

**WORKS ENGINEERING AND CENTRAL SERVICES  
CMX (Machine Shop)**

**Annexure VII**

**Enquiry no: WEX/CMX-MS/MO/1920/ENQ/01**

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**Contractor's Obligations & Statutory Compliances to be ensured by Contractors in Work Contract**

1. **CONTRACTUAL:**
  - a) Contractor shall decide the number of employees to be deployed for execution of the work awarded to him as per scope of work and he/his authorized representative will be solely entitled to dictate such workers about the manner of carrying out the work as per the prescribed specifications and quality plan.
  - b) Contractor shall supervise the work allotted to him and to be carried out by his employees.
  - c) Contractor to ensure that the employees deployed in the premises of BHEL are physically and mentally fit and do not have any criminal record. Such employees should possess requisite skill, proficiency, qualification, experience etc.
  - d) Contractor to maintain appropriate records of his employees deployed to carry out the job(s).
  - e) Contractor should issue appropriate appointment letters to his employees.
  - f) Contractor to provide employment card/ identity card with photograph duly verified and attested by the Contractor to his employees. Contractor to indicate the name of the proprietary/ partnership Firm/ Company, place of work, contract number and duration of validity of card.
  - g) Contractor will be responsible for the good conduct of his employees. In case of any misconduct/ misbehavior by any employee, the contractor will replace such employee(s) immediately.
  - h) Contractor will ensure that the job is executed through his employees on his rolls and under no circumstances the contractor will deploy any casual employee to carry out the job nor shall sub-contract the job without prior written permission.
  - i) Contractor will keep watch on his employees and he will be liable for any pilferage / loss to BHEL due to acts of omission and commission by his employees. Similarly, liability for any compensation to outsiders on account of any act of omission and commission by the employees deployed by the contractor shall lie exclusively with him.
  - j) Contractor to provide safety appliances and safety shoes to his employees. The contractor shall be responsible for enforcing all safety regulations as applicable.
  - k) The contractor has to provide a distinct uniform different from BHEL employees. The Uniform should have logo of the Contractors firm/ company. The Uniform shall be kept in neat, tidy and wearable condition. Wherever necessary, the Cap shall be integral part of the Uniform.
  - l) Contractor to ensure that all precautions are taken for safety of his employees and equipments.
  - m) In the event of termination of contract for any reason whatsoever, the contractor shall withdraw all his employees from the establishment of BHEL. In case contractor decides to terminate services of his employees, he should settle all terminal dues including retrenchment compensation.
  - n). Contractor shall provide to his employees all tools, tackles, and equipment and maintain the same to carry out the job under the contract at his cost and if necessary contractor may take insurance policy of his men, material, equipments, tools and tackles.

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- o) Contractor shall provide safety appliances and maintain the same at his own cost, which may be required under the statute of otherwise.
- p) Contractor shall provide material at his cost as mentioned in the contract to his employees for carrying out the job.

**2. Towards Statutory Liability:**

- a) 1. Contractor shall fully comply provisions of various applicable labor laws 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
- “ Inter State Migrant Act.

All statutory requirements under Minimum Wages Act, 1948, Payment of Wages of Act, 1936, Workmen Compensation Act 1923, E P F & M P Act 1952. Payment of Gratuity Act 1972, E S I Act 1948, The Contract Labour (R&A) Act 1970, Payment of Bonus Act, 1965, Income Tax Act, Service Tax and all other applicable Acts shall be complied with by the contractor.

2. The rates quoted by contractor should be reasonable. The contractors whose price bids are lower than the minimum statutory amount (i.e minimum wage, PF, ESI, contribution to welfare board) shall be rejected.

At present the prevailing rates of BHEL per day as per Minimum wages act for different categories are as under:-

Description (rate on per day basis)	Skilled Worker	Unskilled Worker
Minimum statutory wages	Rs. 452.94	Rs. 407.32
PF contribution by employer	13 %	13%
ESI contribution by employer	3.25%	3.25%
Contribution to welfare board	Rs. 0.19	Rs. 0.19

Other contribution as applicable towards Bonus, safety helmets, & obligations for fulfillment of statutory requirement like submission of Service tax etc should be considered while quoting.

- b) Contractor shall comply with all statutory requirements, rules, regulations and notifications in relation to employment of his employees issued from time to time by the concerned authorities. Contractor shall ensure payment of statutory prescribed minimum wages as applicable from time to time in the presence of authorized representative of BHEL and maintain proper records of their timely disbursement. These records need to be preserved for a period of at least 3 years and should be made available even after the contract is over for any verification by the statutory authorities/ BHEL authorities.

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- c) Contractor to provide PF pass book to his employees and ensure payment of PF, EDLI, Pension dues under the EPF & M.P. Act, 1952 to the RPFC.
- d) Contractor shall ensure payment of ESI contribution under ESI Act, 1948 and provide ESI membership No. / Card of each employee.
- e) Contractor shall produce proof of deductions as well as remittance of PF, EDLI, Pension ESI contribution, Administrative Charges etc. wherever applicable and shall maintain proper records. Contractor to issue wage slips to his employees one day before the last day of the month.
- f) Contractor shall furnish proper returns to the concerned statutory authorities and provide a copy of the same to BHEL.
- g) Contractor shall be solely responsible for non-payment/ delayed payment of Wages / DA, contributions under EPF & M.P. Act, ESI Act etc.
- h) In case the contractor fails to make payment of wages to his employees or remittance of contribution to the concerned authorities, the security deposit/ other dues/ running bills under the contract can be utilized by BHEL to discharge the liability of the contractor.
- i) Contractor shall indemnify BHEL against all claims and losses under various Labor Laws, statutes or any civil or criminal law in connection with employees deployed by him.
- j) The liability for any compensation on account of injury sustained by an employee of the contractor will be exclusively that of the contractor.
- k) Contractor to obtain insurance cover for his employees/ equipment/ tools and tackles etc. and take third party risk insurance coverage at his own cost. BHEL shall not be responsible for any loss, damage, and pilferage of his property and/ or his employees.
- l) Contractor should have independent code numbers/ exemptions under EPF & M.P. Act, 1952 and ESI Act, 1948 and shall cover his employees under the said codes.
- m) Payment of Bonus under the Payment of Bonus Act, Payment of Gratuity Act and retrenchment compensation under Act will be the sole responsibility of the contractor.
- n) Over and above the daily wage rate, payment shall be made for leave with wages.
- o) Contractor shall observe Provisions of 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.
- p) In case of the contractor employs Women as employee he will discharge his obligation under law in respect of such women workers such 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.
- q) 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 authorities representative of contract operating division who shall record under his signature at the end of entries in the Register of wages.
- r) Contractor to obtain license under CL (R&A) Act, 1970.

The above said statutory compliances have to be strictly ensured and any complaint received in this regard would be severely dealt with including termination of contract as well as delisting of the contractor for future.

**Sign of contractor**