Human Resources and Industrial Relations Requirements

During the performance of the Scope of Work by the Contractor under the SO Documents, the Contractor shall ensure strict compliance with applicable laws relating to human resources and industrial relations and any additional requirements that may be provided by the Employer in this respect. The Contractor shall also abide by the laws that are applicable in the particular State in which the Scope of Work is being performed, including the State in which the Site or the Project is located. In the event of any inconsistency between the requirements specified herein in this document and in the other documents provided by the Employer, the terms provided herein shall prevail to the extent of such inconsistency. The critical requirements pertaining to human resources and industrial relations which are to be complied by Contractor include:

1. Prior to commencement of mobilisation at the Site for performance of the Scope of Work, the Contractor shall appoint a competent and experienced person to serve as the designated supervisor of its personnel, manpower and labourers and shall inform the same to the Employer or the Employer’s Representative, in writing. Such supervisor shall directly report to the Employer’s Representative.

2. The Employer has the right to conduct regular meetings between the Contractor and the Employer, at the Site or at any other location as may be notified by the Employer, to develop a common understanding and to ensure smooth performance of the Contractor’s obligations in respect of the Scope of Work. The Contractor shall ensure that its representative(s) and supervisor(s) attend such meetings.

3. The Employer shall, at its option, provide formal training courses to the designated personnel of the Contractor, including the supervisor(s). The Contractor shall ensure that the Contractor and its personnel attend all such training courses held by the Employer.

4. The Contractor shall not confiscate or withhold any valuable items of its personnel, including their identity documents, travel documents, work permits or any such personal documents of the personnel.

5. The Contractor shall have valid registration numbers and/or code numbers, necessary to provide social security benefits to its personnel, including provident fund, employee state insurance and other analogous social security benefits, to its personnel, as required under the Applicable Laws. The Contractor shall also obtain all requisite licenses from the relevant Government Authority(ies) as required under the Applicable Laws, to perform the Scope of Work. The Contractor shall submit all such licenses, registration numbers or code numbers to the Employer, before entering the Site for performance of the Scope of Work. In the event the Contractor fails to procure and/or submit such licenses, registration numbers or code numbers to the Employer, then the Employer shall have the right to deny access to the Site, to the Contractor and its personnel, till the time such licenses, registration numbers or code numbers are correctly procured by the Contractor. Any resultant delay in performance of the Scope of Work and consequent levy of fines by a statutory authority or liquidated damages by the Employer due to such delay shall be to the Contractor’s account.

6. If the Employer is liable to pay to the Government Authority, on behalf of the Contractor, any labour or other statutory fees or charges, including contributions in respect of employee state insurance, provident fund, national pension scheme or such other social security scheme, then the Contractor shall reimburse such charges to the Employer within seven (7) days from the date the charges were due from the Employer to the Government Authority. On failure by the Contractor to reimburse such charges to the Employer within the time prescribed above, the Employer shall have the right to deduct such charges from the Running Account Bills. All such charges deducted shall also carry interest at the rate of eighteen percent (18%) per annum, on such charges, till the date such charges are reimbursed by the Contractor to the Employer.

7. The Contractor shall, in no case, pay wages to its personnel, lower than the minimum wages as prescribed under the Applicable Laws. The Contractor shall also provide to its personnel, all such benefits as prescribed under the Applicable Laws, including statutory bonus and gratuity, within the period as prescribed by the Applicable Laws or within seven (7) days from the last working day of the personnel, whichever is earlier.

8. The Contractor shall pay to its personnel, salary, wages or other amounts owed to its personnel, on time, as prescribed under the Applicable Laws in case the Applicable Laws
do not provide for a due date for the payment of salary or wages, then the Contractor shall make all such payments before the seventh (7th) day of the conclusion of the wage period or the period of service in relation to which the payment of salary or wages is due to be paid by the Contractor.

9. The Contractor shall not, directly or indirectly, deduct salary or wages, discontinue schemes or reduce benefits that are available to its personnel due to any liability that the Contractor may have in respect of any charges payable under the Applicable Laws. The Contractor shall, at all times, act in good faith with its personnel.

10. Further, in the event of imposition of any fine or penalty upon the Employer by any Government Authority as a result of failure by the Contractor to fulfil its obligations, as prescribed by the Applicable Laws, in respect of its personnel, including labourers, workmen, employees or any other personnel for whom the Contractor is responsible for, then the Contractor shall reimburse such impositions to the Employer, within seven (7) days from the date such charges were imposed upon the Employer.

11. The Contractor shall ensure that its personnel do not indulge in any unlawful activity at the Site, including illegal stoppage, strikes and/or violence. The Contractor shall promptly inform and consult with the Employer, in case of any incidence of such unlawful activity by the Contractor’s personnel at the Site.

12. The Contractor shall ensure that its personnel follow the escalation mechanism as may be provided by the Employer, for the purposes of notifying any issues that such personnel may face while performing the Scope of Work, including any issues relating to industrial relations, violence, sabotage, espionage, injury to person, damage to the Employer’s property or other problems pertaining to trade unions.

13. In case any of the requirements as mentioned in this Human Resources and Industrial Relations Requirements are violated, then in addition to deducting direct losses incurred by the Employer as a result of such violation, the Employer shall have a right to levy liquidated damages on the Contractor for an amount of Rupees fifty thousand only (Rs. 50,000/-) per violation. The Employer shall have a right to adjust and set-off such liquidated damages from any payments that may be due and payable to the Contractor.

14. Compliance with Contract Labour Management System

The Contractor shall comply with the requirements of the workforce management solutions software, as may be prescribed by the Employer. The Contractor shall, as a part of the aforesaid compliance requirement and for the benefit of its personnel, inter alia:

(i) sign up on the workforce management solutions software;
(ii) enter in, and update regularly, in such software, the details of its personnel relating to the qualification, skill, contact number, department, shift patterns, location, bank account and universal account number;
(iii) insert details relating to statutory requirements, including the employee state insurance, provident fund, minimum wages, labour license, employee insurance and employee’s compensation;
(iv) upload the list of holidays on such software;
(v) provide details for training of users;
(vi) ensure optimal labour coverage for every shift, to ensure provision of the right talent at the right place at the right time;
(vii) record the attendance and track the time and activity of the personnel and its Sub-Contractors in such software. In this regard, the Employer reserves the right to withhold payments due to the Contractor against any Running Account Bill(s), if the Contractor’s personnel does not record its attendance as per the Employer’s software system for contract labour management.
(viii) integrate the access system with such software and print passes for the visitors; and
(ix) adhere strictly to the requirements of the Employer with respect to any management tools and software, as may be prescribed by the Employer to ensure efficient contract labour management.