दक्षिण रेलवे/ Southern Railway

प्रधान कार्यालय, यांत्रिक शाखा, पार्क टाउन, चेन्नई – 600 003.

Head Quarters Office, Mechanical Branch, Park Town, Chennai – 600 003.

सं./No.M/PCME/Conf.   दि./Dt. 29-04-2025
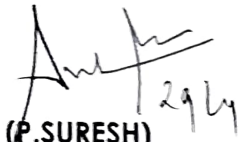
SDGM & CVO/SR

विषय/Sub: Recommendations for system improvement regarding
              Statutory Violations by contractors

संदर्भ/Ref: 1) SDGM & CVO conf.letters
              no.VO/PC/S/2024/07/1251/TVC dated 20-03-2025
              2) CRSE/Chg letter no.M/CW/313/I/Cont.Genl(E 153468)
              dated 29-04-2025
                          ****

With reference to your letter cited, all CWMs and Sr.DMEs have been advised vide letter cited under ref.(2) (copy enclosed) for necessary compliance of the system improvement instructions.

Encl:- As above

(P.SURESH)
PCME

30/4/2025

No. M/CW/313/l/Cont. Genl (E 153468)

CWMs/ GOC, CW & LW
Sr.DME/MAS, TPJ, MDU, TVC, PGT & SA

Sub.: System improvement suggested by Vigilance Department

During a Vigilance Preventive Check (PC) conducted by the Vigilance Department to assess compliance with statutory labour laws (EPF, ESI), statutory violations and contractual breaches by the contractor were noticed. In order to prevent the same, the following system improvements have been recommended by the Vigilance department. (Annexure I)

1. Standardized Checklist for Contract Bill Certification

All divisions must develop contract-specific checklists to ensure thorough verification of supporting documents before bill approval.

The checklist should include:
- Verification of EPF (both employee & employer contributions), ESI, and bonuses.
- Standardized wage statements to prevent manipulation by contractors.

2. Registration of Principal Employer on EPFO's Unified Portal

The Principal Employer (Railway) must register on EPFO's Unified Portal for enhanced monitoring:

EPFO Unified Portal: https://unifiedportal-emp.epfindia.gov.in/epfo/

Steps for Implementation:

- If not registered, each division should create an online account using the TAN number.
- Upload all contract and contractor details onto the portal.
- Once contractor details are added, the Principal Employer (PE) can monitor employee-wise EPF remittances via ECR (Electronic Challan cum Return).
- The login credentials may be shared with Bill Passing Officials for cross-verification of EPF payments.
- This process ensures strict compliance with EPF contribution norms.

Benefits:

- Expands EPF coverage to all eligible contract employees.
- Enhances transparency and enforcement of EPF compliance.

Contractors failing to comply may be reported to the Regional Labour Commissioner as per GCC for Services 2018, Clause 5.6.5(b).

3. Mandating EPF Payment on a Per-Depot Basis

- Contractors should be mandated to make EPF payments separately for each depot, rather than consolidating multiple contracts.
- Bill Clerks must verify ECR (Electronic Challan cum Return) through the EPFO portal for each depot/contract, as per GCC for Services 2018, Clause 6.7.3.4.

4. Mandatory EPF Clause in Future Contracts

To prevent contractors from evading EPF employer liabilities, the following special contractual condition should be introduced in all future contracts:

"The contractor shall deposit PF contributions for all its employees up to the wage ceiling limit of Rs. 15,000/- or as applicable. PF shall be calculated based on Minimum Wages, and wage splitting shall not be permitted."

This provision is outlined in Railway Board Letter No. 2016/EnHM/06/09 dated 23/08/2017 (SBD for housekeeping of stations and trains, Para 24(e) of Employer Requirements).

In this regard it is advised to ensure the above system improvements recommended by the Vigilance Department in all depots and workshops of Southern Railway in Service Contracts to prevent similar occurrences in the future.

Encl.: Annexure I (Copy of system improvement -2 pages)
      Annexure II (Screenshots for EPF compliance checking - 23 pages)

R GANESAN
SME/EnHM
For CRSE/Chg