

Compliance Inspection under the Payment of Gratuity Act, 1972

The Payment of Gratuity Act, 1972 and the Odisha Payment of Gratuity Rules, 1974 provide for a scheme for payment of gratuity to employees engaged in factories, mines, oilfields, plantations ports, railway companies, shops or other establishments and for matters connected therewith or incidental thereto.

Inspection Procedure :

- i) Sec. 7-A of the P.G. Act prescribes appointment of Inspectors by the appropriate Government and their functions. Accordingly, Inspectors have been notified by the State Government with local limits.
- ii) Inspections are conducted under the Composite Inspection Scheme schedule of the Labour Directorate and under the Central Inspection Framework scheme schedule generated by Industries Department.
- iii) Under the Composite Inspection Scheme different establishments in a district are identified for inspection under various labour laws and monthly schedule of inspection allocating different Inspectors are prepared. The final annual schedule of inspection is approved by the District Collector or by the Labour Commissioner, Odisha.
- iv) Under the Central Inspection Framework, on-line inspection schedules are generated in GO-SMILE Portal for synchronized inspection by the Central Inspection Co-ordination Group (CICG), where in all concerned including the employers are intimated regarding date of inspection.
- v) Inspector conducts visit to the establishment for inspection and examines any register/record any person in the premises whom he has reasonable cause to believe, is an employee, require the employer to produce any register or other document related to compliance inspection.
- vi) Makes copies of or take extracts from any register, record, notice or other relevant documents.
- vii) Inspector validates the following documents/ records and collects copy of the same if required.
 - Notice in Form-A
 - Notice in Form-B
 - Notice in Form-C
 - Notice of name of Authorised Officer to receive notices on behalf of employer
- iv) After completion of the inspection, Inspector prepares an Inspection Report in the Composite Inspection Scheme format on the basis of available information and sends to the concerned employer on-line or off-line endorsing copy to the next higher authority.
- v) Inspection Report is uploaded in the GO-SMILE Portal if inspection is conducted under CICG schedule. Facility for uploading the inspection reports pertaining to Composite Inspection Scheme inspection will be available after completion of the e-Governance project of the Labour & ESI Department.
- vi) For any non-compliance the Inspector issues show-cause notice to the employer for necessary rectification within the prescribed timeline.
- i) Employer/Management submits compliance report with documents within prescribed timeline.
- viii) If the concerned Inspector finds the compliance satisfactory after assessment of the documents, then the file is closed following due procedure.
- ix) If the rectifications/ documentations are not found proper/sufficient, Inspector will initiate action for filing prosecution in court of Sub-Divisional Judicial Magistrate (SDJM) / Judicial Magistrate First Class (JMFC) following due procedure.
Form-A,B,C

FORM-‘A’
[See sub-rule(1) of rule 3]

NOTICE OF OPENING

1. Name and address of the Establishment
2. Name and designation of the Employer
3. Number of employees covered by the Act.
4. Maximum number of person employed on any day during the preceding twelve months with date.
5. Number of employees covered by the Act.
6. Nature of industry
7. Whether seasonal
8. Date of opening
9. Details of Head Office / Branches
 - (a) Name of address of the head office
Number of employees
 - (b) Names and addresses of other branches in India.
 - 1.
 - 2.
 - 3.

I verify that the information furnished above is true to the best of my knowledge and belief.

Place :

Date :

.....

Signature of the employer

With name and designation

To

The Controlling Authority

.....

.....

FORM-‘B’
[See sub-rule(1) of rule 3]
NOTICE OF CHANGE

Name and address of the Establishment

Take notice that following changes have taken place with effect from in the particulars furnished by me in notice dated on Form ‘A’.

Name

Address

Name of the employer

Nature of business

Place :.....

Date :.....

.....
Signature of the employer
With name and designation

To

The Controlling Authority

.....

.....

FORM-‘C’
[See sub-rule(3) of rule 3]
NOTICE OF CLOSURE

Take notice that it is intended to close down the establishment with effect from The other details are furnished below :

1. Name and address of the establishment
2. Name and address of the Head Office, if any
3. Name and designation of the employer
4. Number of persons in employment
5. Number of employees entitled to gratuity
6. Amount of gratuity involved.

Place :

Date :

.....

Signature of the employer

With name and designation

To

The Controlling Authority

.....

.....