



EMPLOYEES STATE INSURANCE CORPORATION
PANCHDEEP BHAWAN, C.I.G. ROAD
NEW DELHI – 110 002
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ESIC...Chinta se Mukti

No.S-11/12/2/2008-Rev.II

To

Date: 11.04.2016

All Regional Directors/Directors/
Joint Directors Incharge,
ESI Corporation,
ROs/SROs/Divisional Offices.

SUBJECT : New Inspection Policy -- 2014.

Sir/Madam,

In continuation to this office Circular of even number dated 01.08.2014 on the subject noted above and in pursuance of instructions given by Govt. of India and communicated through a letter from Secretary(L&E), Ministry of Labour & Employment, vide his D.O. No.Z-13025/39/2015-LR Cell dated January 12, 2016 (copy enclosed), it has been decided that –

1. Govt. of India has decided to promote the Start-Up ecosystem in the country to incentivize the entrepreneurs in setting-up new start-up ventures and thus catalyze the creation of employment opportunities through them. In this connection, various incentives and ease in regulatory compliance provisions are being conceptualized. **Start-Ups are defined by Department of Industrial Policy and Promotion (DIPP), as an entity, incorporated or registered in India not prior to five years, with annual turn-over not exceeding Rs.25 crores in any preceding financial year and working towards – “innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property”.** Respective Head of Office(RD/Dir. In Charge/ Jt. Dir. In Charge) shall properly identify such units in view of the above and shall have proper records of the same.

वेबसाइट की विषय-सूची का प्रबंध
Website Contents Management
उपरोक्त सं./Diary No. 128
दिनांक / Date..... 11/04/16

2. For inspection of records/investigation of complaints related to such units as falling in the above criteria of the Start-Ups, the policy will be as under-
- (i) For the first year of setting up of the Start-Ups, such establishments may not be inspected and these start-ups may be asked to submit an online self-declaration instead.
 - (ii) Start-Ups may be allowed to submit self-certified returns (as is being done under Shram Suvidha Portal). From the second year onwards, up to three years from the setting-up of the unit, such start-ups may be taken up for inspection only when very credible and verifiable complaint of violation is filed in writing and the approval has been obtained from at least, one level senior to the Inspecting Officer.

You are, therefore, requested to regulate the inspections in the cases of Start Ups, as per above instructions, wherever applicable. For obtaining self-certification online, Shram Suvidha Portal of Govt. of India may be used.

This has been approved by Director General.

Encl: As above

Yours faithfully,


(K.G. SURESH)

JOINT DIRECTOR(Rev.)

Copy to
✓ Website Manager, Hqr. for uploading in
the ESIC website.



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शंकर अग्रवाल, आई०ए०एस०
भारत सरकार के सचिव
SHANKAR AGGARWAL, I.A.S.
Secretary to Govt. of India

MINISTRY OF LABOUR & EMPLOYMENT
SHRAM SHAKTI BHAVAN
NEW DELHI - 110001

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D.O. No. Z-13025/ 39 /2015-LR Cell

January 12, 2016

Dear Chief Secretary,

Government of India has decided to promote the Start-Up ecosystem in the country to incentivize the entrepreneurs in setting up new start-up ventures and thus catalyze the creation of employment opportunities through them. In this connection, various incentives and ease in regulatory compliance provisions are being conceptualized. Start-ups are defined by Department of Industrial Policy & Promotion (DIPP), as an entity, incorporated or registered in India not prior to five years, with annual turnover not exceeding Rs. 25 crores in any preceding financial year, working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.

2. Promoting the Start-ups, as defined above, would need special handholding and nurturing. Thus such Start-ups, as defined by DIPP, may be allowed to self-certify compliance with the Labour Laws. The Labour Laws to be covered under this are:

- (1) The Industrial Disputes Act, 1947
- (2) The Trade Unions Act, 1926
- (3) The Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996
- (4) The Industrial Employment (Standing Orders) Act, 1946
- (5) The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979
- (6) The Payment of Gratuity Act, 1972
- (7) The Contract Labour (Regulation and Abolition) Act, 1970
- (8) The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
- (9) The Employees' State Insurance Act, 1948

3. It is observed that out of the 9 Central Labour Acts above, first 7 Acts are implemented both by State Government (State sphere) and Central Government (Central sphere). Last two (EPF and ES) Act) are mainly implemented by Central Government. Also, out of these 7, only 4 Acts (viz. Industrial Disputes Act, Building & Other Construction Workers Act, Inter-State Migrant Workmen Act, and Contract Labour Act) require establishments to file Return. Similarly, only 4 Acts (viz Building & Other Construction Workers Act, Inter-State Migrant Workmen Act, Payment of Gratuity Act and Contract Labour Act) require inspection of the establishments by Inspectors.

श्रम एवं रोजगार मंत्रालय
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4. In view of the above, State / UT Governments are advised that:

- (i). For the first year of setting up of the Start-ups such establishments may not be inspected under any of the 4 Labour laws mentioned above (*viz. BoCW Act, ISMW Act, Payment of Gratuity Act and Contract Labour Act*). These start-ups may be asked to submit an online self-declaration instead.
- (ii) Start-Ups may be allowed to submit self-certified returns (*as is being done under Shram Suvidha Portal under these Acts for the Central sphere*) under aforesaid Acts. From the second year onwards, upto three year from the setting up of the unit, such Start-ups may be taken up for inspection only when very credible and verifiable complaint of violation is filed in writing and the approval has been obtained from at least one level senior to the inspecting officer.

5. You are, therefore, requested to direct the concerned Departments in your State/UT to regulate the inspections in the Start-ups, as suggested above, wherever applicable. For submitting self-certification online, the Shram Suvidha Portal of Government of India may be used.

With regards

Yours sincerely
Sd/-
(Shankar Aggarwal)

Chief Secretaries of all States/UT
(By name, as per List, separate copy to each)

Copy to: *with request to take similar action for units in Central Sphere:*

1. Sh. K. K. Jalan, Central Provident Fund Commissioner, EPFO, New Delhi
- ✓ 2. Sh. Deepak Kumar, Director General, ESIC, New Delhi
3. Sh. A. K. Nayak, Chief Labour Commissioner (Central), Shram Shakti Bhavan, New Delhi


(Shankar Aggarwal)

Copy also to:

1. Sh. Rohit Nandan, Secretary, Ministry of Skill Development & Entrepreneurship, New Delhi, *for taking similar action in respect of the Apprentices Act 1961, as this is being handled now by that Ministry.*
2. Sh. Amitabh Kant, Secretary, Department of Industrial Policy & Promotion, Udyog Bhavan, New Delhi *for information.*


(Shankar Aggarwal)