



**HEADQUARTERS**  
**EMPLOYEES' STATE INSURANCE CORPORATION**  
**PANCHDEEP BHAWAN, CIG ROAD, NEW DELHI - 110002**  
(Website address: [www.esic.nic.in](http://www.esic.nic.in))

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

Dated : 25.06.2014

**CIRCULAR**

**Sub: Setting up of Central Analysis & Intelligence Unit and Notification of Scheme of Inspections Linked with Web Portal.**  
**Ref: Ministry of Labour & Employment letter No.Z-20025/02/2014-SS.I dated 21.06.2014.**

A Scheme of Inspection for ESIC, duly approved by the Hon'ble Chairman, ESIC/ LEM and as conveyed by MOL&E letter No. Z-20025/02/2014-SS.1 dated 21.06.2014, which has been formulated with an aim to achieve the objectives of simplifying business regulations, with system driven triggers equipped with relevant norms and criteria for ensuring more accountability, transparency and for minimizing frequent inspection of the same unit, is enclosed for strict compliance. The Scheme of Inspection as formulated is to be strictly followed duly keeping in mind the provisions of ESI Act, Rules and Regulations, especially the powers and duties of inspecting officers/SSOs and requirement of necessary compliance by employers as laid down therein.

Hindi version will follow.

Encls: As above

**(ARUN KUMAR)**  
**Addl. Commissioner (Revenue)**

To

All ACs/RDs/JD (I/c)  
RO/SRO/Hospitals,  
ESI Corporation

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**EMPLOYEES STATE INSURANCE CORPORATION**  
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**INSPECTION SCHEME FOR EMPLOYEES STATE INSURANCE CORPORATION**

**Objective:** The Inspection Scheme aims to achieve the objective of simplifying business regulations and bring in transparency and accountability in labour inspections. It envisages objective criteria for selection of units for inspection.

**Criteria of Inspections**

**Mandatory inspections:-**

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

- I) All new covered/registered units.
  - II) Units which have been defaulters for six months
  - III) Units for which closure request has been received
  - IV) Units where no inspection was carried out in last 3 years (as ESIC has time bar of 5 years for claiming dues)
2. ESIC would set up a Central Analysis and Intelligence Unit (CAIU) for collecting and analysing field level data for a transparent and accountable labour inspection system. The cases forwarded through Central Analysis & Intelligence Unit (CAIU) of ESIC will be based on data and evidence. ESIC will formulate an objective methodology for selection criteria of the cases by the CAIU keeping in view its priorities and the provisions of ILO C-81.

**Optional inspections:-**

3. In following cases, the inspections would be generated through computer using pre-decided number tables taking into account the following factors :-

- 1) Drop in contribution by 30% and above compared to previous contribution period (over a period of six months) [30%]
- 2) Drop in number of covered employees by 30% and above compared to previous contribution period (over a period of six months) [30%]

3) Security/manpower agencies employing more than 250 employees [30%]

4) Any other not falling in above categories [10%]

**4. Methodology:-**

1. Employers to feed master data and periodical returns.
2. Inspectors to feed detailed inspection report.
3. Inspectors to feed accident returns.
4. Computer programme to be provided by NIC taking into account the criteria.
5. Computerized generation of inspection programme and communication to the inspecting staff keeping in view the confidentiality aspects.

**5. General Instructions:-**

1. The inspecting officer has to maintain registers of the establishments.
2. He has to record the statement of workers present at the time to inspection.
3. In case of contradiction in the statements of employer's, workers and entries in the record, the inspecting officer will seize the relevant records.
4. Inspection report should always be prepared on the work –spot by the inspecting officer himself and handover to the employer's representative.
5. The inspection should be carried out during the normal working hours.
6. The inspection report is being simplified and under review/revision.
7. The inspection report should be uploaded within 3 days by the inspector.
8. In case of violations by the inspecting staff, entries are recorded in APAR.



(Arun Kumar)  
Addl. Commissioner (Rev.)

New Delhi, dated the 25<sup>th</sup> June, 2014.