



Oil and Natural Gas Corporation Ltd

Corporate Materials Management

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PMC Cell – MM

Circular No. 14/2018 –cum-BL Amendment No. BL/03/40

No: MAT/PMC/13(29)5/2018

Dated: 05.04.2018

Sub: Submission of documents by Contractors in respect of statutory payments like EPF and ESI in Service Contracts, LSTK Contracts and in Contracts pertaining to Charter Hire of Rigs.

Reference of all concerned is invited to Circular No. 24/2013 06/2012 cum BL Amendment No. BL/03/27 dated 16.09.2013, wherein detailed provisions were notified for obtaining details/documents from the contractors in respect of statutory payments like EPF and ESI etc.

In accordance with the decision taken in the EPC meeting (08/2018) held on 19.03.2018, aforesaid provisions as notified vide circular No.24/2013 dtd. 16.09.2013 stand modified as per enclosed Appendix-1.

With respect to the ESI scheme, it is clarified that ESI Act is currently applicable in all States except the NE States of Manipur and Arunachal Pradesh. Applicability in new areas of operation is to be verified from the office of the ESI Corporation concerned. Accordingly, work centers are advised to verify the applicability in new areas of operation from the office of the ESI Corporation concerned, for incorporating the ESI provisions in the contract conditions.

In respect of 'excluded employees' who are not covered under the ambit of the EPF/ ESI schemes, the contractors are required to provide information/ certifications. These details shall be submitted to EPFO/ ESIC for verification. This exercise to be coordinated by concerned HR section of the units.

In addition to the Service Contract and Charter Hire of Rigs, wherever deployment of contractual workers by the contractor is involved, these modifications should be incorporated in LSTK contracts also.

Above guidelines should be meticulously followed by all concerned.

Ashwini Nagia
(Ashwini Nagia)
ED-Chief MM Services

Distribution: (Through ONGC's intranet website 'ongcreports.net').

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Copy to:

1. CEA to CMD, ONGC, New Delhi.
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3. CVO, ONGC, New Delhi.

Statement showing existing vis-à-vis modified provisions of tender/contract conditions for Service Contracts and Standard Booklet ONGC/MM/03 for Charter Hire of Rigs

Clause No.	Existing Provisions	Modified Provisions	Remarks
7.6.1 of Annexure-II in contract conditions for Service Contracts and 7.2.2 of standard booklet ONGC/MM/03	<p><u>Details of statutory payments like EPF and ESI etc.</u></p> <p>Wherever applicable, the Contractor(including those engaging 'International Workers') shall have itself registered under Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948 and follow the relevant statutory provisions including Rules made there-under concerning contractual workers.</p>	<p><u>Details of statutory payments like EPF and ESI etc.</u></p> <p>The Contractor (including those engaging 'International Workers') shall have itself registered under Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948, inform the respective Code numbers and follow the relevant statutory provisions, including Schemes / Rules made thereunder, concerning contract labour deployed in ONGC operations. <u>Before the commencement of work, the Contractor shall submit the following information / documents:</u></p> <p><u>(a) In connection with EPF Scheme:</u></p> <p>(i) <u>Details and number of workers to be deployed for execution of the contract with details of their UAN numbers/ photocopies of Form No. 2 and New Form No.11 submitted to EPFO in respect of such workers who shall be covered under the EPF Scheme.</u></p> <p>(ii) <u>List of 'Excluded Employees', if any, not to be covered under the EPF scheme with certificate to that effect issued by</u></p>	Underlined portion modified.

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	<p>The Contractor shall be required to submit the following documents/details to the Corporation:</p>	<p><u>the EPFO or list of excluded employees', if any, not to be covered under the EPF scheme self- certified by the contractor and certificate from the excluded employees to the effect that they are not covered under EPF Act, 1952 and/ or ESI Act, 1948 alongwith an undertaking/ confirmation that the contractor indemnifies ONGC for any liabilities for violation of the provisions of the EPF Act 1952 and ESI Act 1948 arising out of declarations made by the contractor.</u></p> <p>(iii) <u>Copy of monthly return to be filed with the EPFO in Form 5 within 15 days of the close of every month.</u></p> <p><u>(b) In connection with ESI Scheme:</u></p> <p>(i) <u>Details and number of workers to be deployed for execution of the contract along with details of their UAN, ESI- IP number etc.</u></p> <p>(ii) <u>Declaration Form No. 01 and Temporary identification certificate/ Insurance number in respect of each contract worker.</u></p> <p>(iii) <u>Details of the contract workers who would not be covered under the said scheme due to their monthly wages</u></p>	

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	<p>(i) Copy of PF-ECR duly stamped by the designated Bank, along with a print of the digitally signed PDF data sheet of the ECR, as proof of payment, each month, details of this PDF data sheet shall be verified by the appropriate authority (i.e. Payment Making Authority) in the Corporation from the official website of EPFO (http://www.epfindia.gov.in).</p> <p>(ii) (A) Copy of the online challan endorsed / stamped by the designated bank as proof of receipt of payment towards monthly contribution of ESI contribution.</p> <p>(B) Copy of Return of contribution in respect of ESI for each contribution period of the six months ie. for the contribution period ended 30th Sept and the contribution period ended 31st March.</p> <p>(iii) As an Annexure to each EPF-ECR and ESI Challan(s), Contractor shall also furnish the following Certificates:</p> <ol style="list-style-type: none"> The furnished information is correct to the best of his knowledge. In case any discrepancies or irregularities is /are noticed in this undertaking, then ONGC is free to inform the PF/ESIC Authorities. Before the completion of contract, Contractor shall serve one month notice to 	<p><u>exceeding the current monthly wage ceiling of ₹21000/- or as notified from time to time.</u></p> <p><u>Change in manpower deployed from time to time should also be informed immediately by the Contractor to the PE.</u></p> <p>In addition to the above, the Contractor shall also be required to submit each month the following documents/details to the Corporation:</p> <p>(i) Copy of PF-ECR duly stamped by the designated Bank, along with a print of the digitally signed PDF data sheet of the ECR, as proof of payment, each month. Details of this PDF data sheet shall be verified by the appropriate authority (i.e. Payment Making Authority) in the Corporation from the official website of EPFO (http://www.epfindia.gov.in).</p> <p>(ii) (A) Copy of the online challan endorsed / stamped by the designated bank as proof of receipt of payment towards monthly remittance of ESI contribution.</p> <p>(B) Copy of Return of contribution in respect of ESI for each contribution period of six months i.e., for the contribution period</p>	

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	<p>all his contractual workers, informing that their services will be terminated.</p> <p>d. Within one month on completion/expiry of the contract, Contractor shall pay all the dues/ terminal dues such as leave with wages, bonus (if applicable), Gratuity (if applicable), to all his contractual workmen, failing which contractor's Bank Guarantee/ Security Deposit may be withheld by ONGC.</p> <p>Corporation shall maintain these records and verify the deposit of statutory contribution made by the contractors with the EPFO/ESI authorities, where deemed necessary. However, before making payment of the last bill/invoice of the Contractor, the appropriate authority (i.e. Payment Making Authority) in the Corporation, shall verify the details/status of the payment towards EPF/ESI made by the Contractor from the authorities/official website of EPF/ESI (i.e. http://www.epfindia.gov.in and http://www.esic.in). In case the information furnished by the Contractor is found to be incorrect the Corporation shall take appropriate action against the Contractor.</p> <p>Note: Conditions for applicability of above provisions</p> <p>Above clause w.r.t. submission of details on EPF and ESI payments shall not be applicable in following types of contracts:</p>	<p>ended 30th Sept and the contribution period ended 31st March.</p> <p>(iii) As an Annexure to each EPF-ECR and ESI Challan(s), Contractor shall also furnish the following Certificates:</p> <ol style="list-style-type: none"> The furnished information is correct to the best of his knowledge. In case any discrepancies or irregularities is /are noticed in this undertaking, then ONGC is free to inform the EPFO/ESIC Authorities. Before the completion of contract, Contractor shall serve one month notice to all his contractual workers, informing that their services will be terminated. Within one month on completion/expiry of the contract, Contractor shall pay all the dues/ terminal dues such as leave with wages, bonus (if applicable), Gratuity (if applicable), to all his contractual workmen, failing which contractor's Bank Guarantee/ Security Deposit may be withheld by ONGC. <p>Corporation shall maintain these records and verify the deposit of statutory contribution made by the contractors with the EPFO/ESI authorities, where deemed necessary. However, before making payment of the last bill/invoice of the Contractor, the appropriate authority (i.e. Payment Making Authority) in the Corporation, shall verify the details/status of the</p>	

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	<p>(a) In those Contracts wherein the services/jobs has been performed exclusively in the premises of the contractor, certificate to the effect is to be submitted by the Contractor that services/jobs to be executed under the contract have been performed exclusively in his premises.</p> <p>OR</p> <p>(b) In those contracts also wherein Contractor has employed only their full time regular employees for execution of the contract, certificate to the effect is to be submitted by the Contractor that for execution of the contract, no contractual labour has been employed and only full time regular employees of the Contractor have been employed.</p> <p>OR</p> <p>(c) Fulfilment of conditions at (i) on EPF and (ii) on ESI mentioned below:</p> <p>(i) <u>Information sought in above clause pertaining to only EPF shall not be required to be submitted in those contracts wherein the Contractor has employed only those of his employees whose pay exceeds Rs. 6500/- per month thereby they are covered under the definition of "Excluded Employee". Certificate to the effect is to be submitted by the Contractor</u></p>	<p>payment towards EPF/ESI made by the Contractor from the authorities / official website of EPF/ESI (i.e. http://www.epfindia.gov.in and http://www.esic.in). In case the information furnished by the Contractor is found to be incorrect the Corporation shall take appropriate action against the Contractor.</p> <p>Note: Conditions for applicability of above provisions</p> <p>Above clause w.r.t. submission of details on EPF and ESI payments shall not be applicable in following types of contracts:</p> <p>(a) In those Contracts wherein the services/jobs has been performed exclusively in the premises of the contractor. Certificate to the effect is to be submitted by the Contractor that services/jobs to be executed under the contract have been performed exclusively in his premises.</p> <p>OR</p> <p>(b) In those contracts also wherein Contractor has employed only their full time regular employees for execution of the contract, certificate to the effect is to be submitted by the Contractor that for execution of the contract, no contractual labour has been employed and only</p>	

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	<p><u>that for execution of the contract, the monthly wages of all employees who have been employed, exceeds to Rs. 6500/- per month or they have been treated as "Excluded Employee".</u></p> <p>(ii) Information sought in above clause pertaining to only ESI shall not be required to be submitted in those contracts wherein the Contractor has employed only those of his employees whose pay exceeds <u>Rs. 15000/- per month</u> as in terms of the current provisions of the ESI Act, 1948 an employee whose monthly pay exceeds <u>Rs. 15000/-</u> is outside the purview of the ESI Act. Certificate to the effect is to be submitted by the Contractor that for execution of the contract, the monthly wages of all employees who have been employed, exceeds <u>Rs. 15000/- per month</u>. Further, ESI Act, 1948 is applicable only in areas where it has been made applicable by Gazette Notification in this regard. (In the areas of ONGC operation, the ESI Act is currently applicable in all areas except the NE States. However, the Act is applicable in Guwahati. Applicability in new areas of</p>	<p>full time regular employees of the Contractor have been employed.</p> <p>OR</p> <p>(c) Fulfilment of conditions at (i) on EPF and (ii) on ESI mentioned below:</p> <p>(i) <u>Information sought in above clause pertaining to EPF shall not be required to be submitted in those contracts wherein the Contractor has employed only "Excluded Employees". A Certificate to the effect is to be submitted by the Contractor that employee deployed for execution of the contract, have been treated as "Excluded Employees".</u></p> <p><u>'Excluded employee' means --</u></p> <ol style="list-style-type: none"> i. <u>An employee who, having been a member of the Fund, withdrew the full amount of his accumulation in the Fund on his retirement from service or for migration abroad from India or for taking employment abroad.</u> ii. <u>An employee whose pay at the time he is otherwise entitled to become a member of the Fund, exceeds Rs 15000/- per month.</u> iii. <u>An apprentice.</u> <p>(ii) Information sought in above clause pertaining to only ESI shall not be required to be submitted in those contracts wherein the Contractor has employed only those contract</p>	<p>Underlined portion modified</p>

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	<p>operation is to be verified from the office of the ESI Corporation concerned.)</p> <p>In case a Contractor falling under the provisions of the Note mentioned above does not submit the required details on EPF and ESI payments, then in that case, the Contractor shall be required to indemnify ONGC for any liabilities arising out of declarations made by him in future on violation or provisions of the EPF Act 1952 and ESI Act 1948.</p>	<p>labour whose pay exceeds ₹21000/- per month as in terms of the current provisions of the ESI Act, 1948 an employee whose monthly pay exceeds ₹21000/- is outside the purview of the ESI Act. Certificate to the effect is to be submitted by the Contractor that for execution of the contract, the monthly wages of all employees who have been employed, exceeds ₹21000/- per month. Further, ESI Act, 1948 is applicable only in areas where it has been made applicable by Gazette Notification in this regard. (ESI Act is currently applicable in all States except the NE States of Manipur and Arunachal Pradesh. Applicability in new areas of operation is to be verified from the office of the ESI Corporation concerned.)</p> <p>In case a Contractor falling under the provisions of the Note mentioned above does not submit the required details on EPF and ESI payments, then in that case, the Contractor shall be required to indemnify ONGC for any liabilities arising out of declarations made by him in future on violation of provisions of the EPF & MP Act 1952 and ESI Act 1948.</p>	