations Act 1960, Factory Act 1948

Maternity Benefit Act 1961

Equal Emolument Act 1976

M.P.Shram Kalyan Nidhi Adhiniyam 1982

Payment of Bonus Act 1963, Payment of Gratuity Act 1971, Inter State Migrant Act

GUIDE LINES IN CASE OF ACCIDENT

A) Steps to be followed

- 1) Locate the contractor & also inform CLC with the full details of the injured person and accident.
- 2) Take the injured person immediately hospital for first aid to.
 - a) ESI Hospital
 - b) OHS of BHEL
- 3) The contractor should report the accident in form 16 to Manager (ESI), Sonagiri, Bhopal within 24 hours of accident.
- 4) After First aid treatment, the contractor should immediately take his employee for further treatment & admission at ESI Hospital, if required. In case of hospitalisation in Kasturba Hospital, the contractor shall deposit necessary amount in the hospital, for getting the treatment & get his employee discharged as soon as possible for further treatment in ESI hospital.
- 5) Contractor should inform the concern deptt. & contract labour cell in case where absence is more than 48 hours.
- 6) Contractor should inform the date of joining to the CLC for informing the statutory authority.

B) Benefits from ESI as per ESI Act

- 1) Disablement benefits at @ 70% of wages for his absence from work, if the injured person avails the medical treatment in ESI hospital.
- 2) In case of partial / permanent disablement the compensation as judged by Medical Board will be paid by ESI for life, proportionate to the loss of earning capacity.

As the disablement benefit / sickness benefit is given by ESI, it is advisable that the contractor should help the injured employee to take treatment in ESI Hospital only and also for availing all statutory benefits.

C) Reporting of Accident by concerned department

Procedure as being followed for regular employee in BHEL Bhopal should be followed for employees of the contractor also.