

Procedure for online inspection of establishments and selection criteria

1. Risk based Selection of Establishments for online inspection:

Selection of establishments for online inspection shall be on Risk assessment on the following criteria:

1. Number of workers
2. Nature of activity of the establishment
3. Number of contract workers
4. Status of compliance on the basis of combined annual return / online inspection (rating of compliance to be given by the department as prescribed by the Commissioner of Labour)
5. Complaints (from workers, trade unions, managements, citizens etc.)
6. Compulsory Inspections (ex: Orders of Courts)
7. An establishment inspected in a year will not be inspected in the next two years.

2. Random allocation of establishments and inspectors for online inspection:

System randomly allocates establishments to the inspecting officers and inspecting officers to the establishments. In case of inspection of an establishment in the area other than the jurisdiction of inspecting officer, the inspecting officer having administrative jurisdiction shall take up follow up action.

System ensures that the same establishment is not allotted to the same inspector for a period of 3 years.

3. Risk based assessment and categorization of establishments:

(a) Risk categorization on the basis of number of workers:

Risk in the perspective of the Labour department for categorization into high risk, medium risk and low risk establishments relates to risk to the workers in terms of their entitlement viz. wages, bonus & other remuneration, leave, holidays, working hours, worksite facilities, safety & health, welfare and social security measures like gratuity, EPF, ESI, accident compensation etc.

Experience of the department indicates that the smaller the establishment the less is the compliance. Therefore small establishments employing up to 300 workers (including contract workers) are categorized as high risk establishments.

Establishments having more than 300 workers (including contract workers) generally comply with the labour laws to a reasonable extent due to their resourcefulness and further compliance may be secured by persuasion. These establishments are categorized as medium risk establishments.

All establishments having no employees are categorized as low risk establishments and totally excluded from inspection system.

(b) Risk categorization on the basis of number of contract workers engaged:

There are certain establishments employing large number of

contract workers in some cases more than the number of regular workers. In such establishments the terms and conditions of employment of regular workers and contract workers are totally different and contract workers are prone to exploitation. The contract establishments of all such establishments employing contract workers exceeding 25 % of total workers of the Principal Employer establishment are categorized as high risk establishments.

(c) Risk categorization on the basis of nature of activity of the establishment:

In certain activities workers are prone to exploitation besides risk of accidents and health hazards.

High Risk Establishments:

The establishments undertaking the following activities are categorized as high risk establishments.

1. Automobile engineering workshops including servicing and repairs, 2. brick kilns, 3. cashew processing, 4. chemicals and pharmaceuticals, 5. cinema industry, 6. colour printing and yarn dyeing, 7. construction or maintenance of roads and buildings, 8. Cotton ginning and pressing, 9. Glass industry, 10. Hotels, restaurants and eating houses, 11. Jute and coir, 12. Khandasari Factories, 13. Lime kilns, 14. Match and fire works, 15. Metal foundries and general engineering, 16. Mica works, 17. Petrol bunks, 18. Power loom industry, 19. Motor transport undertakings, 20. Rice Mills, flour mills, dal mills, oil mills, saw mills, 21. Steel mills and steel-rolling mills, 22. stone breaking and stone crushing operations, 23. Tanneries and leather manufactory, 24. Tiles and potteries, 25. Tobacco including beedi making, 26. Security services, 27. Spinning mills, 28. Baking process including biscuit manufactory, 29. Cement concrete pipes, 30. Cotton carpet weaving, 31. distilleries and breweries, 32. Gold covering industry, 33. Mesta used twine mills, 34. Paper and paper boards, 35. Straw board and hand made paper manufactory, 36. Power loom industry, 37. Wood working establishments, 38. Woolen carpeting and shawl weaving establishments.

- a) Establishments employing up to 300 workers (including contract workers)
- b) Establishments employing more than 25% of total workers on contract basis
- c) Establishments engaged in high risk activities as specified above.

Medium risk establishments:

On the same basis the following establishments are categorized as medium risk establishments.

1. Clubs and canteens, 2. Electronics industry, 3. Fisheries and sea foods, 4. Garment and allied manufacturing industry, 5. 6. Hospitals, Nursing homes and clinics other than Govt. Hospitals and dispensaries, 7. Salt pans, 8. Soft drinks and aerated water manufacturing units, 9. Handloom weaving, 10. Printing press including litho and offset printing etc.

Establishments employing more than 300 workers

(including contract workers) and the contract workers engaged being less than 25% of total workers and the activity of the establishment is of medium risk as specified above are medium risk establishments.

Third party Certification:

All medium risk establishments are allowed third party certification and shall not be inspected by the Department. The A.P. Productivity Council shall be empanelled for third party certification of establishments falling under the category of medium risk establishments.

A list of medium risk establishments shall be placed in the inspection portal of the labour department for the information of employers. The employers of all medium risk establishments shall furnish every year combined online annual return-cum-self certification in accordance with the Integrated Registration Act along with third party certification.

4. Allocation of establishments on the basis of G.O.Ms.No.33:

Establishments to be inspected online by the inspecting officers are allotted on the basis of norms specified in G.O.Ms.No.33, dated 27.08.2002 as follows:

(a) Assistant Labour Officer:

Shops & Establishments: up to 10 workers,
Beedi & Cigar establishments: up to 50 workers,
Motor Transport Undertakings: up to 50 workers,
Building & Other Construction establishments: up to 25 workers.

(b) Assistant Commissioner of Labour:

Shops & Establishments :up to 30 workers Hospitals &
Nursing Homes: up to 50 workers Factories Notified
u/section 85 of the Factories Act, 1948, Beedi & Cigar
Establishments: above 50 workers, Motor Transport
Undertakings: above 50 workers,
Contract Labour Establishments: up to 100 workers (workers in
Principal Employer establishment),
Building & Other Construction establishments: up to 50 workers.

(c) Deputy Commissioner of Labour:

Shops & Establishments: above 30 workers,
Hospitals & Nursing Homes: 51 to 100 workers,
Factories: up to 300 workers,
Motor Transport Undertakings in Factories,
Contract Labour Establishments of Principal Employer: 101 to 300
workers,
Building & Other Construction Establishments: up to 100 workers.

(d) Joint Commissioner of Labour:

IT Establishments,
Star Hotels,
Hospitals :above 100 workers,
Contract Labour establishments: above 300 workers,
Inter State Migrant workmen establishments: above 300 workers,
Factories: above 300 workers,
Building & Other Construction Establishments: above 100 workers.

(e) Joint inspection by Labour & Factories Departments:

Factories Department is also implementing online inspection system which allots factory establishments to the inspectors of factories for online inspection. The list of factories allocated for online inspection by the factories department shall be made available to the Labour Department through web service. The online inspection portal of the labour department will also allocate factories as per the risk categorization. The factories commonly figured in both lists will be identified and indicated in the portal to the respective inspecting officer of the labour department to enable him / her to take up joint inspection of such common factories in consultation with the respective inspector of factories.

The Director of Factories shall take necessary action to enable joint inspections accordingly.

5. Establishments exempted from online inspection:

- a. Start Up Establishments for a period of 3 years from the date of commencement of work / business.
- b. All low risk establishments (establishments having no employees).
- c. Establishments under SEZs / EPZs.
- d. Establishments submitted combined annual return and having no violations consecutively for 3 years.
- e. Any other establishment specifically exempted by the Govt.
- f. Establishment inspected in the first year will be exempted for the next 2 years for inspection by any inspecting officer.

6. Number of days of inspection and Number of inspections per day:

As per the feedback of the field officers of the department, the number of days to be allotted in a month by each inspecting officer for carrying out inspections and number of online inspections to be conducted per day has been assessed and specified as follows:

Name of Officer	No. of inspecting days in a month	No. of inspections per day
Assistant Labour Officer	8	2
Assistant Commissioner of Labour	5	2
Deputy Commissioner of Labour	4	1
Joint Commissioner of Labour	3	1

COMMISSIONER OF LABOUR