

F.No.17-3/2021-S&S  
Government of India  
Ministry of Education  
Department of Higher Education  
S&S Section

Shastri Bhawan New Delhi,  
Dated 20<sup>th</sup> May, 2025.

**OFFICE MEMORANDUM**

**Subject: Implementation and compliance with applicable labour laws and regulations on GeM portal- reg**

The undersigned is directed to enclose herewith a copy of Ministry of Commerce and Industry's D.O. letter No.45/ACEO-GeM-RKS/2025 dated 21<sup>st</sup> April, 2025 on the above subject vide which several initiatives to ensure strict adherence to labour laws and safeguard the rights of manpower hired through the GeM platform has been outlined.

2. All Bureau Heads are requested to circulate the aforesaid D.O. letter dated of 21.04.2025 of Ministry of Commerce and Industry to all buyer organizations under their administrative control to ensure seamless implementation and compliance with applicable labour laws and regulations.

*AKS*

(Ambrish Kumar Sharma)  
Under Secretary (S&S)

Encl: As above.

To

- All Bureau Heads in the Department of Higher Education
- All Bureau Heads in the Department of School Education and Literacy.
- CMIS for uploading on e-office portal.

*DS (CCU - Cdn)*  
*20/5/25*  
*US (CCU - Cdn)*  
*21/5/2025*  
*21/5*  
*SO (CCU Cdn)*



राजीव कुमार श्रीवास्तव

अपर मुख्य कार्यकारी अधिकारी व  
मुख्य क्रेता अधिकारी - केन्द्रीय क्रेता

Rajiv Kumar Srivastava  
Add. CEO and Chief Buyer Officer -  
Central Buyers



भारत सरकार  
वाणिज्य एवं उद्योग विभाग  
गवर्नमेंट मार्केटप्लेस  
Government of India  
Ministry of Commerce & Industry  
Government e Marketplace

DO. No. 45/ACEO-GeM-RKS/2025

21<sup>st</sup>  
16<sup>th</sup> April, 2025

Dear Sir,

I am writing to bring to your attention key measures undertaken by Government EMarketplace (GeM) to ensure compliance with labour laws in various manpower hiring related services on GeM.

2. As you are aware, GeM serves as the National Public Procurement Portal, facilitating end-to-end procurement for Central and State Government Ministries/Departments, Central & State Public Sector Undertakings, Autonomous Institutions, and local bodies. In the current financial year (2024-25), GeM has successfully processed over 64 lakh orders, amounting to nearly 5 lakh crores. The platform currently offers a diverse range of over 11,000 product categories and 330+ service categories, with Manpower Hiring Services being among the most widely used by Government buyers.

3. GeM has implemented several initiatives to ensure strict adherence to labour laws and safeguard the rights of manpower hired through the platform, as outlined below:

(i) To ensure timely payment of wages to manpower, in Clause 4.3 of the Service Level Agreement (SLA) applicable to manpower hiring services, service provider/buyer/principal employer are mandated as under:

"The service provider/contractor shall ensure timely wage payments to contract labour as per the Contract Labour Regulation and Abolition Act, 1970. The principal employer/buyer shall ensure timely wage payment by the service provider/contractor. In case of failure or short payment, the principal employer/buyer shall be liable to pay wages directly and recover the amount from the service provider/contractor."

(ii) The SLA, which forms an integral part of all manpower hiring contracts on GeM, mandates that service providers must first pay salaries to the hired manpower before claiming reimbursement. This must be supported by documentary evidence, including salary payment receipts, Employee Provident Fund (EPF), and Employees' State Insurance Corporation (ESIC) contributions.

(iii) To ensure fair compensation, GeM mandates that service providers comply with minimum wage regulations as prescribed by the relevant government authorities. In line with this, Clause 3A(xviii) has been incorporated into the General Terms and Conditions (GTC) of GeM, making it obligatory for all service providers to adhere to labour laws, including:



- The Minimum Wages Act, 1948
- The Payment of Wages Act, 1936
- The Payment of Bonus Act, 1965
- The Equal Remuneration Act, 1976
- The Payment of Gratuity Act, 1972

As per GeM GTC, any violation of the above will be treated as a breach of contract, allowing buyers to take necessary corrective measures.

(iv) Any instance of non-compliance is treated as a breach of contract, and buyers are authorized to take appropriate action as per the GeM Contract and Incident Management Policy, which prescribes penalties for violations.

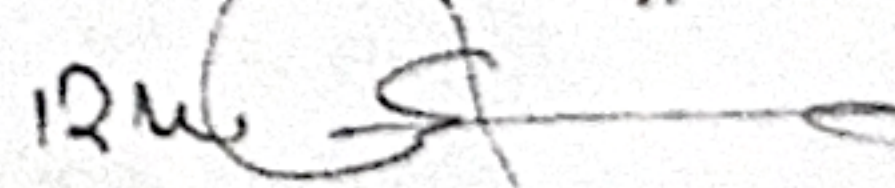
(v) To ensure fair pricing and prevent undercutting, GeM has implemented a minimum commission of 3.85% for all commission-based services, approved by the Ministry of Finance. Buyers are permitted to set a maximum commission of up to 7% in line with their organizational policies.

(vi) Additionally, to facilitate the retention of existing personnel under new contracts, GeM has introduced a functionality that enables buyers to specify details of existing manpower to be retained while creating bids. As per Clause 4.1(x) of the SLA for Manpower Outsourcing Services, the new service provider is required to retain existing personnel if explicitly mentioned in the bid document.

4. In view of the above, you are requested to disseminate this information among all buyers within your organization to ensure seamless implementation and compliance with applicable labour laws and regulations.

*with kind regards,*

Yours sincerely,



(Rajiv Kumar Srivastava)

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