

New Delhi, dated 09 July 2012

OFFICE MEMORANDUM

SUB. : GUIDELINES FOR FUNCTIONING OF DGR EMPANELLED EX-SERVICEMEN FOR SECURITY SERVICES ALONGWITH AMENDMENTS ISSUED VIDE OFFICE MEMORANDUM 28 (03)/2012/D(RES-I) DATED 16 JANUARY 2013

1. The Government of India vide Department of Public Enterprises Office Memorandum Number 6/22/93-GL-15-DPE(SC/ST) dated 01 Feb 1994 as amended from time to time has instructed all Central Government Public Sector Undertakings/Enterprises (CPSU/CPSEs) to take security cover from Security Agencies sponsored by Directorate General Resettlement (DGR) (An Attached Office of The Ex-servicemen Welfare Department, Min of Defence).

2. In order that larger number of individual ESMs can avail sponsorships from DGR and also ensure reasonable income to the ESMs , provisions are made to make the process of sponsorships for security agencies more transparent through online registration, data updation by the DGR and putting up the list of ESMs registered/empanelled and sponsored on the website. To ensure transparency in operations/sponsorship for running security agencies, the guidelines are amended as follows in supersession of all earlier orders/instructions issued by DGR and MoD:

3. **Categories of DGR Empanelled Security Agencies**

The following categories of DGR Empanelled ESM Security Agencies are eligible for sponsorship:-

- (a) Individual ESM Security Agency – open to ESM (O)
- (b) State Government Owned ESM Corporations.

4. All individual security agencies and Private Limited Companies empanelled prior to 09 July 2012 will be Governed by the Old Guidelines on security agencies in respect of age and cumulative quota of guards without being permitted to add new Directors. Thus security agencies empanelled prior to 09 July 2012 will be governed by the old rule of 63 years of age/cumulative quota of 300 guards whichever is earlier. (**Authority-** Amendment issued vide Para 1 of Office memorandum 28 (3)/2012/D(Res-I) dated 16 January 2013)

5. **Eligibility Criteria for Empanelment**

- (a) The Individual should be an ESM (O) as per definition promulgated by Government of India , Ministry of Personnel, Public Grievances & Pensions (DOPT) OM No 36034/5/85-Estt(SCT) dated 14 Apr 1987 as revised from time to time.
- (b) Should be a Resident of the Union of India.
- (c) ESM(O) can apply for empanelment for the scheme at any age before attaining the age of 60 years.
- (d) Should not have been dismissed from service on disciplinary grounds.
- (e) Should not have availed of any other Employment/ Self Employment/welfare benefits from DGR. Should not be re-employed with the Indian Armed Forces or any other Government/Semi-Government organisation, Central Public Sector Undertakings, Public Sector Banks after retirement or employed in the private sector once they are awarded the contract. An undertaking

by the officer to the effect that he will resign from such job if he takes up the contract should be submitted in this regard at the time of registration of the contract with PSUs. The officer will confirm in writing to the DGR that he has resigned from such job after getting the contract. Any false declaration in this regard will make the applicant liable for cancellation of registration/sponsorship and criminal prosecution for breach of trust.

- (f) Stands deleted. (~~Authority-~~ Amendment issued vide Para 2 of Office memorandum 28 (3)/2012/D(Res-I) dated 16 January 2013)

6. **State Government Owned ESM Corporations**

State ESM Corporations/ Nigams will operate in respective States only as per Department of Public Enterprises OM No 6/22/93-DPE(SC/ST) dated 04 Oct 2005. The state ESM Corporations should be approved by respective States/Union Territory Government. An appropriate certificate duly signed by the authorized officer will suffice for empanelment. (~~Authority-~~ Amendment issued vide Para 3 of Office memorandum 28 (3)/2012/D(Res-I) dated 16 January 2013)

7. **Empanelment**

DGR will follow the prescribed procedures as below for registration/empanelment of security agency scheme:

- (a) ESM can apply for only one state for availing benefit under security agency scheme.
- (b) Application form for registration/Empanelment of ESM Security scheme with DGR will be as annexed. It will be hosted on DGR's website. Applications can be made through post or online through DGR website.
- (c) In case of online application hard copies should also be submitted by applicant to DGR and acknowledgement obtained as proof of having submitted the hard copy.
- (d) Details of the applications received will be uploaded on DGR's website as and when received by DGR, in order of the date of receipt. List will be prepared State-wise, the applicants will be given the option of choosing only one state for operation. One change of state will be permitted during the entire period of empanelment.
- (e) DGR will examine the empanelment request and any/all deficiencies in the application will be intimated to the ESM online/through a letter within a week of receipt of the application and it will also be displayed on the DGR website. All observations on the application will be intimated at one go, piecemeal observation will not be permitted.
- (f) Empanelment will be done within 15 days of receipt of the completed application form along with the required documents. List of documents required for empanelment of security agency scheme will be hosted on DGR website
- (g) Seniority of the ESMs will be determined from the date of their registration with DGR. A state-wise seniority list of ESMs registered for sponsorship will be hosted on the website of DGR. However sponsorship will be done only for those in order of seniority, who have retired and submitted all papers required for sponsorship.
- (h) Stands deleted. (Authority- Amendment issued vide Para 4 of Office Memorandum 28(3)/2012/D(Res-I) dated 16 January 2013)

8. The ESM will be allowed to register with DGR for security agency scheme as soon as the ESM gets 'retirement warning letter'. The ESM will be identified by name, rank and service number while registering with DGR prior to actual retirement. A list of such ESM will be posted on the DGR's website indicating the date of registration and all other details. The ESM will be informed of his registration number/seniority. However sponsorship will only be made once the ESM retires and submits the required papers for empanelment & sponsorship of the scheme.

9. The ESM quoting his registration number, will submit application for empanelment for security agency/ security agency scheme along with the documents mentioned in the application form (format also available on DGR website).

10. The ESM will not be required to submit AS 26 Form at time of registration and sponsorship. The Form AS 26 will be submitted by 30th April subsequent to the year when the ESM has got the contract, and every year thereafter.

11. **Functioning of Security Agencies/Corporations**

Office Set up: A regular local office should be setup in an authorized area manned during the office hours in the state of operation. The office should have landline telephone and fax. All correspondence will be sent at the office address held with DGR. Sharing of office space by security agencies under the same address with each other or engaging in any other commercial activity will make them liable to dis-empanelment /non empanelment. The ESM will submit Notarized Rent Agreement for office space in the local area within 30 days of first award of contract. In case of self/spouse/dependent owned premises no such agreement is required.

12. **License under Private Security Agencies (Regulation) Act 2005**

The ESM will submit relevant applications to State Government under PSARA Act for a license for operation in the state, and **obtain** acknowledgement which will be submitted to DGR before sponsorship is made. In states where the Act has not been implemented, a certificate to this effect will be submitted.

13. **Labour License**

The security agency will also obtain a labour license for provision of contract labour in accordance with the government order on the subject. The labour license can be obtained from the office of the concerned central labour department office in the state.

14. **Employment of Security Personnel**

(a) **Percentage of ESM Employees.** At least 90 percent ESM would be employed by the individual ESM and 100 percent by the State ESM Corporations. (**Authority-** Amendment issued vide Para 5 of Office memorandum 28 (3)/2012/D(Res-I) dated 16 January 2013)

(b) **Age of Security Guard and Supervisor.** The upper age limit of a Security Guard and Supervisor will be 65 Years in consonance with PSARA Act 2005.

15. **Quota of Guards**

(a) **Individual ESMs :** The quota for each sponsored Ex-Servicemen will be upto 120 guards year. The sponsorship will be valid for 2 years upto the age of 60 years of ESM (O). However, actual sponsorship will depend on demand and there will be no guarantee in this regard. The sponsorship letter will clearly indicate the date upto which the sponsorship is valid.

DG(R), in order to meet the impending requirement of PSUs may enhance the quota of guards based on demand on pro-rate basis under intimation to MoD. (**Authority-** Amendment issued vide Para 6 of Office memorandum 28 (3)/2012/D(Res-I) dated 16 January 2013)

(b) The empanelment will be renewed every 3 years.

(c) **ESM Corporation:** DGR will sponsor not more than 1000 Security Guards/year. The number of guards will not exceed 1000 at any point of time.

(d) The CPSUs will seek fresh sponsorship/re-sponsorship from DGR, 3 months prior to this date. It will issue a satisfactory performance report, if seeking re-sponsorship. For existing private limited security agencies, the date upto which such sponsorship is valid will be clearly indicated and allowed to complete this term. The CPSUs will be informed by DGR in this regard. However no additional director will be permitted.

(One Guard Year is defined as One Security Guard employed for 12 months).

16. **Wages**

(a) **Wages:** All employees engaged by DGR sponsored ESM for security work at CPSUs will be paid monthly wages in accordance with minimum wages notified by Ministry of Labour & Employment, GOI for employment of personnel for watch and ward duties for various regions of the country. All statutory deposits and deductions will be governed by the same. The ESM Security Agency will be paid service charges @ 14 %. Wage structure is attached at Annexure V.

Wages of supervisors will be @ 1.33 times of unarmed guards.

(b) **Additional Charges:** Additional charges will be levied in case of service being provided in remote/distributed/ hazardous areas as Field Allowance@25 percent on Basic Pay plus VDA will be entitled to ESM security guards when working in remote/distributed areas such as North Eastern States, J& K etc. or when working in areas hazardous to health such as Coal Fields, Mines and Pipelines.

(c) Principal employer will pay wages due to the security agency by 1st of every month. Payment to security guards/supervisors will be done by ECS/Cheque on by the security agency by 7th of each month. In case the salary is not paid by ECS/cheque due to compelling reasons, DGR will be intimated accordingly.

*(**Authority-** Amendment issued vide Para 7 of Office memorandum 28 (3)/2012/D(Res-I) dated 16 January 2013)*

17. **Death Gratuity**

In an unfortunate event of the death of a Security Guard/ Supervisor, death gratuity is to be paid to the nominee by the Principal Employer as per the Gratuity Act.

18. **Requisition**

All Principal Employers will project their requirement in the Requisition Proforma as available on DGR Web site www.dgrindia.com to reach DGR three months prior to termination of existing contract.

19. **Sponsorship/Re-sponsorship**

All sponsorships/re-sponsorships will be done in cyclic order of seniority of registration for a period of two years extendable by two years at a time, available quota of guards and subject to satisfactory performance report received from the concerned Principal Employer. All sponsorships/re-sponsorships will be done by duly constituted Board of Officers (BOO) in accordance with the guidelines. All new sponsorship/re-sponsorship will be in individual names of ESMs/ESM Corporations.

20. The sponsoring letter/re-sponsoring letter should clearly indicate the date in bold letters up to which the sponsorship will be valid.

21. **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 ESMs 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 ESMs will remain unchanged.
- (d) Agreement between the Principal Employer and the DGR sponsored ESM should be for a period for which the DGR has sponsored the ESM/ESM Corporation. Re-sponsorship will follow the same procedure as sponsorship.

22. **Earnest Money Deposit/Contract Performance Guarantee (CPG)/ Bank Guarantee**

DGR sponsored ESM are not required to deposit Earnest Money Deposit (EMD). However depending on the nature of service being provided a DGR sponsored ESM may be asked to deposit CPG or Bank Guarantee up to a maximum limit not exceeding 10 percent of One month's wage bill. The CPG will be deducted from the ESM's Monthly service charges in installments as mutually agreed by the ESM and the Principal Employer.

23. **Reports and Returns**

- (a) **Award of Contract.** The Principal Employers will forward the names of the DGR sponsored ESMs who have been awarded a contract within 30 days of commencement of contract, along with number of guards awarded. Similar report will also be submitted by all the Sponsored DGR ESMs. Failure to furnish the information will make the sponsored agency liable to termination of contract and dis-empanelment as and when detected. ESM Corporation will also follow the same procedure unless specifically exempted.
- (b) **Strength Return.** A six monthly return (as on first January and first July) in connection with the number of guards employed by the Security Agency/ESM Corporation to be submitted to DGR by the ESM/ESM Corporation with countersignature of principal employer.

24. **Penalty**

In case the DGR sponsored ESM/ESM Corporation fail to submit the above reports within the given time frame (within one month of due date and initially on signing the contract), their contract will be terminated with due notice of 2 weeks. The return should be submitted with acknowledgement to ensure record of delivery. The PSUs/principal employer will be simultaneously informed about the notice and cancellation.

25. **Legal Aspects**

- (a) The proprietors should have thorough knowledge of contract and Labour Laws and other statutory components as revised from time to time.
- (b) Antecedents of ESM being employed should be ascertained by the proprietor. The ESM employed by the agency/company should fill proper recruitment forms. The terms of engagements of security guards must be clearly spelt out in writing by the proprietor/directors.
- (c) Police verification of all employees should be done by the proprietors. The proprietors are directly responsible for the action of his employees wherever employed.
- (d) The proprietor will present himself in person for all dealings with Principal Employers. No dealing through representatives on Power of Attorney are permitted.
- (e) At the DGR no representatives will be entertained. Proprietors/directors only will be allowed for any query/discussion.
- (f) All disputes will be subject to the jurisdiction of Indian courts and relevant laws.

26. **Dis-empanelment**

Security Agencies/Companies will be removed from the active panel of DGR under the following conditions:-

(a) **When an Individual ESM has attained the age of 60 years.** The validity of empanelment of the ESM will

cease once the ESM attains 60 years of age. However existing contracts will be allowed to run to completion. The list of such ESM will be updated regularly by DGR on their website.

(b) Once it has been established that the sponsored ESM has violated any of the MoD's Instructions/Norms on Empanelment and functioning of DGR Sponsored Security Agencies, or has provided false information while submitting the Affidavit/undertaking.

(c) Apart from dis-empanelment and cancellation of existing sponsorship, action under the relevant provisions of IPC will be initiated by DGR under intimation to MoD/DoESW.

(d) Has concealed any material information having a bearing on his empanelment and

sponsorship. (e) Seeking/bidding for security Contracts with PSUs without sponsorship by DGR.

(f) Non-submission of reports in time as per para 23 and 24 above.

27. **Change of Address**

An Empanelled ESM can place a request for change of address within its empanelled state in the form of an Affidavit on an Rs 50/- stamp paper duly attested by notary public. The permission will be given by DGR within a week of receipt of the request.

28. These guidelines are issued with the approval of competent authority and it supersedes all earlier guidelines/instructions issued by DGR and MoD in this regard. The guidelines will be effective immediately from the date of issue. Only those already under contract will be allowed to complete their term. However, all other registrations / sponsorships will follow new guidelines.

29. The amendments issued vide 28 (3)/2012/D(Res-I) dated 16 January 2013, will be effective from the date of issue of this letter i.e 16 January 2013 except the revised wage structure which will be effective from **01 February 2013.**

(Vineet Saini)
Deputy Secretary to the Govt. of India

To

1. Director General Resettlement, R K Puram, New Delhi
2. Secretary, Kendriya Sainik Board, R K Puram, New Delhi
3. All Service HQs

Wide publicity may pl. be given to these guidelines by uploading it on websites.

Copy to :

- (a) Chief Vigilance Commissioner
- (b) Secretary to the Government of India, Department of Public Enterprises,

Copy for information to :

- (a) PPS to Secretary (ESW) / PPS to Joint Secretary (ESW)
- (b) Technical Director, NIC, Sena Bhawan, for display in the 'Circulars' Section of MoD Website

