

**Confidential**

Date: 21.02.2025

No: G/MCF/RBL/Vig/System improvement

All PHODs  
MCF/RBL

**Sub: System improvement regarding payment to the contractual manpower.**

During the investigation of some service contracts related to manpower supply, the following observations have been made:

1. It has been noted that in some cases, bank statements of firms or any other document showing proof of payments made to contractual labor are not being taken at the time of bill submission. To ensure compliance with statutory norms, it is advised that:
  - o Firms must submit bank statements or any other relevant documents showing payments made to contractual labor along with their bill submissions.
  - o If the Railway requires bank statements for any specific period within the contract duration, the firm must provide them as and when asked.
  - o Supporting documentary evidence, such as EPF statements, ESIC statements, and proof of bonus payments, must also be submitted for verification along with the bills.
2. To enhance transparency and accuracy in attendance records, it is advised that a combination of punch cards, biometric verification, and iris scans be used. Attendance should be recorded twice daily once upon entry into the factory premises and again at the time of departure.


To ensure adherence to statutory norms, it is advised that the above clauses be incorporated into contract agreements and tender documents. A tentative checklist for ensuring payments to contractual manpower as per statutory norms is attached as Annexure A.

This directive has been issued with the approval of the competent authority ie. SDGM&CVO.

Dy. CVO  
MCF/RBL

## Annexure A

- (i) The contractor must ensure that all payments to contractual labor are made through bank transactions only; cash payments are strictly prohibited.
- (ii) The employer (contractor) must ensure timely payment of EPF and ESIC contributions for contractual labor.
- (iii) The Principal Employers must be registered, and obtaining the necessary Labour License is mandatory.
- (iv) The contractor must maintain all registers and records as specified in Section 29(1) of the CLRA Act, 1978.
- (v) EPF contributions must be provided by the contractor in accordance with EPF regulations for contractual labor.
- (vi) Attendance must be recorded using a combination of punch cards, biometric verification, and iris scans. It should be marked twice daily—once upon entry into the factory premises and again at the time of departure.
- (vii) A surprise check for the physical attendance of contractual labor must be conducted by a Railway representative on at least 20% of the working days each month.
- (viii) The contractor must ensure that every employee is paid wages at a rate not lower than the minimum wage fixed by the Labour Commissioner's office from time to time.
- (ix) The contractor must ensure the payment of bonuses to eligible employees as per applicable regulations.

  
21.02.25