UT Administration of
Dadra & Nagar Haveli and Daman & Diu
Department of Industries,
Secretariat, Daman.

NOTIFICATION.

DIC/DMN/SRAP-2020/2020-21/661 Date: 30/01/2021.

Business Reforms Action Plan-2020 (Points No.201 to 206)
issued by the Department for Promotion of Industry and
Internal Trade & Industry, New Delhi.

Read:

SUBJECT: Formation of a Central Inspection System (CIS) to integrate the independent inspection system of Labour Commissionerate, Department of Factories & Boilers,
Pollution Control Committee and Legal Metrology.

Preamble.

The Department of Industrial Policy and Promotion (DIPP) of Government of India, as a part of Business Reforms Action Plan (BRAP) from 2015-16 has suggested inspection reforms primarily based on the principles of transparency, streamline risk based regulation and automation i.e. uploading procedures, mandating time lines, risk rating of business automating process etc.

As a part of the Business Reforms Action Plan for 2020-21, the Department of Industrial Policy and Promotion has proposed every State and UTs to develop and implement a Central Inspection System (CIS) (integrated risk based shared inspection system) covering multiple implementing agencies and compliance behaviour of specific business. A good regulatory practices for business inspection requires coordination of various inspection agencies to ensure that all relevant risks are properly address during inspection process.

The Administration of UT of Dadra & Nagar Haveli and Daman & Diu
has also adopted and implemented various reforms suggested by DIPP in Business Reforms Action Plan.

The Labour Commissionerate, Department of Factories & Boilers, Pollution Control Committee and Legal Metrology areindependently carrying out inspection of business and compliance thereof. Integration of thesesystems is necessary for reduction of compliance burden and to ensure timely and synchronized inspectionsin order to simplify business regulations and bring transparency and accountability in inspections.

Accordingly, the Administration of UT of Dadra & Nagar Haveli and Daman & Diu under the Ease of Doing Business (EoDB) initiative, has

institutionalized a Central Inspection System (CIS).

1. Notification

The Hon'ble Administrator of Dadra & Nagar Haveli and Daman & Diu

is pleased to accord approval for formation of a Central Inspection System (CIS) to integrate the independent inspection systems of various
departments in Union Territory of Dadra & Nagar Haveli and Daman & Diu.

The CIS will be responsible for synchronization of multiple inspections and all inspections will be directed through the system.The key
aims of system are the following:

The central inspection system will streamline the inspection procedures in the UT.
It will ensure timely and synchronized inspections.
It will bring clarity in inspections, its frequency and reduce duplications.

It will enable Unified review of information about past inspectionsand compliance.
2. Coverage.

Central Inspection System covers inspections under the following departments, namely:
1. Department of Labour &Factories & Boilers,
2. Pollution Control Committee (PCC),
3. Legal Metrology (Food & Civil Supplies Department).

The

3. Functions of CIS.
The functions of CIS are as follows:

Scheduling of random inspections.

.Scheduling of joint inspections.
Development of transparent checklists and procedures.

Establish parameters for risk-based inspections.
Develop modalities for surprise inspections and maintain records accordingly.
Encourage third-party inspections/self-certification.
. Uploading of inspection report within 48 hours of inspection.

Acts Covered under Central Inspection Systemn: The Acts covered under Central Inspection System are as below:
A. Labour Commissionerate, Department of Factories & Boilers.
1. The Equal Remuneration Act, 1976.

4.

2. The Maternity Benefit Act, 1961 Rules 1966.
3. The Minimum Wages Act, 1948 and Rules 1954.
5. The Payment of Wages Act, 1936 and Rules 1936.
6. The building and Other Construction Workers Welfare Cess
Act 1996 and Rules 1998.

7. Payment of Bonus Act, 1965 and Rules 1975.
8. Payment of Gratuity Act, 1972 and the Rules 1974.
9. The Contract Labour [Regulation & Abolition] Act, 1970 and

Rules 1975.

10. Inter State Migrant Workmen [Regulation of Employment and Conditions of Service] Act, 1979 and Rules, 1980.

11. The Child Labour (Prohibition & Regulation) Act, 1986 and the Rules 1994. 12.The Motor Transport Act, 1961 and the Rules 1966.

13. The Building and Other Construction Workers (Regulation of Employment Condition of Service) Act, 1996 (Central Act) and Rule 2002.
14. The Working Journalists (Conditions of Service) and Miscellaneous Provision Act, 1955.
15. The Sales Promotion Employees (Conditions of Service) Act and Rules, 1976.
16. The Factories Act, 1948.

B. Pollution Control Committee.

1. The Water (Prevention and Control of Pollution) Act, 1974.
2. The Air (Prevention and Control of Pollution) Act, 19781.

C. Legal Metrology
1. The Legal Metrology Act, 2009 & Rule.

The Key elements of Central Inspection System (CIS).
1. Synchronise multiple inspections and all inspections will be directed through CIS.
2. Online inspection schedule to be generated through the CIS system for scheduling ofinspections.
3. The selection of establishments for inspection is done using computerised riskassessment and allocation of inspectors.
4. Allow third party certification instead of Departmental Inspection under all the Labourand Environment / Pollution

Control Laws for low and medium risk industry.
5. Inspector scheduling on rotational basis i.e. mandate that same inspector cannotperform two consecutive inspections of the

5.

same business.

6. The final report to be uploaded on CIS system (Public domain) within 48 hours afterthe inspection.
7. The Visit Report compliance evaluation will be done by the concerned department atthe appropriate authority level depending upon the Industry type.

8. The concerned department's field staff will visit the Industry jointly whenever the CISsystem generates joint visit else otherwise the concerned field staff will visit theindustry, independently, on a specified date.

6. UT Level Planning Committee (UTLPC): The policy matters with reference to the Central Inspection System will be decidedby the UT Level Planning Committee. The Committee shall develop module foronline inspection system, randomised online selection of establishments and third partycertification through Central

Inspection System. The UT Level Planning Committeeshall be a UT Level

Body mainly to implement advice, regulate and monitor thefunctioning of the CIS.

The constitution of UT Level Planning Committee shall be as follows:

Officer Designation Secretary (Labour)

Member Secretary, (PCC)

Director (Industries)

Dy. Secretary (Legal Metrology) Dy. Commissioner (Labour)

Chairman
Member
Member
Member

Member Secretary

The UT Level Planning Committee will look after the broad policy and

procedure of the CIS. The function of UT Level Planning Committee will be as follows:

1. Design and develop online inspection system for scheduling of

inspections.

2. The system shall further assign inspections automatically and shall allow online filing of inspections reports and generation of reports, if

needed. It shall also support mobile and email alerts. Avoid multiplicity of inspections and inspectors. 3. Allow third party certification instead of Departmental Inspection under all the Labour and Environment/ Pollution Control Laws for low and medium risk industry. 4 Develop an IT framework to allow complete data sharing between all participating department, inspections report generation and

management, mobile / e-mail access, automated scheduling of inspection and work schedules of inspectors. 5. To ensure that the Central Inspection process optimises the

resources allotted.

6. Undertake training and development programme for various departments regarding Central Inspection System. 7. Decide annual plan for inspection by various concerned 8. Review departments. the functioning of the CI system and the performance of each office integrated in the CIS.
9. To build capacity of the inspector and inspectorate by introducing training to enhance skill. To introduce cross training of the for inspector different inspection to optimise use of resources.

7. Joint Monitoring Committee (JMC): The actual functioning of the Central Inspection System shall be carried out by a JointMonitoring Committee consist of the Head of the Office of the offices integrated in the Centralinspection System.The constitution of Joint Monitoring Committee shall be as follows:

Officer

Designation Member Secretary (PCC) Chairman
Dy. Commissioner (Labour) Member Secretary Member Chief Inspector of Factories & Boiler

Labour Officer, Labour Department Member Senior Inspector, Legal Metrology Department. Member
The function of Joint Monitoring Committee will be as follows 1. To oversee the proper functioning of CIS module

2. To supervise that the allotted establishment is properly inspected and inspectionremarks are uploaded in 48 hours and give necessary instructions to concerneddepartment 3. To prioritise and determine the frequency of visits for each establishment.
4. To develop comprehensive checklist and formats for and inspections update the same.
5. To conduct review meeting after every two months to evaluate theperformance of eachinspector.

6. To develop tool kit with the relevant process, standard operating procedures, forms,check list and guidelines for communication between the Central and Field Officers.
7. To develop training module for the inspectors and to conduct regular training.

8. Risk Based Inspection Procedure for various departments:- Risk Based Inspection tool, where resources are focused on those enterprises carry ahigher risk to the public is developed by the respective department. This risk based inspectiontool shall form the

basis to prioritize and determine the frequency of visit of each industrialestablishment which shall form part of the annual inspection plans and detail visit schedule.

The risk based schedule of the offices integrated in the ClS are as follows:

A. Labour Commissionerate and Factories & Boilers
) Risk assessment allotment taking into account on the basis

of Number of Workmen employed by the establishment/
factories i.e.
a) Low risk establishment /factories employing less than 50 workers will be exempted from inspection with a history of satisfaction compliance of labour law, except in case of complaint received against the establishment for violation of labour laws.

b) Medium risk establishment/factories employing 50
or more but up to 150 workers.

c) High risk establishments employing more than 150
workers.

(i) Brief description of low, Medium and High-risk
Factories/Establishment.

a) Low Risk: Factories except as specified in clause- (c) employing up to 50 workers are to be inspected only if there are complaints of noncompliance of various Labour Laws, accidents and dangerous OCcurrences. Establishment employing up to 50 workers are to be

inspected only in case of complaints regarding non compliance of various Labour laws / Labour situation.

b) Medium Risk: Establishment/Factories except as specified in clause (c) employing more than 50 workers
and up to 150 workers. Inspection may be carried out once

in 5 years.

c) High Risk: Major Accident Hazard and other chemical factories, factories carrying out dangerous operations of the Factories Act, 1948 and section 2(cd) of
the Factories Act, 1948 and all factories/establishments employing 150 more workers. Inspection may be carried
out once in 3 years.

B. Pollution Control Committee (PCC).
The inspection and sampling time schedule of various categories of Industries are as below:

Sr. Category of Industries Time Schedule
No.

a Highly polluting 17 Category
Other Red Category

3 months
b 6 months

c Orange Category 6 months
d Green Category 2 years
e CBWTF/CHWSRDF/CMSWTDF/CETP/STP|3 months

C. Legal Metrology
The risk category-wise periodicity of inspections to be carried out under Legal Metrology (General) Rules 2011 are as below:
a. Manufacturer

Description of Weight or
No. Measure to inspected or

Sr Risk Periodicity category verified
Manufacturing License of Storage 1
Tank

Low 60 months

2 Manufacturing License of all High 12 months

weight or measure other than
Storage Tanks

b. Repairer

Periodicity Sr Description of Weight or
No. Measure to inspected or

Risk

category verified
Repairing License
Low 60 months (Calibration) of Storage Tanks Repairing License of all weights,
length

2

capacity
measures, tape beam scale and

measures, Medium 24 months

counter machine.

3 Repairing License of all weight

or measure including tank lorry other than weights, capacity

measures, length measures, tape, beam scale and counter machine| and storage tanks.

High 12 months

C. Dealers

Description of Weight or Risk Sr
Periodicity Measure to inspected or

No.

verified category

Dealing License for all weight or 1
measure High 12 months

However, every office integrated in the CIS shall carry out

surprise inspections based on complaint with specific permission from their respective head of the office.
9. Nodal Officers-

Every office integrated in the Central Inspection System will

nominate a Nodal0fficer at its Head Office. The Nodal Officer shall

be responsible for intra-departmentco-ordination for theimplementation of the CIS. He will apprise the field

levelsoftware, hardware and operational issues to the Supervisory Committee and the Statelevel Planning Committee. He will also

ensure the submission of monthly reports asmay be prescribed by the UT Level Planning Committee and the Joint MonitoringCommittee, are submitted in time. He will coordinate training of the field officers andreview their progress and submit it
to the head of the office.

10. Inspection Process -

Schedule and Allocation of Inspectors:
The Schedule of Inspection shall be formulated through an

online systemmonitored by UT Level Planning Committee and Joint Monitoring Committee.

The visit shall be conducted by the respective inspectors with

the help of a toolkit which shall have the relevant processes, standard operating procedures, forms andchecklists, and guidelines for communications between the central and field officer.The processes will also cover behavioural aspects, as well as the procedural or technicalaspects of an inspection, which can also be

governed by Head of Office. It shallbe ensured that the final reports are furnished within 48 hours of inspection. The onlineformat for allocation of inspectors and compliance for joint inspection shall
bedeveloped by the system. This shall be generated on random basis

through acomputerised system keeping their jurisdiction as the

base parameter. The report ofinspection will be submitted in a combined inspection form in a format as prescribedby UTLPC.

The format shall clearly identify the proper procedure and sanctions for each type of violation, taking into consideration the intensity and recurrence of a violation. The list of inspectors with their jurisdiction will be displayed online.

11. Third Party Certification:
All the offices involved in the CIS shall encourage "Third Party Certification" for effective implementation and complíance of the respective legislation enforced by the respective office. The Third Party Inspection shall be allowed for low and medium risk units, based
on their past records. The certifiers / assessor/ agencies needs to be accredited by a reputed accreditation body attesting their technical capacity for each particular type of assessment separately and approved by the respective office. The Third Party Certifiers shall be

liable for assessment and compliance.

12. Introduce Self Certification Scheme
Each office, integrated in CIS shall introduce Self Certification

Scheme for low and medium risk units.

Directorof Industries
Dadra & Nagar Haveli and Daman &Diu
Daman.