



INDUSTRIAL PROMOTION AND INVESTMENT CORPORATION OF ODISHA LIMITED

(A Government of Odisha Undertaking)

(An ISO 9001:2008 Certified State Level Model Agency)

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No : IPICOLSW/Make in India/584 dated 18.06.2015

To,

Principal Secretary to Government, Industries Department
Principal Secretary to Government, Labour & E.S.J Department
Commissioner cum Secretary, H&UD Department
Commissioner of Commercial Taxes
Labour Commissioner
Secretary, MSME Department
Member Secretary, State Pollution Control Board
Director, Factories & Boilers

Subject: Operating Procedures for Central Inspection Framework

By,

In pursuance to the resolution of the Industries Department No. 10373400012015-38441 dated 10/6/2015, the operating procedures for the Central Inspection framework as finalised during the 1st meeting of the Central Inspection Coordination Group (CICG) meeting held on 17/06/2015 are enclosed herewith.

It is further decided that the operating procedures shall come into force from the month of July 2015 and the existing procedure of independent inspections by respective departments shall be discontinued forthwith.

Yours Sincerely

Sd/-

Chairman cum Managing Director

Memo No 595 dated 18.06.2015

Copy to Private Secretary to Development Commissioner cum Additional Chief Secretary, for favour of information

Sd/-

Chairman cum Managing Director

Central Inspection Framework for Industrial Enterprises

1.0 Context

The need for a central inspection framework is to address the common complaints about ambiguity, duplication and overlapping mandates between inspection authorities, and a general lack of cooperation and coordination. Currently, industrial establishments are receiving multiple visits from different bodies often checking on the same things, and, on some occasions, contradicting each other.

As part of "Ease of Doing Business" framework, improving the inspection framework has become a critical parameter in ensuring clarity on inspections, frequency of inspections, and reducing duplications. This Inspection Framework aims to achieve the objective of simplifying business regulations and bring in transparency and accountability in inspections.

2.0 Administrative Mechanism

The Government of Odisha through resolution No 193734000120153844/I dated 10th June 2015 has constituted a Central Inspection Co-ordination Group under the Chairmanship of Development Commissioner with the following members:

Development Commissioner –cum-ACS	Chairman
Principal Secretary to Government, Industries Department	Member
Principal Secretary to Government, Labour & E.S.I Department	Member
Secretary, H&UD	Member
Commissioner of Commercial Taxes, Odisha	Member
Labour Commissioner	Member
Secretary, MSME Department	Member
Director, Factories & Boilers	Member
Member Secretary, OPCB	Member
Chairman-cum-Managing Director, IPICOL	Member Convener

The functions of CIGG are as follows:

- I. Develop transparent checklists and procedures
- II. Ensure synchronised inspections of Factories & Boilers, Labour Department and Odisha State Pollution Control Board (OPCB)
- III. Establish the framework for risk based inspections
- IV. Develop modalities for conducting surprise inspections
- V. Empanel third party inspector, wherever applicable
- VI. Undertake capacity building initiatives.

The CIGG shall also be responsible for monitoring the performance of field offices and collecting regular reports at suitable intervals, and then aggregating these reports to determine benchmark achievements against plans.

3.0 Operational Framework

Synchronised Composite Inspection framework has been evolved to schedule inspections that will draw inspectors from OPCB, Labour department and Factories and Boilers in each district, listing out all the establishments in the district and the schedule of inspection for the industrial

establishments by a specific Inspector. Central inspection plan is being created to reflect the priorities and lay down the framework for resource allocation. The annual plan shall define the inspectorate's directions and priorities for the year, while the monthly/weekly plans shall outline the activities needed to achieve the strategic goals and objectives. Every inspection shall be held so as to cover all the necessary statutes applicable to that establishment (applicable under OPCB, Labour department and Factories and Boilers department) to avoid any duplication of visits.

In the current context, a Joint Planning Group (JPG) is established at the central level and this group shall plan for joint inspections based on the risk of the projects. JPG shall ensure that the central inspection process shall be optimized that the resources are allocated to enterprises based on the identified risk profile. The composition of Joint Planning Group (JPG) is as follows

Chairman cum Managing Director, IPICOL	Chairman
Joint Commissioner, Labour	Member
Director of Industries	Member
Senior Environmental Engineer, OPCB	Member
Director, Factories & Boilers	Member
Senior Town Planner, H&UD	Member
Deputy Commissioner, Commercial Tax Department	Member
General Manager, IPICOL	Member Convener

The Joint Planning Group (JPG) shall have the database of all facilities, including basic information like the geographical location, sector, and compliance history, as well as information specific to the area of inspection. An IT framework shall be established to allow complete data sharing between all participating departments, inspections reports generation and management, mobile/email access, automated scheduling of inspections and work schedules of inspectors. JPG shall ensure that the central inspection process shall be optimized that the resources are allocated to enterprises based on the identified risk profile.

A comprehensive Check list and formats for inspections (Annexure II) has been developed to ensure reduction in paperwork formalities and increase consistency between inspectors. The State Level Nodal Agency (IPICOL) is in the process of developing on-line system to plan and schedule the inspections based on risk criteria. The system shall further assign inspections automatically and shall allow on-line filing of inspection reports and generation of reports, if needed. It shall also support mobile and email alerts.

4.0 Risk Based Inspections Procedure for various Departments

Risk-based inspection tool, where resources are focused on those enterprises carrying a higher risk to the public is being developed for labour department, Factories and Boilers department, Commercial Tax Department, Housing and Urban Development and Odisha Pollution Control Board. This risk-based inspection tool shall form the basis to prioritize and determine the frequency of visits for each industrial establishment, which shall form part of annual inspection plans and detailed visit schedules.

4.1 Risk Based Inspections by Labour Department

Risk-based inspection tool, where resources are focused on those enterprises carrying a higher risk to the public has been developed for labour department as outlined below. This risk-based inspection tool shall form the basis to prioritize and determine the frequency of visits for each

Industrial establishment, which shall form part of annual inspection plans and detailed visit schedules.

4.1.1 Criteria for inspections

1. Mandatory Inspections

In the following cases, the inspections will be mandatory for all units:-

- I. The establishments where fatal or serious accident has occurred in the last two years.
- II. The establishments where strikes/lock out/retrenchment has taken place in last two years.
- III. Closed establishments till their workers' dues are settled.

2. Optional Inspections

In following cases, the inspections would be generated randomly through the proposed online system, taking into account the following factors:

- I. Category of hazardous industry [20%].
- II. Establishments employing 50% Contract Labour or minimum of 20 number of Contract Labour [20%].
- III. Establishments where total number of workers is more than 200 [20%].
- IV. All other establishments, as per priority criteria fixed by the Collector [40%]

4.2 Risk Based Inspections by Odisha Pollution Control Board

The Board vide office order No. 6456 dated 15.4.2015 classified the industrial projects as following:

Investment in Rs.	Green	Orange	Red
Up to 5.0 Crores	C	C	C
More than 5.0 Crores and up to 50.0 Crores	C	C	B
More than 50.0 Crores	C	B	A

The mining projects were also classified in the following manner.

Mining Projects	Category
Coal, Bauxite, Iron, Manganese, Limestone, Dolomite and Chromite	A
Other than Coal, Bauxite, Iron, Manganese, Limestone, Dolomite and Chromite	B

For the Industrial project 'investment' means the capital investment in plant and machinery, land and building etc. exclusive of working capital. The 'Red', 'Orange' and 'Green' category projects are to be determined as notified by the F & E Deptt., Govt. of Odisha and amended from time to time.

- 1) The A category project being large in scale of operation and higher in pollution potential are subjected to rigorous scrutiny and inspection while category B & C projects are subjected to less scrutiny and inspection.
- 2) The Board issued circular vide No. 9968 dt. 17.6.2015 for following frequency of inspection and sampling

4.4 Risk Based Inspections by Factories and Boilers Department

The risk based inspection to be undertaken by the Factories and Boilers Department shall be as per the following logic:

Sl. No.	Nature of Factory	Periodicity of Inspection
01.	Major Accident Hazard (MAH) category factories	Twice In a year

Sl. No.	Nature of Factory	Periodicity of Inspection
02.	Section 2(cb) category factories	Once in a year
03.	Section 67 category factories (excluding factories covered under Section 2(cb) category)	Once in a year
04.	Section 85 category factories (i.e. class of factories as Notified)	Once in a year
05.	Other Accident Hazard (OAH) category factories such as factories where dangerous equipments like Boiler, etc. installed / in operation	Once in a year
06.	Factories of Non-Hazardous category	20% factories selected at random (as approved by the Director of Factories & Boilers)

Factories of Non-Hazardous category are required to submit a declaration by the 1st week of January every year duly signed by the Occupier and Manager indicating compliance with the legal provisions, as applicable.

4.5 Routine Inspections

In addition to the risk-based inspections, periodic inspections will be conducted for non-hazardous/low-risk and other units. The frequency of such inspections shall be based on the location of the industry, track record of the unit and complaints received if any.

4.6 Inspection Process – Schedule and Allocation of Inspectors

The Schedule of inspection shall be formulated through an online system monitored by JPG in consultations with the field officers and respective line departments and approved by CICG.

The visits shall be conducted by the respective inspectorate with the help of a tool kit with shall have the relevant processes, standard operating procedures, forms and checklists; and guidelines for communication between the central and field offices. The processes will also cover behavioural aspects, as well as the procedural or technical aspects of an inspection, which can also be governed by a statute or government regulation. It shall be ensured that the final reports are furnished within 72 hours of inspection. Surprise inspection shall be approved/conducted by JPG only based on complaints received with specific permission from the Head of Department/CICG. The online format for allocation inspectors and compliance for joint inspection and for joint inspection are attached in Annexure 'IV-a' and Annexure 'IV-b' respectively. This shall be generated on random basis through a computerized system keeping their jurisdiction as the base parameter.

ANNEXURE I

LIST OF APPLICABLE LAWS/ACTS APPLICABLE UNDER THE CENTRAL INSPECTION FRAMEWORK

Labour, Factories & Boilers Department

- 1) The Equal Remuneration Act, 1976.
- 2) The Maternity Benefit Act, 1961 and Rules 1966
- 3) The Minimum Wages Act, 1948 and Rules 1954.
- 4) The Payment of Wages Act, 1936 and Rules 1936.
- 5) The Orissa Shops and Commercial Establishment Act, 1956 and Rules 1958
- 6) The Building and other Construction Workers' Welfare Cess Act, 1996 and Rules, 1998
- 7) The Payment of Bonus Act, 1965 and Rules 1975.
- 8) The Payment of Gratuity Act, 1972 and Rules 1974.
- 9) The Contract Labour (Regulation and Abolition) Act, 1970 and Rules 1975.
- 10) The Inter State Migrant Workmen (Regulation of Employment and Condition of Service) Act 1979 and Rules 1980.
- 11) The Child Labour (Prohibition and Regulation) Act, 1986 and Rules 1994.
- 12) The Orissa Industrial Establishment (National Festival) Holidays Act, 1969 and Rules 1972.
- 13) The Motor Transport Workers Act, 1961 and Rules 1966.
- 14) .The Building and Other Construction Workers (Regulation of Employment Conditions of Service Act, 1996 (Central Act) and Rules 2002.
- 15) The Beedi and Cigar Workers (Condition of Employment) Act, 1966 and Rules 1969
- 16) The Working Journalists (Condition of Service) and Miscellaneous Provision Act, 1955.
- 17) The Sales Promotion Employees (Condition of Service) Act and Rules 1976.

Directorate of Factories and Boilers

- 1) The Factories Act, 1948

Commercial Tax Department

- 1) Odisha Value Added Tax Act 2004
- 2) Orissa Entry Tax Act, 1999
- 3) CST (O) Rules, 1957

Housing and Urban Development Department

Orissa Development Authorities Act, 1982

State Pollution Control Board

- 1) Water (Prevention and Control of Pollution) Act, 1974
- 2) Air (Prevention and Control of Pollution) Act, 1981

Industries Department

Orissa Industries Facilitation Act, 2004

GOVERNMENT OF ODISHA
INDUSTRIES DEPARTMENT

19373400012015 RESOLUTION
7317 / 11 Dated 21.10.2017

In partial modification of Industries Department Resolution No. 3844/1, dated 10.06.2015, Government has been pleased to cover the following services within the purview of the functions of the Central Inspection Coordination Group (CICG) as a measure to streamline the inspection framework and improve the ease of doing business in the State.

1. Legal Metrology General Act, 2009 and Rules, Legal Metrology Department. The criteria of verification shall be as per the Rules covered under the Orissa Legal Metrology (Enforcement) Rules, 2011.

2. The Orissa Labour Welfare Fund Act, 2005 and Rules made thereof. The criteria of inspection shall be in accordance to the criteria governing Labour Laws/ Acts.

ORDER: Ordered that the Resolution be published in an extraordinary issue of the Odisha Gazette and copies of the Resolution be forwarded to all Departments / All Heads of Department.

By Order of Governor


Principal Secretary to Government

Memo No. 7318 / 11, Bhubaneswar, dated the 21.10.2017
Copy forwarded to in-charge, Odisha Gazette Cell, C & T (Commerce Department) with a request to that the above Resolution may be published in an extraordinary issue of the Odisha Gazette and supply 50 (fifty) copies to this Department


Joint Secretary to Government

Memo No. 7319 / 11, Bhubaneswar, dated the 21.10.2017
Copy forwarded to Principal Secretary, to Chief Minister/ P.S. to Hon'ble Minister Industries/ P.S. to Chief Secretary, Odisha/ P.S. to Development Commissioner-cum-A.C.S., Odisha/ P.S. to Principal Secretary to Government, Industries Department for kind information of Hon'ble Chief Minister, Odisha, Hon'ble Minister, Industries/ Chief Secretary, Odisha, D.C.-cum-A.C.S., Odisha and Principal Secretary, Industries Department.


Joint Secretary to Government



Government of Odisha
DIRECTORATE OF FACTORIES AND BOILERS, ODISHA
KHARAVELA NAGAR, UNIT-3, BHUBANESWAR-751001, PH: NO: 0674-2396070

No. 7144 / Dt. 26/11/2020

OFFICE ORDER

As part of the initiatives for 'Ease of Doing Business', it is decided that the inspections under the Boilers Act, 1923 will be scheduled as part of the Government of Odisha - Synchronised Mechanism for Inspection of Licensed Enterprises (GO SMILE) online central inspection framework. To further enable smooth inspections for industries under the framework, the following has been mandated:-

1. All inspections, except in case of complaint-based inspections, will be carried out based on the checklist and procedures published on the GO SMILE portal.
2. Inspection reports shall be issued and uploaded on the GO SMILE web portal within 48 hours of completion of such inspections under the provisions of the Boilers Act, 1923.
3. The same Inspector will not inspect the same establishment twice consecutively.
4. Industries will be able to view and download submitted Inspection Reports through the GO SMILE portal.

This supersedes all previous orders and shall come into force with immediate effect.


Director of Factories & Boilers,
Odisha

Memo No. 7145 / Dt. 26/11/2020

Copy forwarded to all Assistant Directors of Factories & Boilers / all Deputy Directors of Factories & Boilers / all Heads of Field Offices / all Headquarters Officers for information and necessary.


Director of Factories & Boilers,
Odisha

Memo No. 7146 / Dt. 26/11/2020

Copy submitted to the Principal Secretary to Government of Odisha, Labour & E.S.I. Department, Bhubaneswar for kind information.


Director of Factories & Boilers,
Odisha

(-) Copy to Office Order File No. III-R-4/17.