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Andaman And



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**ANDAMAN AND NICOBAR ADMINISTRATION  
OFFICE OF THE LABOUR COMMISSIONER & DET  
SRI VIJAYA PURAM**

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**NOTIFICATION**

Sri Vijaya Puram, dated the 1<sup>st</sup> July, 2025.

No.55/2025/F.No.M-2530973/1/2025-ALC(SA)-LAB\_AN/766.— The Lt. Governor (Administrator) of Andaman and Nicobar Islands is pleased to notify the implementation of the "Third Party Certification/ Self-Inspection Mechanism" for factories, shops and commercial establishments under labour laws in the Union Territory of Andaman and Nicobar Islands. This initiative is aimed at facilitating Compliance Reduction and Deregulation under the Ease of Doing Business (EoDB) framework, as formulated by the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, Government of India and shall come into force with immediate effect.

The mechanism is intended to promote transparency and accountability in inspections, while simultaneously encouraging compliance with labour laws in factories, shops, and commercial establishments in accordance with the powers conferred upon the State / UT Governments (Appropriate Governments) under Section 112 of the Factories Act, 1948; Section 26 of the Payment of Wages Act, 1936; Section 30 of the Minimum Wages Act, 1948; Section 35 of the Contract Labour (Regulation and Abolition) Act, 1970; Section 15 of the Payment of Gratuity Act, 1972; Section 28 of the Maternity Benefit Act, 1961; Section 18 of the Child and Adolescent Labour (Prohibition and Regulation) Act, 1986; Section 34 of the Andaman and Nicobar Islands Shops and Commercial Establishments Regulation, 2004; Section 13 of the Equal Remuneration Act, 1976; Section 40 of the Motor Transport Workers Act, 1961; Section 35 of the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979; Section 62 of the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996; and Section 43 of the Plantations Labour Act, 1951.

This mechanism is structured in two parts, wherein the first part pertains to the "Inspection Scheme", which consists of Self-Inspection / Certification and Third Party Certification based on Risk-Based Classification for factories; and the second part pertains to Third Party Certification for shops and commercial establishments under labour laws.

**PART - I**

Inspection Mechanism - Self Inspection / Certification and Third Party Certification of factories based on Risk based Classification in the A & N Islands:

**Risk based Classification of Factories**

For the purpose of this Inspection Mechanism, based on the type of manufacturing process and the number of workers engaged therein, factories are classified as Very High Risk, High Risk, Medium Risk and Low Risk categories of factories :

**Category — A: - Very High-Risk Category**

All Major Accident Hazard (MAH) Factories

**Category — B: - High Risk Category**

- (i) Factories involving hazardous process and employing more than 100 workers.
- (ii) Factories employing more than 250 workers and not covered under hazardous process

**Category — C: - Medium Risk Category**

- (i) Factories involving hazardous process and employing upto 100 workers.
- (ii) Factories employing more than 50 workers and upto 250 workers and not covered under hazardous process. Medium risk factories shall be covered under Third Party Certification Mechanism (Optional) and would be inspected once in every 3 years.

**Category — D :— Low Risk Category**

- (i) All the other factories not covered under medium, high and very high-risk categories shall be categorized as Low Risk.
- (ii) Low Risk factories shall be covered under Self-Certification Mechanism (Optional) and would be inspected in every 5 years.

Inspection Mechanism under the Factories Act, 1948 based on Risk classification :

**Self-Inspection / Certification :**

Factories categorized as Low-Risk are eligible to opt for self-certification, subject to the condition that there have been no major violations or fatal accidents in the past three years. Eligible units must submit Self-Inspection / Certification (**Annexure - A**) via email to [lcdet@and.nic.in](mailto:lcdet@and.nic.in). Incorrect or false submissions may lead to revocation of self-certification privileges and reinstatement of regular inspections.

Upon acceptance of the Self-Certification Declaration, such factories shall be exempted from routine inspections for next five years. However, the Labour Department reserves the right to carryout surprise inspections or inspections based on specific complaints, if any.

**Third Party Certification:**

The Director General of Factory Advice Service and Labour Institutes (DGFASLI), Ministry of Labour, Government of India, Sion, Mumbai, or Certified Safety Auditors accredited by DGFASLI, shall serve as the Third Party Certification agencies.

Factories classified under the Medium-Risk category are eligible to opt for Third Party Certification, subject to the condition that there have been no major violations or fatal accidents in the past one year.

Eligible factories must submit a Third-Party Certification (Annexure-B) via email to [lcdet@and.nic.in](mailto:lcdet@and.nic.in).

Upon acceptance of the Annual Third Party Certification, such factories shall be exempted from routine inspections for the next three years. However, the Labour Department reserves the right to conduct surprise inspections or inspections based on specific complaints, if any are received.

## **PART – II**

Third Party Certification for Shops and Establishments under labour laws in the A & N Islands under labour laws:

This mechanism shall be optional and includes compliance of the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Payment of Gratuity Act, 1972, the Maternity Benefit Act, 1961, the Child and Adolescent Labour (Prohibition and Regulation) Act, 1986, the Andaman and Nicobar Islands Shops and Commercial Establishments Regulation, 2004, the Equal Remuneration Act, 1976, the Motor Transport Workers Act, 1961, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, and the Plantations Labour Act, 1951.

1. In this mechanism unless the context otherwise requires-
  - (i) "Third Party Certification" means a systematic, objective and documented evaluation of the compliance of the various labour laws mentioned above.
  - (ii) "Compliance Auditor" would be a qualified practicing Company Secretary who is a member of Institute of Company Secretaries of India constituted under Section 3 of the Company Secretaries Act, 1980 and approved by the Central Government; and who has not been an employee or on the regular pay role of the establishment or has not been a consultant of the company for the last three years. The units which submit Third Party Certification regularly on annual basis shall not be inspected and such units may be inspected only in the event of serious complaints or unrest etc.
  - (iii) "Institution" means a firm, association, body, corporate of Company Secretaries, Society registered in accordance with the law for the time being in force or an individual Company Secretary, auditing the compliance of various laws including labour laws.
2. The Compliance Audit shall be carried out as per the standards laid down under various labour laws mentioned above —
  - (i) The Company Secretary (hereinafter referred to as a Compliance Auditor) conducting the audit shall maintain a log book of all audits undertaken by him indicating the name and address of the audited establishment, name of the person who has carried out the audit, contact persons, date of the audit and date of submission of the audit report to the notified head of the establishment and the Labour Commissioner.

- (ii) A Compliance Auditor and the person authorized to carry out shall not conduct Compliance Audit of any establishment where such auditor or person is employed, or an occupier, partner, director, or manager of that establishment, or of any other unit owned, operated, managed, or conducted by immediate family members, relatives or extended family members or wherein that Compliance Auditor or such person has any direct or indirect interest whatsoever. A Compliance Auditor or such person shall not carry out the compliance audit of that establishment to which that auditor or such person has any participation in its business within the last three years.
  - (iii) Compliance Auditor and the person authorized to carry out compliance audit shall not disclose, even after he ceases to be an auditor, any commercial secrets or working processes or other confidential information which may come to his knowledge in the course of their duties as an auditor. Any failure in this regard may make such auditor or person liable for criminal or civil proceedings in accordance with the law for the time being in force.
  - (iv) If the Compliance Auditor has carried out the audit in violation of the provisions of the Act or rules or has acted in a manner inconsistent with the intent or the purpose of the Act or rules made thereunder or has omitted or failed to act as required under the Act and rules made thereunder; or for any other similar reason by which he has failed in duty as a Compliance Auditor, he shall liable to be debarred from conducting such Compliance Audits.
3. The Compliance Auditor shall within one week from the date of completion of audit forward the report to the Head of the establishment on the letter head and his recommendations regarding the compliance under various labour laws.
  4. The Head of the establishment as well as the Compliance Auditor shall inform in writing to the Labour Commissioner, thirty days in advance before commencement of the compliance audit in an establishment.
  5. The Head of the establishment shall, within thirty days of the receipt of the Compliance Audit Report in the **Annexure-C** shall take action on the recommendation of the auditor as pointed out in the audit report and also submit the action taken report / compliance report alongwith proofs of compliance to the Labour Commissioner within sixty days in pursuant to the recommendations made in the Audit Report.
  6. The compliance of the observation / discrepancies pointed out in the audit report shall be monitored at the level of Labour Commissioner, A & N Administration. He may grant ample opportunities for personal hearing for apprising the authorities regarding the steps taken by him and the status of compliance. In case he is not satisfied with the compliance made by the Head of the establishment, he may get it verified at his level.
  7. The establishment opting for this scheme shall not be inspected by the department till it carries out an audit every year regularly. The Labour Commissioner may issue directions for inspection of any such establishment in case of genuine complaint against it.
  8. No legal action shall be taken against the Head of the establishment / manager for any discrepancies / observations / violations of Acts / Rules pointed out by the auditor in his audit report.

**ANNEXURE - A****Self Inspection / Certification for Factories**

I, Shri / Smt. \_\_\_\_\_  
 S/o / D/o / W/o \_\_\_\_\_  
 residing at \_\_\_\_\_ do  
 hereby submit, as under and in the capacity as the Occupier of the factory named \_\_\_\_\_ and situated  
 at \_\_\_\_\_, and registered under the  
 Factories Act, 1948 and the Rules made thereunder and bearing Factory Licence No. \_\_\_\_\_  
 dated \_\_\_\_\_ and renewed up to \_\_\_\_\_  
 (date).

**Information Form for Self-Inspection Mechanism****Employment Details**

Category	Male	Female	Total
Permanent			
Contract			
Casual			
Apprentice			
Trainees			
Others			
<b>Total</b>			

**Other Information (Mark with YES or NO)**

Are all applicable Health provisions under the Factories Act, 1948 and Rules made thereunder complied ?	
Are all applicable Safety provisions under the Factories Act, 1948 and Rules made thereunder complied ?	
Are all applicable Welfare provisions under the Factories Act, 1948 and Rules made thereunder complied ?	
Are all applicable Working Hours and Employment of Young Persons provisions under the Factories Act, 1948 and Rules made thereunder complied ?	
Are all applicable Leave with Wages provisions under the Factories Act, 1948 and Rules made thereunder complied ?	
Are all applicable Notice and Registers provisions under the Factories Act, 1948 and Rules made thereunder complied ?	
Are all applicable provisions under the Payment of Wages Act, 1936 and Rules made thereunder complied ?	
Are all applicable provisions under the Maternity Benefit Act, 1961 and Rules made thereunder complied ?	
Are all applicable provisions under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder complied ?	
Whether Quarterly, Half Yearly and Annual Returns as prescribed under the Factories Act, 1948 have been submitted so far ?	

**DECLARATION**

I Shri / Smt. \_\_\_\_\_  
S/o / D/o / W/o \_\_\_\_\_ being  
the Occupier of the factory named \_\_\_\_\_ situated at  
\_\_\_\_\_, hereby certify the following:

1. This information is submitted with my full knowledge of the relevant statutes.
2. I have complied with all applicable provisions under the aforementioned Acts and the Rules made thereunder.
3. I, being the Occupier, have ultimate control over the affairs of the factory and shall, therefore, be responsible for any information found to be misrepresented, incorrect, false, or fabricated. I understand that such misrepresentation may make me liable for prosecution under the relevant provisions of the applicable laws, as amended from time to time.
4. Any act of malafide intention or concealment of information related to the above shall make me liable for any other penalties or damages as may be notified by the Andaman & Nicobar Administration from time to time.

Place:

Date:

Signature of the Occupier

(Office Seal)

**ANNEXURE - B**

**Proforma for Safety Audit Report**

1. Name and Address of the Factory :
2. Email ID & Contact Number :
3. Name of the Occupier :
4. Name of Factory Manager :
5. Date of Audit :
6. List of raw materials with maximum storage quantity : (enclose separately, if required)
7. List of finished products with maximum storage quantity : (enclose separately, if required)
8. Manufacturing process flow chart : (enclose separately, if required)
9. P I Diagram of all plants (Chemical Factories) : (enclose separately, if required)
10. Name of the Safety Auditor and Certificate No. and Name of the person who has carried out safety audit in case of Institution :
11. Safety Audit Report : (separate report with subheadings of Purpose / Scope, Executive Summary, Audit Process, Legal Requirements, Identification, Observations, Findings, Recommendations, Timelines and Conclusion is to be submitted)
12. Whether enclosed Safety Audit Report as per the Factories Act, 1948 and rules made there under and **IS 14489**, or any such standards prevailing at the relevant time, whichever is latest:

Date :

Place:

Signature of Safety Auditor /  
Authorized Person of an Institution  
Authorized to carry out safety Audit

I \_\_\_\_\_ (occupier) undertake to submit the action taken report  
on recommendations of Safety Audit on or before \_\_\_\_\_

Date:

Signature of the Occupier

**ANNEXURE - C**

**Proforma for Compliance Audit Report**

1. Name and Address of the Establishment :
2. Email ID & Contact Number :
3. Name of the Employer :
4. Name of the Manager, if any :
5. Date of Audit :
6. Name of labour law under which compliance audit was carried out :
7. Key Findings (Observations / Discrepancies) :
8. Name of the Compliance Auditor and Certificate No. and Name of the person who has carried out safety audit in case of Institution :

Date :

Place:

Signature of Compliance Auditor /  
Authorized Person of an Institution  
Authorized to carry out Compliance Audit

I \_\_\_\_\_ (employer) undertake to submit the action taken report on recommendations of Compliance Audit on or before \_\_\_\_\_

Date:

Signature of the Employer

**By Order**

**Admiral D. K. Joshi, PVSM, AVSM, YSM, NM, VSM (Retd.)  
Lieutenant Governor, Andaman and Nicobar Islands**

**By order and in the name of Lt Governor (Administrator), A&N Islands**

**Sd./-  
Additional Secretary (Labour)**