

**CHANDIGARH ADMINISTRATION
LABOUR DEPARTMENT
NOTIFICATION**

No.12/01/106-HU(2)-2020/

929-6

Dated, Chandigarh the

8/7/2020

The Labour Department, UT Chandigarh implements provisions related to safety, health, welfare and other conditions of employment under various labour laws. In order to ensure the compliance of provisions of these enactments, the Labour Department, Union Territory, Chandigarh, has notified various functionaries for the inspection of the establishments/factories. The prevalent system of inspections is not conforming to the use of Information Technology, which has to be brought into force in the near future. Therefore, a new comprehensive Transparent Inspection Policy is required to be put in place with the following objectives:-

- *To achieve the objective of simplifying business regulations.*
- *To regulate the implementation of statutory provisions under various labour laws in transparent and accountable manner through wide scale adoption of technology and innovation*
- *To protect the rights of workers in relation to their safety, health and welfare as also other conditions of employment in the spirit and manner as envisaged under the law.*
- *To eliminate the arbitrariness and ad hocism in the actions of inspecting authorities and also to curb the malpractices and harassment of the industrial and other establishments with a view to improve the ease of doing business.*

Now therefore, keeping in view the aforesaid objectives, a new comprehensive policy namely the Transparent Inspection Policy – 2020, formulated for Union Territory of Chandigarh is as under:

TRANSPARENT INSPECTION POLICY-2020

1. Exemption of Factories and Establishments from the Labour Inspections under all Labour Laws.

As a part of Ease of Doing Business and in compliance of the provisions of Business Reforms Action Plan formulated by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, the following factories and establishments shall be exempted from physical inspections under all labour laws.

- (i) All the factories and establishments employing less than 50 workers and who have opted for the "Self Certification Scheme" and have submitted a single return under various labour laws.
- (ii) All start-up establishments for a period of two years from the date of commencement of work/business except the inspections covered under the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996.
- (iii) All the establishments having no employee i.e. employing family members only.
- (iv) Any other establishment specifically exempted by Chandigarh Administration from time to time.

2. (A) Inspections criteria

Under the Factories Act, 1948

- (i) That each manufacturing unit shall be categorized in three groups based upon the level of hazards involved as enumerated in the labour laws as applicable i.e.

- (a) Major Accident Hazardous,
- (b) Hazardous,
- (c) Non Hazardous

The selection of units for inspection shall be determined taking into account the nature of hazard in the industry factory, the time period since last inspection and number of workers employed. Such list of industries factories will be reviewed quarterly for addition/deletion of units found to be sensitive in terms of industrial relations/unrest, complaints received against some industries factories etc.

The periodicity of inspection shall be in accordance to the following criteria: -

- (1) Every Major Accident Hazardous unit shall be inspected once in a year.
- (2) All the Hazardous units involving risk of fire, explosion and toxic release are to be inspected once in every two-years.
- (3) The rest of the units, which are Non-Hazardous are to be inspected once in every five years.

In case of serious accident(s), enquiry shall be conducted by the concerned Factories Inspector. In case of fatal accident, the enquiry shall be conducted by the Additional Chief Inspector Factories.

However, this Transparent Inspection Policy shall not apply to factories that are not registered under any of the Statute.

- (ii) **Under the Punjab Shops and Commercial Establishments Act, 1958**
That all shops and establishments shall be categorized as under:-
 - (a) Those employing upto 4 persons
 - (b) Those employing 5 or more persons
 - (c) Those employing 100 or more persons.

All shops and establishments employing upto 4 persons shall be exempted from inspection.

All shops and establishments employing 5 or more persons shall be inspected once in every five years.

All shops and establishments employing 100 or more persons shall be inspected once in every two years.

However, this Transparent Inspection Policy shall not apply to shops/establishments that are not registered under any of the Statute.

(B) Procedure:-

- (i) **Preparation of quarterly list of inspection of factories/shops/Commercial establishments by computerized randomly generated system:**

The Assistant Labour Commissioner, Union Territory, Chandigarh shall finalize the list of factories/shops/Commercial establishments to be inspected during the next quarter, by way of a computerized randomly generating system based on the pre-determined criteria of selection. This list shall be made available to the public on Departmental web portal. The Inspecting Officer(s) shall be allocated through a computer program ensuring that the same Inspector shall not inspect the same factories/shops/Commercial establishments twice, consecutively. Till the time the online system does not become functional, the Assistant

Labour Commissioner, Union Territory, Chandigarh shall prepare the quarterly inspection list(s).

(ii) **Notice to the management of factories/shops/Commercial establishments about date and time of inspection, Check list and Inspection Performa:**

The Inspecting Officer shall give 15-days' prior notice of the date and time of the inspection to the management alongwith the checklist for the inspection. The Checklist and Inspection Performa shall also be available on the website of Labour Department, UT Chandigarh (labour.chd.gov.in).

(iii) **The preparation and uploading of inspection report on the web site:**

The inspection report shall be prepared and uploaded within 48 working hours from the date of completion of inspection. The report shall be prepared and uploaded on the Labour Department's website (labour.chd.gov.in) by the Inspecting Officer. The inspection report(s) shall be supplied to the management at the place of its business with a copy to the Assistant Labour Commissioner, Union Territory, Chandigarh. A show cause notice as prescribed on behalf of the Assistant Labour Commissioner, Union Territory, Chandigarh giving one month time for compliance to the management, shall also be delivered along with the copy of inspection report.

3. Complaint based inspections

The primary task of the Labour Department, Union Territory, Chandigarh, is the maintenance of industrial peace and harmony, securing the rights of the workforce and redressal of their grievances and conducting inspection(s) under the various labour laws in order to provide a corollary support for its compliance.

Therefore, the inspection in the following cases shall also be conducted on the basis of complaints/information received from the Complaints Cell/Chandigarh Administration/PMOPG Portal/Trade Union(s)/Worker(s).

- (a) Non-entry of name(s) of worker(s) in the muster roll or non-maintenance of statutory record, which, logically leads to violation of various labour laws.
- (b) Payment of wages less than the minimum rates of wages, as notified by the Chandigarh Administration, or, non-payment of wages, or, delayed payment of wages in violation of the Code on Wages, 2019, Minimum Wages Act, 1948 and the Payment of Wages Act, 1936.
- (c) Industrial disputes of serious nature and apprehended breach of law or industrial peace due to such disputes.
- (d) Non-maintenance of facilities for security, health and welfare for women employed in the night shift, in accordance with the directions of the Hon'ble Supreme Court and the preconditions laid down in the permission for the purpose; or employment of women in the night without proper permission as per law.
- (e) Deployment of contractual labour to the extent of 50% or more of the total strength of manpower employed in establishments/units.
- (f) Non remittance of contributions to the Labour Welfare Fund under the Punjab Welfare fund Act, 1965.

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The inspection in pursuance of such complaint(s) shall also be conducted besides the inspector under the Policy, but only with the prior intimation/approval of the Labour Commissioner, UT Chandigarh.

4. **Inspection of construction sites under the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996:**

There is no permanent data-base of the construction sites in the Department as the construction sites are temporary in nature and exist for a short period of time. The inspection of the unregistered sites shall be conducted by the Assistant Labour Commissioner, UT Chandigarh as and when it comes to his knowledge. The inspection of the registered sites shall be conducted in the same manner as provided under Clause 2(A) (i) of the Policy. Further, the periodicity of the inspection under the aforesaid Act, 1996, shall be at least six months. But, in case it comes to the knowledge of the Assistant Labour Commissioner, UT Chandigarh that there is an imminent danger to the construction workers working at the construction site, he may immediately inspect the site. No establishment under the Act of 1996 shall fall under the exempted category.

5. **Child Labour and Bonded Labour**

The Transparent Inspection Policy shall not apply to inspection concerning Child Labour and Bonded Labour.

[Signature]
Secretary Labour
Chandigarh Administration

Dated: 8/7/2020

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A copy is forwarded to the Labour Commissioner, Union Territory, Chandigarh for information and necessary action.

[Signature]
Joint Secretary Labour
For Secretary Labour
Chandigarh Administration

Dated: 8/7/2020

No.12/01/106-HII(2)-2020/ 9298

A copy is forwarded to the Director Industries, Union Territory, Chandigarh for information w.r.t. U.O. No. 214, dated 31.01.2020.

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Joint Secretary Labour
For Secretary Labour
Chandigarh Administration

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