

No.28(3)/2012-D(Res-I)
Government of India
Ministry of Defence
(Department of Ex-servicemen Welfare)

New Delhi, dated 09 July 2012

OFFICE MEMORANDUM

SUB. : GUIDELINES FOR FUNCTIONING OF DGR EMPANELLED EX-SERVICEMEN FOR SECURITY SERVICES

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. Existing Private Limited Companies already operating security services will continue to function till they complete their quota of guards years, subject to age bar criteria, without being permitted to add new Directors.

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) Should have attended and qualified the "Security and Fire Fighting Course" or any other such recognized course conducted at a DGR Empanelled Training Institute.

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. However, they may be considered for contracts outside their parent states only if sponsored by DGR for which the normal procedure for empanelment/sponsorship with DGR will be followed by the State ESM Corporations. 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.

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) State ESM corporations which are approved by the concerned State/UT governments will be empanelled with DGR for other States provided they undertake to abide by MoD guidelines.
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.** 100 percent ESM would be employed by the individual ESM and State ESM Corporations.

(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 ESM will be upto 70 guards year. The sponsorship will be valid for 2 years and extendable up to the age of 60 years. The sponsorship will clearly indicate the date up to which the sponsorship is valid. However, actual sponsorship will depend on demand and there will be no guarantee in this regard. The above figure is the upper limit for the present, which may be amended based on demand, etc.

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**

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 @ 12%. The salary of the guards and other staff should be paid through banks, unless there are compelling reasons for not doing so, in which case DGR will be intimated accordingly.

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.

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

To

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|---|---|--|
| <ul style="list-style-type: none"> 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. |
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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

APPLICATION FORM
REGISTRATION/ EMPANELMENT RETIRED DEFENCE PERSONNEL
(FOR SECURITY AGENCY)
RETIRED/ RELEASED DEFENCE SERVICE PERSONNEL
(TO BE SUBMITTED IN ORIGINAL, IN DUPLICATE)

Please paste your
recent passport
size photograph
(Self-attested)

(FOR OFFICE USE ONLY)

DGR Regn No.	Date of Regn (DD/MM/YY)	Date of Renewal (For Emp. only)
<div style="border: 1px solid black; width: 50px; height: 20px; display: inline-block;"></div>	<div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div>	<div style="border: 1px solid black; width: 60px; height: 20px; display: inline-block;"></div>

1. Personal No <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div>		
2. Scheme Opted Code No. <div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> (See Reverse)	3. ESM I Card No. _____	
4. Rank _____		
5. Name _____ (First Name) (Middle Name) (Last Name)		
6. Service/Corps/Regt Code <div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> (See Reverse)	7. DOB <div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div>	<div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div>
		(DD/MM/YY)
8. Date of Commission/ Enrolment <div style="border: 1px solid black; width: 100px; height: 20px; display: inline-block;"></div> (DD/MM/YY)	9. Date of Retirement <div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div> (DD/MM/YY)	<div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div>
		(DD/MM/YY)
10. Reason for retirement _____	11. Re-employed upto (DD/MM/YY) <div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div>	<div style="border: 1px solid black; width: 40px; height: 20px; display: inline-block;"></div>
12. Med Category: _____ Percentage Disability & Attributability : _____		
13. Contact Address: (Date Upto _____) _____ Pin Code _____ Tele No: _____ Mob No _____ Fax: _____		
14. Permanent Home Address: _____ Pin Code _____ E-mail ID: _____ Tele No: _____ Mob No: _____ Fax: _____		

Contd....2

15. As per your assessment, your job suitability (as per 'CODE' indicated on reverse), it is not essential to fill up all the option:

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16. State preference: (one state only) _____
At the time of opting/empanelling for self-employment scheme after retirement
17. Whether convicted by any court of law: Yes/No (if yes, give details): _____
18. Retirement/ Release Order No. _____ Date _____ Serial No. _____
19. Have you undergone DGR Sponsored Management Course : Yes/No (if yes, give details)
Course Sl.No. _____ Training Institute _____
20. Have you undergone any other DGR Sponsored Courses besides Industrial Security, Safety and Fire Protection Course: Yes/No (if yes, give details). _____
21. Name of DGR Sponsored/Center/State recognized institutions from where 'Industrial Security, Safety and Fire Protection Management Course' have been completed:

22. I certify that I am an ESM / will become ESM as per the definition applicable and that the above particulars are correct to the best of my knowledge and belief. No material information has been suppressed. I understand that if any information is incorrect, I will be dis-empanelled and will be liable to penal action.

Station: _____
Dated: _____

Signature of the ESM _____
Service No. _____
Address _____

Documents to be Submitted as Applicable**1. Registration for Security Agency Scheme**

a)	Photocopy of the PPO/Gratuity order.
b)	Photocopy of Ex-Servicemen I-Card (Issued by RSB/ZSB).
c)	Check list. At the time of submission the check list will be signed by the receiving officer as an acknowledgement of having received all the papers required for registration
d)	Photocopy of proof of address.

2. Only for Security Agency Scheme.

a)	Un-employment status undertaking to be submitted at the time of signing of contract.
b)	Photocopy of PAN Card.
c)	Only IT return to be submitted. Form AS 26 to be submitted for the FY succeeding the sponsorship.
d)	Copy of Certificate of "Security and Fire Fighting Course" or any other such recognized course conducted at a DGR Empanelled Training Institute or an institute recognized by the Central/State Govt.
e)	Three colour passport size photographs (with 80% face) of the applicant duly self-attested
f)	Acknowledgement from the concerned authority of having applied for the PSARA 2005 license would be valid for sponsorship. In case of states where this Act has not been implemented a certificate to this effect is required

- Note: (a) Attach legible copies of documents and should be self-attested.
 (b) In case of change of address or Tele. No. please intimate to this office on occurrence.

[Format of Undertaking]

UNDERTAKING TO BE SUBMITTED BY ESM AT THE TIME OF SIGNING OF CONTRACT
(FOR SECURITY AGENCY SCHEME)

1. I, _____ (Service number, rank and name)
hereby certify that :
- a) I am an ESM as per existing definition.
- b) I am not employed with any Govt/Semi Govt./ private concern. I will resign from any job which I hold. If I enter into a contract with any PSUs/Banks for any of the self-employment schemes of DGR, I shall not take up any employment during the currency of the sponsorship. If I do take any employment during that period I will inform the appropriate authority within a week of taking of such employment. It is understood that if I take up any employment or engage myself in any revenue generating self-employment venture my sponsorship will be cancelled and I shall be dis-empanelled by DGR.
- c) That I have not taken any assistance nor availed any other Scheme of DGR, Training Institute empanelled with DGR, Management of CNG Station and from Zilla Sainik Karayalaya/Director Sainik Welfare (State) earlier.
- d) I understand that if at any subsequent date it is found that I have not adhered to the terms of engagement for availing of security agency scheme benefits I will be liable to administrative and penal action as decided by the appropriate authority.

Signature _____

No, Rank & Name _____

Address _____

Dated _____

Check List of Documents*

S.No	Item	To be completed by applicant	SE Dte
1	Whether Application Form submitted in prescribed format	Yes/No	
2	Whether copy of PPO issued by PCDA (P), Allahabad enclosed	Yes/No	
3	Whether copy of Retirement/Release Order enclosed	Yes/No	
4	Whether copy of Record of Service, issued by MP-6 enclosed	Yes/No	
5	Whether copy of Ex-Servicemen Identity Card issued by HQ Command/RSB/ZSB enclosed	Yes/No	
6	Whether copy of Pan Card & latest income tax Return enclosed	Yes/No	
7	Whether one of the following documents submitted as Proof of Address : (a) Copy of Passport (b) Copy of Voters Identity Card (c) Copy of Landline telephone/Electricity/Gas connection Bills (d) Copy of Ration Card (e) Copy of valid Driving License enclosed	Yes/No	
8	Copy of Certificate of "Security and Fire Fighting Course" or any other such recognized course conducted at a DGR Empanelled Training Institute or an institute recognized by the Central/State Govt.	Yes/No	
9	Three passport size colour photographs (with 80% face) of applicant duly self-attested	Yes/No	
10	State/UT Government License/acknowledgement of having submitted application for license under PSARA Act 2005 for operation in the entire state/UT of choice	Yes/No	

*Note: At the time of registration the checklist will be signed by the receiving officer at DGR as acknowledgement of having received the completed application.

ANNEXURE V

S.NO.	DESCRIPTION	SECURITY GUARD (WITHOUT ARMS)	SECURITY GUARD (WITH ARMS)	REMARKS
a)	BASIC WAGES PLUS V.D.A.	BASIC WAGES PLUS V.D.A.	BASIC WAGES PLUS V.D.A.	
b)	ESI 4.75% (BASIC PLUS V.D.A.)			
c)	EPF (12% OF BASIC PLUS V.D.A.)			
d)	EDLI (0.5% OF BASIC PLUS V.D.A.)			
e)	ADMN. CHARGES (1.11% OF BASIC PLUS V.D.A.)*			
f)	UNIFORM OUTFIT/ WASHING ALLOWANCE (7% OF BASIC PLUS V.D.A.)			Pegged at 7% earlier it was 7% for outfit and 3% for washing. Total 10%, No service charge on it.

BASIC WAGES PLUS V.D.A.	BASIC WAGES PLUS V.D.A.	BASIC WAGES PLUS V.D.A.	BASIC WAGES PLUS V.D.A.	BASIC WAGES PLUS V.D.A.
g)	Relieving Charges 1/6-28.98% of total of (a) to (f)			
h)	Cost per head “//”			
i)	Service Charges (@ 12%)			
j)	Total			
k)	Service tax as notified from time to time			