GOVERNMENT OF TELANGANA
IRRIGATION & CAD DEPARTMENT

From
C. Muralidhar, B.Tech.
Engineer-in-Chief (Irrigation),
Irrigation & CAD Department

To
All the ENCs and CEs of I&CAD Dept

Cir. letter No ENC/IW/P&M/EE.1/DEE.2/AEE.5/SBD/2017  Dt: 21.09.2019

Sir,

Sub:- Agreement Bonds - Certain changes / additions proposed to the General Conditions / Special Conditions of the Agreement – Representation by the Secretary, INTUC on inclusion of certain Labour enactment laws - Incorporation of all the relevant Labour enactments laws in Tender Documents/Agreement Bonds of works in Irrigation & CAD Department - Requested – Instructions – Communicated - Regarding.

Ref: 1. Govt Memo No 6095/Reforms/2015, dated 17.05.2016.
2. Standard Bid Document accorded for I&CAD Dept works(Non-EPC)
3. Secretary, Indian National Trade Union Congress(INTUC) AP & Telangana Lr. No. INTUC/ENC/Irrigation/HYD/204/2019/Incrpn.in AGB dated 16.08.2019.

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The Government vide Memo 1st cited have accorded Standard Bid Document for Non-EPC works of I&CAD Dept pending finalization of Common Standard Bid Document for all Engineering Departments by the Board of Chief Engineers (BOCEs). The Standard Bid Document for all Departments recommended by the BOCEs is under examination at Govt level.

The Secretary, Indian National Trade Union Congress(INTUC), AP & Telangana vide letter 3rd cited has represented that certain relevant Labour enactment laws are not being included/considered in some of the recently concluded Agreements of works of I&CAD Dept., and requested for inclusion of the same.
In this regard, all the ENCs and CEs of Irrigation & CAD Dept are hereby directed to ensure for invariable inclusion of all the following relevant Labour enactment laws in the Tender Documents / Agreements Bonds of works of Irrigation Department under Clause No 13 of accorded SBD 2nd cited i.e., “Salient features of some major labour laws applicable to establishment engaged in buildings and other construction works” for its strict implementation, without fail.

(a) **Workmen compensation Act 1923:** The Act provides for compensation in case if injury by accident arising out of and during the course of employment.

(b) **Payment of Gratuity Act 1972:** Gratuity is payable to an employee under the Act on satisfaction of certain conditions on separation if any employee has completed 5 years of service or more, or on death, the rate of 15 days wages for every completed year of service. The Act is applicable to all establishments, employing 10 or more employees.

(c) **Employees P.F. and Miscellaneous provision Act 1952:** The Act provides for monthly contributions by the Department plus workers @ 10% or 8.33%. The benefits payable under the Act are:

(i) Pension or family pension on retirement or death, as the case may be.
(ii) Deposit linked insurance on the death in harness of the worker.
(iii) Payment of P.F. accumulation on retirement/death etc.,

(d) **Maternity Benefit Act 1951:** The Act provides for leave and some other benefits to women employees in case of confinements or miscarriage etc.

(e) **Contract Labour (Regulation & Abolition) Act 1970:** The Act provides for certain welfare measures to be provided by the contractor to contract labour and in case the Contractor fails to provide, the same are required to be provided by the Principal Department by Law. The Principal Department is required to take certificate of Registration and the contractor is required to take license from the designated Officer. The Act is applicable to the establishments or Contractor of Principal Department if they employ 20 or more contract labour.
(f) **Minimum wages Act 1948:** The Department is supposed to pay not less than the Minimum wages fixed by appropriate Government as per provisions of the Act if the employment is a scheduled employment construction of Buildings, Roads, Runways are scheduled employments.

(g) **Payment of wages Act 1936:** It lays down as to by what date the wages are to be paid, when it will be paid and what deductions can be made from the wages of the workers.

(h) **Equal Remuneration Act 1979:** The Act provides for payment of equal wages for work of equal nature to Male or Female workers and for not making discrimination against Female employee in the matters of transfers, training and promotions etc.

(i) **Payment of Bonus Act 1965:** The Act is applicable to all establishments employing 20 or more employees. The Act provides for payment of annual bonus subject to a minimum of 8.33% of wages and maximum of 20% of wages to employees drawing Rs. 3500/- per month or less. The bonus to be paid to employees getting Rs.2500/- per months or above and up to Rs.3500/- per month shall be worked out by taking wages as Rs.2500/- per monthly only. The Act does not apply to certain establishments. The newly set-up establishments are exempted for five years in certain circumstances. Some of the State Governments have reduced the employment size from 20 to 10 for the purpose of applicability of this Act.

(j) **Industrial Disputes Act 1947:** The Act lays down the machinery and procedure for resolution of Industrial disputes, in what situations a strike or lock-out becomes illegal and what are the requirements for laying off or retrenching the employees or closing down the establishment.

(k) **Industrial Employment (Standing Orders) Act 1946:** It is applicable to all establishments employing 100 or more workmen (employment size reduced by some of the State and Central Government to 50). The Act provides for laying down rules governing the conditions of employment by the Department on
matters provided in the Act and get the same certified by the designated Authority.

(l) **Trade Unions Act 1926**: The Act lays down the procedure for registration of trade unions of workmen and Departments. The Trade Unions registered under the act have been given certain immunities from civil and criminal liabilities.

(m) **Child Labour (Prohibition & Regulation) Act 1986**: The Act prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes, Employment Child Labour is prohibited in Building and Construction Industry.

(n) **Inter-State Migrant workmen’s (Regulation of Employment & Conditions of service) Act 1979**: The Act applicable to an establishment, which employs 5 or more inter-state migrant workmen through an intermediary (who has recruited workmen in one state for employment in the establishment situated in another State). The inter State migrant workmen, in an establishment to which this Act becomes applicable, are required to be provided certain facilities such as housing, medical aid, travelling expenses from home up to the establishment and back, etc.

(o) **The Building and Other Construction workers (Regulation of Employment and conditions of service) Act 1996 and the Cess Act of 1996**: All the establishments who carryon any building or other construction work and employs 10 or more workers are covered under this Act. All such establishments are required to pay cess at the rate not exceeding 2% of the cost of construction as may be modified by the Government. The Department of the establishment is required to provide safety measures at the Building or construction work and other welfare measures, such as Canteens, First-aid facilities, Ambulance, Housing accommodations for workers near the work place etc. The Department to whom the Act applies has to obtain a registration certificate from the Registering Officer appointed by the Government.
Factories Act 1948: The Act lays down the procedure for approval of plans before setting up a factory, health and safety provisions, welfare provisions, working hours, annual earned leave and rendering information regarding accidents or dangerous occurrences to designated authorities. It is applicable to premises employing 10 person or more with aid of power or 20 or more persons without the aid of power engaged in manufacturing process.

A copy of representation of Secretary, INTUC 3rd cited is enclosed for information and necessary action in the matter, accordingly.

Encl: Copy of ref 3rd cited.

Yours faithfully,

Sd/- C. Muralidhar; Dt 21.09.2019
Engineer-in-Chief (Irrigation)
Irrigation & CAD Department

[Handwritten notes for Engineer-in-Chief (Irrigation)]
Ref.No.INTUC/ENC/Irrigation/HYD/204/2019/Incrpn.in AGB

16th August, 2019,
Friday, Hyderabad.

To
The Engineer-in-Chief (Irrigation),
Irrigation & CAD Department,
Government of Telangana,
2nd Floor, Jalasoudha Building,
Erum Manzil, HYDERABAD – 500 082

Respected Sir,

Sub: Agreement Bonds – Certain changes / additions proposed to the General Conditions / Special Conditions of the Agreement – Incorporation of common and detailed version of labour enactments in all the Agreement Bonds of works in Irrigation & CAD Department – Requested – Regarding.

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I am to state that the Labour Enactments and the Agreement Bond are binding on the Contractor to see that the contractor pays all the monetary benefits and provides welfare amenities as stipulated by the Government from time to time.

As per Section 21(4) r/w. Rule 72 & 73 of the Contract Labour (R&A) Act, 1970 both the Principal employer and Contracting Agency are jointly and severally liable for payment of minimum wages to the construction contract workers who are engaged by the contracting agencies and their official or unofficial sub-contractors including piece rate contractors / labour supply contractors of the Irrigation Department Works. Lot of injustice is caused to the workmen due to non-maintenance of the Records.

It is further observed that certain Agreement Signing Authorities of the Irrigation Department are not incorporating important provisions of the labour enactments in the Agreement Bonds, resultantly it gives scope to the contracting agencies to escape from the implementation of the Labour enactments.

Upon verification of the Agreement Bonds made by the State Government Departments in the matter of incorporation of various labour enactments no uniformity is observed and the differences found are furnished in the Annexure appended to this letter along with the copies of relevant pages of those Agreement Bonds. (See page Nos.19 to 62).

I am to further inform that earlier in the Agreement Bonds, the Irrigation Department also used to mention the details of various labour enactments, which was later withdrawn by the Agreement Signing Authorities for the reasons better known to them. The details of previous and present Agreement Bonds are shown below for examination. Copies of relevant pages of those Agreement Bonds are enclosed. (See page Nos.1 to 18).

Contd. .....2
## STATEMENT SHOWING THE COMPARISON OF LABOUR ENACTMENTS INCORPORATED IN THE AGREEMENT BONDS OF IRRIGATION DEPARTMENT

<table>
<thead>
<tr>
<th>General / Special Conditions</th>
<th>I &amp; CADD Agreement Bond No.8 SE/2007-2008, Dated 27.06.2007</th>
<th>I &amp; CADD Agreement Bond No.04/2017-18, Dated 09.10.2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Package No.33/2006 – Rajiv Kaleshwaram Project – Sagar Lift Irrigation Project (Dummugudem) - Laying of Ranganayaka Sagar pressure mains including surge tanks (Mimbad Reservoir) with a protection against transient for capacity of 3.00 TMC near Chandulapur (V), 3 to Bethampudi Reservoir and 4 to Chimankodur (M), 5 to Siddipet from pump house 4 to cistern at Km 6.20 and from pump house 6 to Sudimalla Pedda Cheruvu including CM &amp; CD Works on above all. (See page Nos.1 to 10)</td>
<td></td>
<td></td>
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</tbody>
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<thead>
<tr>
<th>Name of the Contracting Agency</th>
<th>M/s. Jaiprakash – Gayatri (JV)</th>
<th>M/s. MEIL – HES (JV)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salient features of some major labour laws applicable to establishments engaged in buildings and other construction works:</td>
<td>Mentioned at clause 70 (a)</td>
<td>Mentioned at clause 13 (a)</td>
</tr>
<tr>
<td>a. Workmen Compensation Act, 1923</td>
<td></td>
<td></td>
</tr>
<tr>
<td>b. Payment of Gratuity Act, 1972</td>
<td>Mentioned at clause 70 (b)</td>
<td>Mentioned at clause 13 (b)</td>
</tr>
<tr>
<td>c. Employees PF and Miscellaneous Provisions Act, 1952</td>
<td>Mentioned at clause 70 (c)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>i) Pension or Family Pension on retirement or death, as the case may be.</td>
<td>Mentioned at clause 70 (c)(i)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>ii) Deposit Linked Insurance on the death in harness of the worker.</td>
<td>Mentioned at clause 70 (c)(ii)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>iii) Payment of PF accumulation on retirement/death etc.</td>
<td>Mentioned at clause 70 (c)(iii)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>d. Maternity Benefit Act, 1951.</td>
<td>Mentioned at clause 70 (d)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>e. Contract Labour (Regulation and Abolition) Act, 1970</td>
<td>Mentioned at clause 70 (e)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>f. Minimum Wages Act, 1948.</td>
<td>Mentioned at clause 70 (f)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>g. Payment of Wages Act, 1936.</td>
<td>Mentioned at clause 70 (g)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>h. Equal Remuneration Act, 1979.</td>
<td>Mentioned at clause 70 (h)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>i. Payment of Bonus Act, 1965.</td>
<td>Mentioned at clause 70 (i)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>j. Industrial Disputes Act, 1947.</td>
<td>Mentioned at clause 70 (j)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>k. Industrial Employment (Standing Orders) Act, 1946.</td>
<td>Mentioned at clause 70 (k)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>l. Trade Unions Act, 1926.</td>
<td>Mentioned at clause 70 (l)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>m. Child Labour (Prohibition &amp; Regulation) Act, 1986.</td>
<td>Mentioned at clause 70 (m)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>n. Inter-State Migrant Workmen's (Regulation of Employment &amp; Conditions of Service) Act, 1979.</td>
<td>Mentioned at clause 70 (n)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>o. The Building and Other Construction Workers (RoE&amp;CoS) Act, 1996 and the Cess Act of 1996.</td>
<td>Mentioned at clause 70 (o)</td>
<td>Not mentioned</td>
</tr>
<tr>
<td>p. Factories Act, 1948.</td>
<td>Mentioned at clause 70 (p)</td>
<td>Not mentioned</td>
</tr>
</tbody>
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In addition to this I also inform that as per Rule 33-A(1) of the Building & Other Construction Workers Act, 1996 and Rules, 1999, the construction worker shall enroll his name under this Act as a beneficiary by submission of Application Form XXVII and Nomination in Form XXVIII. Based on the orders of the Hon'ble Supreme Court Dt.18.01.2010 in W.P.(Civil) No.318/2006, the State Government vide G.O.Ms.No.76, LET&F (Lab. IV) Dept., Dt.24.08.2010, issued orders directing the Contractor / Executing Agency to register the workers engaged by them as beneficiaries under the Telangana Building & Other Construction Workers Welfare
Board. A clause to this effect has to be incorporated in the Agreement Bonds as ordered in G.O. Ms.No.76, supra. As seen from the data available with the Building & Other Construction Workers Welfare Board, it can be safely said that both the Principal Employer and the Contracting Agency utterly failed to register the names of the construction contract workers, which is against the orders of Hon’ble Supreme Court of India and the Government Orders. The same should be reflected in the Agreement Bonds of all Departmental Works, so as to enable the workers to get the benefits provided by the Government through the Board. Copy of G.O. Ms. No.76 supra and the pamphlet of benefits provided by the Board are enclosed herewith. (See page Nos.63 to 66).

I also wish to remind you one of the most important enactments, that has almost been forgotten by the Principal Employers / Agreement Signing Authorities for incorporation in the Agreement Bonds is the Motor Transport Workers Act, 1961. Nowadays, due to mechanization, many vehicles and equipments are utilized in all the Irrigation projects / works. According to this Act, anybody who engages hired or own public motor vehicles, whether they are light motor vehicles or heavy motor vehicles in the construction works, they shall register their vehicles under the Act, with the concerned competent Labour Department authorities.

Therefore, I request that necessary instructions may kindly be given to all the Principal Employers / Agreement signing authorities to see that the following points are invariably incorporated in the Agreement Bonds:

1. All relevant Labour Enactments are incorporated in the Agreement Bonds.

2. Ensure the enrolment of all Construction Contract Workers by the contracting agencies engaged by them and their official or unofficial sub-contractors including piece rate contractors / labour supply contractors of all the Government Engineering Departmental Works under the Building & Other Construction Workers Act, 1996 in pursuance of the orders issued by the Government in G.O.Ms.No.76, supra.

3. Registration of Motor Vehicles and other equipments utilized in all the Government Engineering Departmental Works under Motor Transport Workers Act, 1961 with the concerned competent Labour Department authorities.

Thanking you in anticipation Sir,

Yours faithfully

DEVASAN EIKSHAPATHI
Secretary

3. Pamphlet of Benefits provided by the Telangana State Building and other Construction Workers Welfare Board – Page Nos.65 & 66.
4. Annexure.