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NEYVELI LIGNITE CORPORATION LIMITED NEYVELI  
CORPORATE OFFICE :: P&A DEPARTMENT

Date: 03/10/2006.

Cir. No. CORP/P&A/721/0566/2006

Sub: I.R. - Contract Workers - Non payment of wages by the contractors -  
Instructions - Issued - Reg.

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As per the Payment of Wages Act 1936 and rules made there under, which covers contract workmen also. <sup>1</sup>The wages of every person employed in an establishment where less than one thousand such persons are employed shall be paid before the expiry of the seventh day and in other cases before the expiry of tenth day after the last day of the wages period in respect of which the wages are payable. Contract Workers are also covered by Payment of Wages Act 1936.

It has been reported that some of the contractors are not making payment of wages to the contract workers. As the principal employer, NLC Management is making payment of wages to the contract workers in the above instances and then deducting the same from the bills of the respective contractors. This kind of attitude of evasion of statutory obligation by the contractors apart from non-compliance of conditions of the contract for non payment of wages is being viewed seriously by the statutory authorities.

In view of the above, the following instructions are issued:

1. Recovery of an amount as a penalty equal to 10% of the total wage bill of the contract workmen against every such payment made through P&A Department, from the bills payable to the contractor.
2. Forfeiture of EMD amount of the contractor for that particular agreement, if he fails to make payment of wages in case of repetitive non-payment of wages by the Contractor.
3. Termination of the contract agreement in case the contractor fails to comply with the above provision in the same agreement period, for the second time.
4. If the contractor fails to make payment of wages in the two agreements or more in the same unit as indicated above, he will be black listed for two years in that unit, following the prescribed procedure.

All the unit heads are requested to incorporate the above conditions in the terms and conditions of contract agreement in future and also bring the contents of circular to the contractors in the units.

This issues with the approval of the Competent Authority.

  
DEPUTY GENERAL MANAGER/P&A/IR

To

All Heads of Units/Offices/Branches  
Copy to All Unit Personnel Heads  
Copy to All Accounts Centres  
Copy to SPS/PS to CVO/FDs/CMD.