

GOVERNMENT OF TELANGANA  
ABSTRACT

Labour, Employment, Training and Factories Department – Inspections under various Labour Laws – Introduction of Self Certification Scheme to facilitate Ease of Doing Business in the State – Orders – Issued.

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LABOUR EMPLOYMENT TRAINING & FACTORIES (LABOUR) DEPARTMENT

G.O.MS.No. 31

Dated: 10-12-2015.

Read the following:-

1. G.O.Ms.No.4, LET&F (Labour-IV) Department, Dt.2.2.2013.
2. From the Commissioner of Labour, Telangana, Hyderabad letter No.H/7770/2015, Dt.20.11.2015.

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ORDER:-

In the reference 2<sup>nd</sup> read above, the Commissioner of Labour, Telangana, has proposed introduction of Self Certification Scheme to facilitate Ease of Doing Business in the State.

2. The Government of Telangana has been considering taking several steps to facilitate Ease of doing Business so as to catalyze creation of employment opportunities while ensuring safety, health and social security for every worker.

3. In this process, Government of Telangana has decided to bring more transparency in the inspection procedures by introducing Computerised Systems of Risk Assessment based Inspections with random allocation of Inspecting Officers. The emphasis is on to make things easy for establishments who voluntarily comply with Labour Laws. Hence, the scheme of Self-Certification is being introduced. Participation in this scheme is voluntary. The scheme shall be applicable to the following Acts.

- i) The Equal Remuneration Act, 1976
- ii) The Minimum Wages Act, 1948
- iii) The Telangana State Shops and Establishment Act, 2015
- iv) The Payment of Bonus Act, 1965
- v) The Payment of Wages Act, 1936
- vi) The Payment of Gratuity Act, 1972
- vii) The Contract Labour (Regulation and Abolition) Act, 1970
- viii) The Inter-State migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.
- ix) The Building and other Construction Workers Welfare Act, 1996.
- x) The Motor Transport Workers Act, 1965.

4. The enrolment under the Scheme by any Establishment is voluntary. In other words, any Establishment will be free to join or not to join the scheme. There is no time limit for joining the scheme. The Establishment can opt to join the scheme at any point of time by applying online in the portal maintained by the Labour Department in the prescribed proforma along with remittance of security deposit in the form of Bank Guarantee (valid for 5 years). If no reply is received by the Establishment within 60 days of the application made under Self-Certification Scheme, the applicant shall be deemed to have been enrolled under the scheme.

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5. The Security Deposit payable shall be as follows:

No. of Employees	Security Deposit (in Rs.)
Up to 20 Workmen	5,000
21 – 100	10,000
101 - 300	30,000
301 – 500	40,000
More than 500	50,000

6. The Security Deposit is returnable to the establishment after 5 years. The Security deposit can be forfeited in the following circumstances.

- i) On failure to file Annual Return under the Scheme
- ii) On failure to maintain the prescribed Register(s).
- iii) On failure to take corrective action on the deficiency pointed out during the inspections
- iv) On failure to fully comply with the provisions pertaining to workers health and safety, which led to an accident in the factory.

7. In case, any Establishment decides to exit from the Self-Certification Scheme before 5 years, then, there shall be proportionate deduction of Security Deposit, i.e., 20% if the Establishment exit is before one year, 40% if the exit is between 1 to 2 years, 60% if the exit is between 2 to 3 years, 80% if the exit is between 3 to 4 years and 100 % if the exit is after 4 years.

8. Establishments opting for Self-Certification Scheme will be categorised as low risk under computerised risk assessment procedure and they will come up for regular inspection only once in 5 years. Establishments will be given prior notice of inspection and there shall be single joint inspection under all the labour laws mentioned above. During the inspection, if any deficiency is noticed, Employer will be given an opportunity to take corrective action within a fixed time frame. The purpose of the inspection shall be to correct rather than to punish. Failure to correct shall entail action as for Law.

9. The units not enrolled under Self-Certification Scheme will be categorized as Medium Risk/High Risk depending upon the number of workers employed. Annexure-I gives the criterion for risk assessment of establishments and the competence of the inspecting officers.

10. The frequency of inspections for Establishments under Medium Risk establishment is once in 2 years and for Establishments under High Risk is once every year.

11. The Schedule of Inspections will be determined through online inspection module. The establishments will be selected randomly as per the frequency of inspections indicated above. A computer generated notice will be issued to the establishments so as to provide 15 days clear time before inspection. The Inspecting Officer will be selected randomly through computerised online inspection module. The cadre of the inspecting officer is shown at column (7) of the Annexure appended to this order. In case of applicability of two or more Acts, the cadre of Inspecting Officer will be that of higher cadre officer. The same Inspection Officer will not inspect the same establishment twice consecutively. In case of exigencies, such as leave, Court appearance etc., Commissioner of Labour shall be authorised to select a replacement Inspecting Officer duly observing that the replacement Inspection Officer shall not be the same, who inspected the unit last time.

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12. The Inspection Report will be uploaded by the Inspecting Officer within 48 hours of the completion of the inspection. An alert will be sent to the employer, so that he may view/download the inspection report. In case of defects, the Employer will be required to take corrective action and upload compliance report within 15 days. The compliance report will be scrutinised and effective follow up action will be taken.

13. However, any complaint received by the department will be referred to the Commissioner of Labour who may order additional inspection. The procedure for additional inspection shall be decided by the Commissioner of Labour after examining the contents of the complaint.

14. The Commissioner of Labour, Telangana, Hyderabad shall take further action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

HARPREET SINGH,  
SECRETARY TO GOVERNMENT

To

The Commissioner of Labour, Telangana, Hyderabad.

Copy to:-

The Commissioner of Printing, Stationary and Stores Purchases (PW), Chanchalguda, Hyderabad.( for publication in the Gazette and supply of 500 copies to the Commissioner of Labour, Telangana, Hyderabad and 20 copies to Government).

The Industries and Commerce Department.

The PS to Hon'ble Minister (Home & Labour)

The PS to Secy. to Govt., LET&F Department.

S.F./S.C.

// FORWARDED :: BY ORDER //

SECTION OFFICER

**Annexure to G.O.Ms.No. 31 , LET&F (Lab) Department, Dated: 10.12.2015**

**CRITERION FOR RISK ASSESSMENT OF ESTABLISHMENTS AND INSPECTING OFFICERS**

Sl. No	Name of the Act under which establishment covered	Risk Assessment			Inspecting Officer	
		Low Risk	Medium Risk	High risk	No. of Workers employed in the Establishment (including all classes of Workers)	Inspecting Officer
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Shops and Establishments Act. 1988.	Those enrolled under Self Certification Scheme.	Those not enrolled under Self Certification Scheme and employing upto 30 workers	Those not enrolled under Self Certification scheme and employing 31 and more workers	Star hotels, IT Units, EPZ Units, Export Oriented Units, Bio Tech Units, Tourism promotion units (irrespective of number of workers )  31 and above (excluding those in respect of JCL)  From 10 to 30  From 1 to 9	JCL  DCL  ACL  ALO
2.	Beedi and Cigar Workers Act , 1966	---	---	ALL	51 and above  upto 50	ACL  ALO
3.	Motor Transport Workers Act, 1960	Those enrolled under Self Certification Scheme	Those not enrolled under Self Certification Scheme and employing upto 100 workers	Those not enrolled under Self Certification scheme and employing 101 and more workers	301 and above  From 101 to 300  From 51 and 100  Upto 50	JCL  DCL  ACL  ALO

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4.	Contract Labour (R & A) Act, 1970	Those enrolled under Self Certification Scheme.	Those not enrolled under Self Certification Scheme and employing upto 100 workers	Those not enrolled under Self Certification scheme and employing 101 and more workers	301 and above From 101 to 300 From 30 to 100 From 1 to 30	JCL DCL ACL ALO
5.	Inter State Migrant Workman (RE & CS ) Act, 1979	Those enrolled under Self Certification Scheme.	Those not enrolled under Self Certification Scheme and employing upto 50 workers	Those not enrolled under Self Certification scheme and employing 51 and more workers	201 and above From 51 to 200 From 21 to 50 From 1 to 20	JCL DCL ACL ALO
6.	Building and Other Construction Workers Welfare Act, 1996	----	----	ALL	301 and above From 101 to 300 From 51 to 100 From 1 to 50	JCL DCL ACL ALO
7.	Other establishments (including factories) not covered under 1 to 6 above and to which any of the Labour Laws apply.	Those enrolled under Self Certification Scheme.	Those not enrolled under Self Certification Scheme and employing upto 50 workers	Those not enrolled under Self Certification scheme and employing 51 and more workers	301 and above From 51 to 300 From 10 to 50 Upto 9	JCL DCL ACL ALO

HARPREET SINGH,  
SECRETARY TO GOVERNMENT