

No. 28(138)2019/D(Res-I)  
Government of India  
Ministry of Defence  
Department of Ex-servicemen Welfare

Sena Bhawan, New Delhi,  
the 6 February, 2020

OFFICE MEMORENDUM

**Subject: - Guidelines for the Functioning of Director General Resettlement (DGR) Scheme to provide ESM Manpower for "Technical Services" to the Government Establishments / Complexes through Empanelled State ESM Corporations.**

1. **Introduction:** In order to maintain a youthful profile of the Armed Forces, approximately 60,000 service personnel are retired/ released every year at comparatively young age. During their active service, the ESM handle complex systems of Aircraft, Ships, Submarines, Guns, Tanks, Weapons systems, Heavy Vehicles & Machineries and Complex Systems in Civil Defence. They retire with experience and skill competence in defence industry related competencies. Majority of these service personnel at the time of retirement are at an age (between 35 to 45 years) wherein they have liabilities towards their family/ dependents, which necessitates their taking up of a second career/ profession.
2. ESM as an individual is highly loyal, disciplined, cultured, responsible and youthful. Experience of having worked in projects wherein physical security, information security and secrecy is paramount is an unparalleled plus. **Also it is prudent to mention that an ESM comes with the reliability and advantage of continuous background checks during service.**
3. A number of Government establishments / complexes outsource the requirement of skilled manpower (temporary on contractual basis) for Operations and Maintenance of technical equipment to **Civilian Agencies (unregulated), wherein not only the interests of Principal Employer (Reliability and Requisite Experience) get compromised but also poses a threat to Security and Secrecy of the Principal Employer Complex.**
4. Outsourcing the requirement of Manpower on contractual basis for Operations and Maintenance of technical equipment (Heavy duty Plant, Mechanical Equipments, Vehicles & Electrical machinery) to minimum of three DGR Empanelled State ESM Corporations **Sponsored by DGR, New Delhi** will fulfill all the requirements of the Principal Employer in terms of Security, Reliability, Secrecy, Requisite skills and Experience in a fully compliant and regulated manner.
5. **Requisitions by Principal Employer:** The Principal employer will seek fresh sponsorship from DGR minimum 3 months in advance from the intended date of

deployment of manpower for technical services clearly indicating the Skill Sets, numbers and Location of deployment.

6. **Sponsorships and Duration of Contracts** Keeping in view the specific requirements of the Principal employer, three or more Empanelled State ESM Corporations will be sponsored by DGR Committee to provide ESM manpower to provide Technical Services. All sponsorships will be done up to a duration of maximum of two years.

7. **Selection of Technical Services Agency:** The DGR sponsored State ESM Corporations will mandatorily submit requisite details as sought by the Principal Employer. The rates of wages, allowances, statutory deductions and service charges are fixed in accordance with the DGR wage notification as revised from time to time.

8. **Conclusion of Contracts**

- (a) The Principal Employers must ensure that the contracts are concluded and finalized within three months of issue of sponsorships by DGR.
- (b) In an eventuality of all the DGR Sponsored ESM Corporations quoting the same rates the contract under consideration should be allotted to the senior most DGR sponsored ESM as per registration date with DGR.
- (c) In case the Principal Employer decides to cancel the tender, then the sponsorship letter will be treated as cancelled, and seniority of all the sponsored ESM Corporations will remain unchanged.
- (d) Agreement between the Principal Employer and the DGR sponsored ESM Corporation should be for a period for which the DGR has sponsored the ESM Corporation. Re-sponsorship will follow the same procedure as sponsorship.

9. **Earnest Money Deposit / Contract Performance Guarantee (CPG)/ Bank Guarantee:** Depending on the nature of service being provided a DGR Empanelled State ESM Corporation may be asked to deposit EMD/CPG or Bank Guarantee up to a maximum limit not exceeding 10 percent of One month's wage bill. The same will be deducted from the State ESM Corporation Monthly service charges in instalments as mutually agreed by the sponsored State ESM Corporation and the Principal Employer.

10. **Employment of technical skill Personnel:** All DGR Empanelled State ESM Corporations **sponsored by DGR** will obtain a labour license for provision of contract labour in accordance with the government order on the subject and will also abide by the following guidelines regarding appointment and employment of ESM technicians.

- (a) **Selection of ESM Technicians.** In compliance with the qualitative and technical requirements of the Principal Employer, DGR sponsored State ESM Corporation will ensure the adequacy of requisite qualifications for the requisitioned duty. Sponsored State ESM Corporation and Principal Employer must ensure that the selection of ESM manpower to provide Technical Services is concluded and finalized strictly as per MoD Guidelines and concerned Govt Acts / Rules. A report will be submitted by the Principal employer to this effect.

(b) All ESM technicians employed at Principal employer complex must be ESM as per the DOP&T gazette. **Only till such time the Female ESM personnel are not available in requisite numbers with specified skills Non ESM civilian Female technician may be employed.** The number of such Non ESM civilian Female technicians to be employed must be specified by the Principal Employer in the **Requisition form** and shall in no condition be varied unless a specific approval is taken from DGR by the Principal Employer itself.

(c) **Appointment of ESM Technician** Antecedents of ESM being employed should be ascertained by the DGR sponsored State ESM Corporation. The Sponsored State ESM Corporation and Principal Employer should fill proper recruitment forms for all ESM engaged as mandated by Govt directives on contract labour. The terms of engagements of technician must be clearly spelt out in writing. All such Technicians employed will be given a letter of Appointment. The copies of the same will be provided to DGR. The Sponsored State ESM Corporation will be directly responsible for the action of their employees wherever employed.

(d) **Age of Technician.** The upper age limit of ESM Technician will be 65 Years.

(e) The List of employees deployed by the DGR sponsored State ESM Corporation and a copy of latest DGR Wage Notification will be displayed at all the worksites, locations and its Office.

11. **Reports and Returns** The following reports and returns will be submitted to DGR in the prescribed format as per periodicity given.

(a) **Award and Termination of Contract.** All DGR sponsored State ESM Corporation will forward Contract Award and Termination report immediately on occurrence.

(b) **Strength Return.** All DGR sponsored State ESM Corporation will forward **Quarterly Strength** return along with the Nominal Roll of all the Technicians as per Format attached at **Appendix - A** duly countersigned by authorised representative of Principal employer as on 01 January, 01 Apr, 01 July and 01 Oct. All these Quarterly strength returns should reach the concerned office **within 15 day of the due date and within 30 days of the new contract being signed.** This Strength Return will also include the following.

- (i) Soft copy of ESM I card.
- (ii) Soft copy of PPO of all the ESM technician employees.

12. **Wage Rates:** The wages and remuneration payable will be as per DGR wage notifications (revised regularly in line with relevant Government of India orders and technical requirements as proposed by the user organisations). All statutory deposits and deductions will be governed by the DGR Wage Notifications (**Attached as**

**Appendix - B).** DGR sponsored State ESM Corporation will not quote the wage rates and Service Charges below the rates given in respective DGR wage Notifications.

(a) **Additional Charges:** For the operational / technical / administrative requirement of presence of hired technical manpower to ensure 24x7 Operations & Maintenance of plants and equipment in Government establishments/ complexes the user organizations should make an endeavour to provide accommodation within the complex or else provide alternate means in the form of **HRA and Transport Allowance**. Other **specific administrative requirements** will be worked out between the user organization and DGR Sponsored State ESM Corporation.

(b) **Remote / Disturbed / Hazardous area Allowance:** Additional charges will be levied in case of service being provided in **Government Notified** remote/disturbed/ hazardous areas as Field Allowance at the rate of 25% on Basic Pay plus VDA will be entitled to ESM technician when working in **Government Notified** remote / disturbed/hazardous areas.

(c) **Service Charges:** The DGR sponsored State ESM Corporation will be paid service charges @ 14 % of the total bill by the Principal Employer.

(d) **Death Gratuity:** In an unfortunate event of the death of a technician, death gratuity is to be paid to the nominee by the Principal Employer as per the Gratuity Act.

13. **Payment of Wages:** Principal employer will pay wages due to the DGR Sponsored State ESM Corporation by 1st of every month. Payment to technicians will be done only by ECS / Cheque by the Technical Services Agency by 7th of each month as per Payment of Wages Act, Govt of India. In case the DGR Sponsored State ESM Corporation is not able to pay salary by ECS/Cheque due to compelling reasons, DGR will be intimated and the waiver will be sought accordingly.

14. **Legal Aspects:** The relevant provisions of following Acts and MoD directions should be invoked and adhered by the Principal Employer and DGR Sponsored State ESM Corporation

- (a) Payment of Wages Act
- (b) The Industrial disputes Act
- (c) The minimum wages Act
- (d) The Employees provident funds and Miscellaneous Provisions Act
- (e) The Payment of Bonus Act
- (f) The Contract Labour (Regulation and Abolition) Act
- (g) The Payment of Gratuity Act
- (h) The equal Remuneration Act
- (i) Workmen Compensation Act
- (j) Other statutory Directions as revised from time to time.

15. Representatives of Sponsored State ESM Corporation will make themselves available at **DGR or its subordinate DRZ's and Principal Employers Premise as and when directed.**

16. All disputes will be subject to the jurisdiction of Indian courts and relevant laws.

17. **Non Ops:** State ESM Corporation will be disempanelled by DGR for violation of any of the MoD's Instructions / Norms, Non-submission of reports or has concealed any material information having a bearing on its empanelment and sponsorship. Disempanelment will lead to cancellation of existing sponsorships and termination of all running contracts.

18. These guidelines are issued with the approval of competent authority. The guidelines will be effective immediately from the date of issue.



(Suman Sharma)  
Under Secretary to the Govt. of India  
Tel. 23793365

To

1. Director General Resettlement, R.K. Puram, New Delhi
2. Secretary, Kendriya Sainik Board, New Delhi.
3. All Service HQs. (Army, Navy, Airforce)
4. All Ministries/ Departments of the Government of India with the request to circulate the same to Attached, Subordinate Offices, PSUs etc. under their administrative control.

} Wide publicity may please be given to these guidelines by uploading them on your website

Copy to:

Central Vigilance Commission – A Block, GPO Complex, Satarkta Bhawan, INA, New Delhi 110 023

Copy for information to:

1. PPS to Secretary (ESW)
2. PPS to Joint Secretary (ESW)

**QUARTERLY STRENGTH RETURN (Format)**

Appendix: A  
Refer Para 11(b) of MOD r No. .... Dt---

Report due as on :

Empanelment Number :

State of Operations :

Details of ESI No :

Name of State ESM Corporation :

Details of EPF No :

1. Details of Contracts Sponsored by DGR till date since Empanelment.

S.No.	DGR Nomination Letter No. & Date	Name & Location of Principal Employer	No of Personels deployed		Duration of contract		
			ESM	Civ	From (D/M/Y)	To (D/M/Y)	

**CERTIFICATE**

Certified that the above mentioned information furnished is correct, and in the event of it being wrong, we are liable to be Disempanelment and legal/ penal actions decided by DGR.

Date and Place:

Signature and stamp  
Name  
Appointment

**QUARTERLY STRENGTH RETURN (Format)**

Appendix: A  
Refer Para 11(b) of Mod C 10. .... Dt---

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Certified that the above mentioned information furnished is correct, and in the event of it being wrong, we are liable to be Disempanelment and legal/ penal actions decided by DGR.

Date and Place:

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Appointment

**DIRECTORATE GENERAL OF RESETTLEMENT MINISTRY OF DEFENCE  
GOVERNMENT OF INDIA, WEST BLOCK IV RK PURAM, NEW DELHI 110066**



**NOTICE OF REVISION OF MINIMUM WAGES FOR ONE DAY W.E.F. 01 Oct 2019**

1. Reference Government of India, Ministry of Defence Office Memorandum no \_\_\_\_\_ dated \_\_\_\_\_ regarding Guidelines for the Functioning of Director General Resettlement (DGR) Scheme to provide ESM Manpower for "Technical Services" to the Government Establishments / Complexes through Empanelled State ESM Corporations.

2. Consequent to revision of Minimum Wages by Ministry of Labour and Employment, vide Government of India, the Ministry of Labour & Employment, Government of India order F. NO. \_\_\_\_\_ dated \_\_\_\_\_. The under mentioned Minimum Wages for one Watch (8 hours) are the rates (All components) Below which the payment to the ESM manpower for Technical Services employed Will NOT be made by DGR Nominated State ESM Corporations throughout the country with effect from \_\_\_\_\_.

**AREA A**

S.No	Description	Percentage (To be read in conjunction with latest rules/ Acts/ regulations and policies promulgated by Competent Government Authority)	Skill Nomenclature	Remarks  Refer notes
(a)	Basic Wages (BW) plus Variable Dearness Allowance (VDA)			1. Centre or state wages, whichever is higher, is payable.
(b)	Employees State Insurance (ESI)/Medical Allowance and Workmen Compensation in areas not covered under ESI	3.25% of Basic plus VDA		
(c)	Employees Provident Fund (EPF)	12% of Basic plus VDA		
(d)	Employees Deposit linked Insurance (EDLI)	0.5% of Basic plus VDA		
(e)	Administrative Charges (EPF & EDLI)	0.50 % of Basic plus VDA		
(f)	House Rent Allowance (HRA)	24% of Basic plus VDA or Rs 5400 (Whichever is higher)		
(g)	ESI/Medical Allowance on HRA	3.25% of HRA		
(h)	Annual Bonus	8.33% per month (Basic+VDA)		
(i)	Uniform Outfit Allowance	5% of Basic plus VDA		
(j)	Uniform Washing Allowance	3% of Basic plus VDA		
(k)	<b>SUB TOTAL</b> Sum of (a) to (j)			<b>Cost per Watch (8 Hours)</b>
(m)	<b>Total Cost Per Day</b>			
(n)	Service Charge	@ 14% (of serial 'm')		
(o)	<b>Sum Total</b>			
(p)	GST	As per prevailing rates		As notified



**Notes:-**

1. Wherever the state minimum wages are higher than the wages notified herein, the higher wages shall stand protected and would be payable.
2. **ESI** The employees shall be covered under the Employees State Insurance Act 1948 as amended from time to time based on the gazette notifications by respective State Governments covering the areas under the ESI Act. Those areas which are not covered in the notification shall be covered under the Workmen Compensation Act 1923, as applicable.
3. **HRA** The classification of the areas for the purpose of calculation of HRA is to be taken as per the classification of areas for HRA promulgated by the Ministry of Finance, Govt. Of India.
4. **Annual Bonus** Annual Bonus is mandatory as per Payment of Bonus Act 1965 (as amended vide payment of bonus Amendment Act 2015), concerned month's wage as fixed by DGR or State Govt or Rs. 7000/- whichever is higher is payable to the security guard/supervisor w.e.f 01 April 2014.
5. **Paid Rest Day.** The Employees are entitled to a paid rest day in every period of seven days. (Refer Section 13 (b) of the Minimum Wages Act, 1948 and Rule 23 of the Wages (Central) Rules, 1950).
6. **Leave.** Payment for leave relief during the leave as mandated by Centre/State Govts. / Principal employer/Service recipient will also be admissible by the Principal Employer/Service Recipients.
7. **Additional Charges.** Additional charges will be levied in case of service being provided in remote/disturbed/hazardous areas as Field Allowance @ 25 percent of Basic Pay plus VDA, and will be entitled to Employees when working in remote / disturbed areas as notified by Govt of India.
8. Wages are subject to amendments as and when promulgated by concerned authorities from time to time.
9. Any welfare measures laid down by the Central / State Enactments or practiced by the concerned Principal employer shall be duly complied with by the Nominated State ESM Corporations and Principal employers.