

GOVERNMENT OF TELANGANA
A B S T R A C T

LET&F Department – Factories Department – Ease of Doing Business – Recommendations on Action Points – Jurisdiction of Factories Departmental Officers – Notification – Issued.

LABOUR EMPLOYMENT TRAINING & FACTORIES (LABOUR) DEPARTMENT

G.O.MS.No. 37 Dated: 16-12-2015
Read:-

From the Director of Factories, Telangana, Hyderabad, letter
No.A1/6798/2015, Dated: 24.11.2015.
* * *

ORDER:-

In the reference read above, the Director of Factories, Telangana, Hyderabad, has submitted proposals for introduction to Recommendations on Action Points to facilitate “Ease of Doing Business” and Jurisdiction of Factories Departmental Officers in the State.

2. The Government of Telangana has been taking several steps to facilitate “Ease of doing business” so as to catalyse creation of employment opportunities while ensuring Safety, Health, Welfare and Social Security for every worker.
3. Government, after careful examination of the matter, hereby decided to bring more transparency in the inspection procedures by introducing Computerised Systems of Risk Assessment based Inspections with random allocation of Inspecting Officers.
4. Accordingly, the following notification shall be published in the Extraordinary Issue of the Telangana State Gazettee:

NOTIFICATION

In exercise of power conferred by sub-sections (1) and (6) of section 8 of the Factories Act, 1948 (Central Act, 63 of 1948), the Governor of Telangana hereby 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 High Risk category of the Factories is as follows. These factories shall be inspected once a year.

1.	Major Accident Hazardous Factories
2.	Factories covered under Section 87 (Dangerous Operations) & Rule 95 of the Factories Act 1948 and Rules made there under
3.	Factories covered under Section 89 (Notice of certain diseases) & Rule 97 of the Factories Act, 1948 and Rules made there under
4.	Factories covered under Section 2(cb) (List of Industries Involving Hazardous Process) of the Factories Act, 1948 and Rules made there under
5.	Factories where more than 150 workers are employed

2. It is proposed for Self-Certification Scheme for Factories Employing less than 150 workers. Participation in this scheme is voluntary. In other words, any factory will be free to join or not to join the scheme. There is no time limit for joining the scheme. A Factory can opt to join the scheme at any point of time by applying online in the portal maintained by the Factories department in the prescribed proforma along with remittance of Security Deposit in form of Bank Guarantee (validity 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.

Contd...2..

3. The Security Deposit payable shall be as follows:

No. of Employees	Security Deposit (in Rs.)
Less than 20 workers	5,000
21 to 50 workers	7,000
51 to 100 workers	10,000
101 to 150 workers	20,000

4. The Security Deposit is returnable to the Factory after 5 years. The Security Deposit can be forfeited in the following circumstances, namely:-

- 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.

5. In case, any Factory 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 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 its exit is after 4 years and before 5 years.

6. Factories 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 (five) years. These Factories will be given prior notice of inspections and their inspection will be coordinated with the Labour Department so that there shall be a single joint inspection. During inspection, if any deficiency is noticed then notice will be issued to the employer to take corrective action. The purpose of the inspection shall be to correct rather than to punish. Failure to correct shall entail action as per law. The factories who do not opt for Self-Certification Scheme shall be categorised as Medium Risk under Computerised Risk Assessment Procedure and they will come up for inspection once in 2 years.

7. The Schedule of Inspections will be determined through online inspection module. The Factories will be selected randomly as per the frequency of inspections indicated above. A computer generated notice will be issued to the Factories so as to provide 15 days clear time before inspection. The Inspecting Officer will be selected randomly through computerised online inspection module. The same Inspection Officer will not inspect the same Factory twice consecutively. In case of exigencies, such as leave, Court appearance etc., Director of Factories 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. The competency and jurisdiction for different cadre of Inspecting Officers is given in Annexure-I.

8. The Inspection Report will be uploaded by the Inspecting Officer within 48 hours of the completion of his 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.

9. If the compliance report not satisfactory then the Director of Factories shall have the discretionary power to initiate action against the Employer of the Factories.

(Contd...3..)

// 3 //

10. However, any complaint received against any factory management by the department will be referred to the Director of Factories who may order additional inspection. The procedure for additional inspection shall be decided by the Director of Factories after examining the contents of the complaint.

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

Copy to:-

The Industries and Commerce Department.
The P.S. to Hon'ble Minister (Home & Labour)
The P.S. to Secretary to Government, LET&F Department.
The Law (A) Department.
S.F./S.C.

// FORWARDED :: BY ORDER //

SECTION OFFICER

Annexure to G.O.Ms.No.37 , LET&F (Lab) Department, Dated: 16.12.2015

Sl. No.	Designation	Jurisdiction	Competency for Inspection
1.	Joint Chief Inspector of Factories –I & II	State –wide	Inspection of High risk Factories where more than 500 workers are working including Major Accident Hazardous factories in the 10 districts of Telangana State
2.	Deputy Chief Inspector of Factories, Zone – I	Districts of Hyderabad and Ranga Reddy	Inspection of High Risk Factories where more than 150 workers and less than 500 workers excluding Major Accident Hazardous factories
3.	Deputy Chief Inspector of Factories, Zone – II	Districts of Medak, Nizamabad, Karimnagar and Adilabad	-do-
4.	Deputy Chief Inspector of Factories, Zone – III	Districts of Nalgonda Mahaboobnagar Warangal and Khammam	-do-
5.	Inspector of Factories Zone – I	Hyderabad-I, Hyderabad-II, Ranga Reddy-I, Ranga Reddy-II Rangareddy-III and Jeedimetla circles	Inspection of High Risk Factories where less than 150 workers excluding Major Accident Hazardous factories
6.	Inspector of Factories Zone – II	Sanga Reddy-I, Sanga Reddy-II, Nizamabad, Karimnagar and Adilabad circles	-do-
7.	Inspector of Factories Zone – III	Nalgonda-I, Nalgonda-II, Mahaboobnagar, Warangal and Khammam circles	-do-

HARPREET SINGH,
SECRETARY TO GOVERNMENT