

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

New Delhi, dated 09/02/2012

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 No. 6/22/93-L-15-DPE(SC/ST) dated 01 Feb 1994 as amended from time to time has instructed Government Public Sector Undertakings/Enterprises (CPSU/CPSE) to take over Security Agencies sponsored by Directorate General Resettlement (DGR) (An 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 a reasonable income to the ESMs, provisions are made to make the process of sponsorships for agencies more transparent through online registration, data updation by the DGR and putting list of ESMs registered/empanelled and sponsors on the website. To ensure transparency in operations/sponsorship for 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 as per definition promulgated by Government of India Ministry of Personnel, Public Grievances & Pensions (DOPT) OM No-3603475/85 dated 14 Apr 1987 as revised from time to time.
- (b) Should be a Resident of the Union of India.

- (c) ESMO can apply for empanelment for the scheme at any age before attaining the 60 years.
- (d) Should not have been dismissed from service on disciplinary grounds.
- (e) Should not have availed of any Employment/ Self Employment welfare benefits from DGR. Should not be re-employed with the Indian Armed Forces or any other Government/Service Government organisation, Central Public Sector Undertakings, Public Sector Banks after retirement or employed in the private sector once they have taken up 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 PST. 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 Foreign Exchange courses conducted at a DGR Empanelled Training Institute

6. State Government Owned ESM Corporations

State ESM Corporations/ Nigams operate in respective States only as per Department of Public Enterprises OM No 6/2005 (DPE/SC/ST) dated 04 Oct 2005. However, they may be considered for contracts outside their states only if sponsored by DGR. The normal procedure for empanelment/sponsorship with DGR will be followed by the State ESM Corporation. 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 per registration and empanelment of security agency scheme

- (a) ESM can apply for only one state for benefit under security agency scheme.
- (b) Application form for registration and empanelment of ESM Security scheme with DGR will be as annexed. It will be Applications can be made through post or online through DGR website.
- (c) In case of online application hard copies should also be submitted to DGR and acknowledgement obtained as proof of having submitted the hard copy.
- (d) Details of the applications received will be maintained by DGR, in order of the date of receipt. List will be prepared. Applicants will be given the option of choosing only one state for operation. One change of state is permitted during the entire period of empanelment.

- (e) DGR will examine the empanelment request and any/all deficiencies in the application 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 intimated at one go, piecemeal observation will not be permitted.
- (f) Empanelment will be done within 15 days of receipt of the completed application along with the required documents. List of documents required for empanelment in security agency scheme will be hosted on DGR website.
- (g) Seniority of the ESMs will be determined from the date of their registration. A state wise seniority list of ESMs registered for sponsorship will be hosted on the DGR website. However sponsorship will be done only for those in order of seniority, who are retired and submitted all papers required for sponsorship.
- (h) State ESM corporations which are approved by the concerned State/UT government 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 agency schemes as soon as the ESM gets 'retirement warning letter'. The ESM will register with DGR prior to actual retirement. A list of such ESMs will be posted on DGR 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 all required papers for empanelment & sponsorship in the scheme.

9. The ESM quoting his registration number, will apply for empanelment for 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 sponsor 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 Setup: A regular local office should be setup in an authorized area during the office hours in the state of operation. The office should have landline telephone and Fax. All correspondence will be sent to the office address held with DGR. Hiring of office space by security agencies under the same address, each other engaging in any other commercial activity will make them liable to disempanelment /non empanelment. The ESM will submit Notarized Rent Agreement for office space in the local area within 30 days of first award of contract. If 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 will be submitted.

13. Labour License

The security agency will also obtain a labour license for provision of contract 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 07 guards year. The sponsorship will be valid for 2 years extendable up to the age of 60 years. The sponsor will clearly indicate the date up to which the sponsorship is valid. 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 employment 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 from DGR, 3 months prior to this date. DGR will issue a satisfactory performance report, if sponsorship is sought. For existing private limited security agencies, the date upto which such sponsorship will be clearly indicated and allowed to complete this term. The CPSUs will be informed by DGR in this regard. 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 wages in accordance with minimum wages notified by Ministry of Labour & Employment. The 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% on the salary of the guards and other staff should be paid through banks, unless there are compelling reasons for doing so, in which case DGR be intimated accordingly.

17. Death Gratuity

In an unfortunate event of the death of a Security Guard/Supervisor, 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 as available on DGR Web site www.dgrindia.com to reach DGR three months prior to termination of existing contract.

19. Sponsorship/Responsorship

All sponsorships/responsorships will be done in cyclic order of seniority of registration period of two years extendable by two years available quota of guards and subject to satisfactory performance reported from the concerned Principal Employer. All sponsorships/responsorships will be done by duly constituted Board of Officers (BDO) in accordance with the guidelines. All new sponsorships/responsorship will be in individual names of ESMs/ESM Corporations.

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

21. Conclusion of Contracts

- (a) The Principal Employers must ensure that the contracts are finalized and within three months of issue of sponsorships by DGR.
- (b) In an eventuality of all the DGR Sponsored ESMs quoting the same rates the under consideration should be allotted to the senior most DGR sponsored ESM registration date with R.DG
- (c) In case the Principal Employer decides to cancel the tender, then the sponsors will be treated as cancelled, and seniority of all the sponsored ESMs will be unchanged.
- (d) Agreement between the Principal Employer and the DGR sponsored ESM for a period for which the DGR has sponsored the ESM/ESM Corporation 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) depending on the nature of service being provided a DGR sponsored ESM may be asked to deposit or Bank Guarantee up to a maximum limit not exceeding 10 percent of invoice bill. The CPG will be deducted from the ESM's Monthly service bill. 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 with number of guards awarded. Similar report will also be submitted by all the DGR ESMs. Failure to furnish the information will make the DGR sponsored agency liable to termination of contract and dis-empowerment as and when determined. 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) first of the number of guards employed by the Security Agency/Company to be submitted to DGR by the ESM Corporation with countersignature of principal employer.

24 Penalty

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

25 Legal Aspects

- (a) The proprietors should have thorough knowledge of contract and Labour Laws and other 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 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 responsible for the action of his employees wherever employed.
- (d) The proprietor will present himself in person for all dealings with Employers. No dealing through representatives on Power of Attorney are permitted.
- (e) At the DGR representatives will be entertained. Proprietors/directors will be allowed for any query/discussion.
- (f) All disputes will be subject to the jurisdiction of Indian courts and relevant laws.

26 Dis-empowerment

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, dis-empowerment of the ESM will cease once the ESM attains 60 years of age. However existing contracts will be allowed for 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 not followed any of the Instructions/Norms on Empanelment and functioning of DGR Sponsored Security Agencies provided false information while submitting the Affidavit.
- (c) Apart from de-empanelment and cancellation of existing sponsorship 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 PSU sponsorship by DGR.
- (f) Non-submission of reports in time as per para 23 and 24.

27. Change of Address

An Empanelled ESM can place a request for change of address within its empanelment in the form of an Affidavit on an A4 size paper duly attested by notary. 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 earlier guidelines/instructions issued by DGR and MoD in this regard. The guidelines will be effective immediately from the date of issue. Only those under contract will be allowed to complete their term. However, other registrations/sponsorships will follow new guidelines.

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

To

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

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, 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 Empty)
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

1. Personal No
2. Scheme Opted Code No. (See Reverse)
3. ESM I Card No. _____
4. Rank _____
5. Name _____
(First Name) (MiddleName) (Last Name)
6. Service/Corps/Regt Code (See Reverse)
7. DOB
(DD/MM/YY)
8. Date of Commission/Enrolment
(DD/MM/YY)
9. Date of Retirement
(DD/MM/YY)
10. Reason for retirement _____
11. Re-employed upto
(DD/MM/YY)
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: _____
TeleNo: _____ Mob No: _____ Fax: _____

C o n t d ...

15. As per your assessment, your job suitability (up all the option:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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16. State preference (one state only) _____
At the time of opting/empanelling self for employment scheme after retirement

17. Whether convicted by any court of law Yes/No (if yes, give details) _____

18. Retirement/ Release Order No. _____ Date _____ Release No. _____

19. Have you undergone DGR Sponsored Management Course Yes/No (if yes, give details)
Course SI.No _____ Training Institute _____

20. Have you undergone any other DGR Sponsored Courses besides Industrial Security and Fire Protection Course Yes/No (if yes, give details). _____

21. Name of DGR Sponsored/Center/State recognized institutions from 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 above that particulars are correct to the best of my knowledge and belief. No material information suppressed. I understand that if any information is incorrect, I will be dispanelled 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 Servicemen Card (Issued by RSB/ZSB)
c)	Check list. At the time of submission the check list should 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 for AS 26 to be submitted for the FY succeeding the sponsorship.
d)	Copy of Certificate of Security Agency Scheme or any other such recognized course conducted at a DG Empanelled Training Institute or an institute recognized by Central/State Govt.
e)	Three colour passport size photographs (with 80% face) of 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 self attested
 (b) In case of change of address of the applicant please intimate to this office on occurrence.

[Format of Undertaking

UNDERTAKING TO BE SUBMITTED BY ESM AT THE TIME OF SIGNING 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 concern. I will resign from any job which I hold. If I enter into a contract with any PSUs/Banks for self employment schemes of DGR shall not take up any employment during the currency of the sponsorship. If I do take up 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 employment venture my sponsorship will be cancelled and I shall be depanelled by DGR.
- c) That I have not taken any assistance nor availed any other Scheme of DGR, Training Institute with DGR, Management of CNG Station and from Zilla Sainik Bazaar Sainik Welfare (State) earlier.
- d) I understand that if at any subsequent date it is found that I have not adhered to the engagement for availing 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 Government enclosed	Yes/No	
5	Whether copy of Servicemen Identity Card issued by HQ Command/RSB/ZSB enclosed	Yes/No	
6	Whether copy of Pan Card & last 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 Courage or any other such recognized course conducted at a DGR Empanelled Training Institute or an institute recognized by the Central/State Government	Yes/No	
9	Three passport size colour photographs (with face) of applicant self attested	Yes/No	
10	State/UT Government License/acknowledgement having submitted application for license under Motor Vehicle 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 applicant and DGR as acknowledgement of having received the completed application.

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 for washing. Total 10% No service charge on

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 1/628.98% of total of (a) to (f)			
h)	Cost per			
i)	Service Charges (@ 12%)			
j)	Total			
k)	Service tax as notified from time to time			