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NOTIFICATIONS BY GOVERNMENT

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**LABOUR, FACTORIES, BOILERS & INSURANCE
MEDICAL SERVICES DEPARTMENT
(LAB.I)**

EASE OF DOING BUSINESS - EXEMPTIONS UNDER THE PROVISIONS OF THE ANDHRA PRADESH SHOPS AND ESTABLISHMENTS ACT, 1988 (ACT No.20 OF 1988) TO THE **INFORMATION TECHNOLOGY ENABLED SERVICES (ITES) AND INFORMATION TECHNOLOGY (IT) ESTABLISHMENTS - COMPREHENSIVE INSTRUCTIONS ON REGULATING AND STREAMLINING OF INSPECTION SYSTEM IN THE LABOUR DEPARTMENT TO ENSURE SIMPLIFICATION, TRANSPARENCY, AND ACCOUNTABILITY IN INSPECTIONS, AND TO FACILITATE EASE OF LEGAL COMPLIANCE BY THE ESTABLISHMENTS.**

**[G.O.Ms.No.2, Labour Factories Boilers & Insurance Medical Services (Lab.I),
12th February, 2026.]**

Read the following:

1. G.O.Ms.No.33, LET&F Department, dated 27-08-2002.
2. DIPP, Gol recommendations 2016 communicated through D.O.Lr.No.12-1-2015/SDP, dated 02-11-2015 of the Secretary, Industries Department, Government of Andhra Pradesh.
3. From the Commissioner of Labour, AP, Hyderabad Lr.No.I/2465/2015, dated:18-02-2016 and 23-02-2016.
4. G.O.Ms.No.9 of LET&F (Lab.II) Department, dated 27-02-2016.
5. From the Commissioner of Labour, AP, Hyderabad Lr.No.I/2465/2015, dt:26-05-2016.
6. G.O.Ms.No.27, dated 31-05-2016 of LET&F(Lab.II) Department.
7. G.O.Ms.No.7 of LFB & IMS (Lab.I) Department, dated 25-3-2025.
8. G.O.Ms.No.24 of LFB & IMS (Lab.II) Department, dated 04-11-2025.

9. Note #15(Comp.No.3052146 of ITE&C) Minutes of the meeting approved the Secretary, IT E & C Department.
10. From the Commissioner of Labour, AP, Vijayawada Lr.No.I/ITC01-T0ROM(ITPR)/76/2025, Dated 19.12.2025..

ORDER:

- 1) In compliance with the 2nd read above DIPP Recommendations – 2016 for promoting Ease of Doing Business and to facilitate simplified, transparent, and accountable compliance with Labour Laws, the Government, vide G.O. 6th read above have issued revised procedures for implementing an Online Inspection System in the Labour Department, which was subsequently modified in the G.O. 7th read above.
- 2) The Commissioner of Labour also requested for (a) certain additional exemptions under the Andhra Pradesh Shops and Establishments Act, 1988 and (b) comprehensive instructions regulating and streamlining of inspections in respect of all Information Technology Enabled Services (ITES) AND Information Technology (IT) Establishments.
- 3) Government after careful examination of the matter, hereby by issue the following modifications to the Para 3 of the G.O.8th read above.

Sl. No.	Existing Orders as per G.O.Ms.No.24 Dt.4-11-2025	Amendment
	<p>Item-7 of para 5 of the G.O.</p> <p>7(a) Risk Categorisation of establishments : Risk in the perspective of the Labour Department for categorization into High risk, Medium risk and Low risk establishments relates to risk to the workers in terms of their entitlement viz, wages, bonus & other remuneration, leave, holidays, working hours, worksite facilities, safety and health, welfare and social security measures like Gratuity, EPF, ESI, Accident compensation etc.,</p> <p>The establishments will be categorised as High Risk/Medium Risk /Low risk depending upon the number of workers employed as follows : High risk - 1-30 workers Medium Risk - 31-100 workers Low risk - above 100 workers</p> <p>Upon review, the Government may, from time to time, include or exclude any class or category of establishments from the scope and applicability of the orders issued under this Government Order, subject to such conditions as may be prescribed.</p>	<p>Item-7 of para 5 of the G.O. shall be substituted with the following; 7(a) Risk Categorisation of establishments : Risk in the perspective of the Labour Department for categorization into High risk, Medium risk and Low risk establishments relates to risk to the workers in terms of their entitlement viz, wages, bonus & other remuneration, leave, holidays, working hours, worksite facilities, safety and health, welfare and social security measures like Gratuity, EPF, ESI, Accident compensation etc.,</p> <p>The establishments will be categorised as High Risk/Medium Risk /Low risk depending upon the number of workers employed as follows : High risk - 1-30 workers Medium Risk - 31-100 workers Low risk – A. above 100 workers And (i) all Information Technology Enabled Services (ITES) AND Information Technology (IT) Establishments</p> <p>Upon review, the Government may, from time to time, include or exclude any class or category of establishments from the scope and applicability of the orders issued under this Government Order, subject to such conditions as may be prescribed.</p>

4. Further, in the reference 7th read above the Government have exempted all Information Technology Enabled Services (ITES) AND Information Technology (IT) Establishments from certain Sections of the Andhra Pradesh Shops and Establishments Act, 1988 subject to certain conditions.

5. Government after careful examination of the matter, hereby by issue the following modifications to the G.O.Ms.No.7 of LFB&IMS(Lab.I) Department, dt:25.03.2025 above as follows:

Sl. No.	Existing Orders as per G.O.Ms.No.7 Dt.25-3-2025	Amendment
1	In exercise of the powers conferred by sub-section (4) of Section 73 of the Andhra Pradesh Shops and Establishments Act, 1988 (Act 20 of 1988), the Government of Andhra Pradesh hereby exempts from the provisions of Sections 15, 16, 21, 23, 31 and sub-sections (1), (2), (3) and (4) of Section 47 of the Act, all Information Technology Enabled Services (ITES) and Information Technology Establishments in the State of Andhra Pradesh that are defined in G.O.Ms.No.5, Information Technology and Communication Department, dated 28.01.2002, for a further period of five years with effect from date of publication of the Notification, subject to the following conditions:	In exercise of the powers conferred by sub-section (4) of Section 73 of the Andhra Pradesh Shops and Establishments Act, 1988 (Act 20 of 1988), the Government of Andhra Pradesh hereby exempts from the provisions of Sections 15, 16, 21, 23, 31 and sub-sections (1), (2), (3) and (4) of Section 47 of the Act, all the Information Technology Enabled Services (ITES) and Information Technology Establishments in the State of Andhra Pradesh that are defined in G.O.Ms.No.5, Information Technology and Communication Department, dated 28.01.2002, for a further period of five years with effect from date of publication of the Notification, subject to the following conditions:
	Existing conditions "a. to q."	After the existing condition "a to q" the following shall be added: r. In case of grievances from the workers against Termination, remedy under Industrial Relations Code 2020(Act No.35 of 2020) may be availed in view of exemption from Section 47 mentioned above. s. In case of complaints regarding violations of Labour Laws received from the Workers or their Trade Unions, the same shall be forwarded to the Office of the Jurisdictional Joint Commissioner of Labour or any officer authorised by the Chief Inspector. The Jurisdictional Joint Commissioner of Labour or any officer authorised shall after due examination, seek and act upon specific instructions of the Chief

		<p>Inspector. Upon receipt of such instructions, the Jurisdictional Joint Commissioner of Labour or any authorised officer shall conduct inspection of the establishment strictly in accordance with the guidelines issued from time to time. The inspection report shall be submitted to the Chief Inspector and Commissioner of Labour, indicating the violations, if any, detected during inspection and the remedial measures required or suggested, keeping in view the concept of "Inspector-cum-Facilitator" as envisaged under the Labour Codes.</p> <p>t. On receipt of the inspection report, the Chief Inspector and Commissioner of Labour shall examine the same and take appropriate action in accordance with the provisions of the applicable Labour Laws and the Labour codes, as he deems fit.</p>
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6. Comprehensive guidelines on Inspections are annexed to this G.O.
7. The Commissioner of Labour, AP, Vijayawada shall take necessary action in the matter accordingly.

M.V. SESHAGIRI BABU,
Secretary to Government .

ANNEXURE**Comprehensive Guidelines on Inspections in IT (Information Technology) and ITES (Information Technology Enabled Services)**

1. As per G.O.Ms.No.27 Dt.31-5-2016

The Acts covered under online inspection system are:

1. Minimum Wages Act, 1948.
2. A.P. Shops & Establishments Act, 1988.
3. Building and Other Construction Workers (RE&CS) Act, 1996.
4. Contract Labour (R&A) Act, 1970.
5. Inter State Migrant Workmen (COE) Act, 1979.
6. Child Labour (P&R) Act, 1986.
7. Maternity Benefit Act, 1961.
8. Motor Transport Workers Act, 1966.
9. A.P. Labour Welfare Fund Act, 1987.
10. Payment of Bonus Act, 1965.
11. Payment of Gratuity Act, 1972.
12. Equal Remuneration Act, 1976.
13. A.P. Factories (National, Festival & other Holidays) Act, 1974.
14. Payment of Wages Act, 1936.
15. Industrial Employment Standing orders Act, 1946.
16. Working Journalists Act, 1955.
17. Sales Promotion Employees (COS) Act, 1976.
18. Beedi & Cigar Workers Act, 1966.
19. Plantation Labour Act, 1951.
20. Cine Workers and Cinema Theatre Workers Act, 1981.

1. Establishment: Establishment as defined under the respective Labour Laws specified above.

2. Inspecting officers:

Asst. Labour Officer, Asst. Commissioner of Labour, Deputy Commissioner of Labour, Joint Commissioner of Labour, Additional Commissioner of Labour and Commissioner of Labour are the inspecting officers.

3. Supervisory officers:

Sl.No.	Inspecting officer	Supervisory officer
1.	Asst. Labour Officer	Asst. Commissioner of Labour
2.	Asst. Commissioner of Labour	Dy. Commissioner of Labour
3.	Dy. Commissioner of Labour	Jt. Commissioner of Labour

4.	Jt. Commissioner of Labour	Commissioner of Labour
5.	Additional Commissioner of Labour	

The officers specified in column No.3 above are the supervisory officers in respect of the inspecting officers specified in column No.2.

4. Data base of Establishments:

The following are the sources of data base of establishments for online inspection.

1. Data of establishments registered / renewed online / through mee- seva under A.P. (Issuance of Integrated Registration and Furnishing of Combined Returns under Various Labour Laws By Certain Establishments) Act, 2015 and updated from time to time..
2. Data of Shops & Establishments, Motor Transport Undertakings, Factories, Societies and Trusts covered under A.P. Labour Welfare Fund Act, 1987 furnished by NIC.
3. Data of Factories furnished by Factories Department.
4. Establishments submitted online combined annual return and not complied with the provisions of the labour Acts applicable.
5. Complaints received through online complaint portal.

5. Random allocation of establishments and inspectors for online inspection:

System randomly allocates establishments to the inspecting officers and inspecting officers to the establishments. In case of inspection of an establishment in the area other than the jurisdiction of inspecting officer, the inspecting officer having administrative jurisdiction shall take up follow up action.

System ensures that the same establishment is not allotted to the same inspector for a period of 3 years.

6. Risk based assessment and categorization of establishments:

7(a) Risk Categorisation of establishments:

Risk in the perspective of the Labour Department for categorization into High risk, Medium risk and Low risk establishments relates to risk to the workers in terms of their entitlement viz, wages, bonus & other remuneration, leave, holidays, working hours, worksite facilities, safety and health, welfare and social security measures like Gratuity, EPF, ESI, Accident compensation etc.,

The establishments will be categorised as High Risk/Medium Risk /Low risk depending upon the number of workers employed as follows:

High risk - 1-30 workers

Medium Risk - 31-100 workers

Low risk –

A. above 100 workers

And

B. all Information Technology Enabled Services (ITES) AND Information Technology (IT) Establishments

Upon review, the Government may, from time to time, include or exclude any class or category of establishments from the scope and applicability of the orders issued under this Government Order, subject to such conditions as may be prescribed.

7(b) Third Party Audit Certification:

All low risk and medium risk establishments are allowed third party certification and those establishments opted for third party audit certification shall not be inspected by the Department.

Provided that the establishments undertaking the activities of Brick kiln, Cashew Processing, Chemicals and pharmaceuticals, Match and Fireworks, Petrol Bunks, Stone breaking and stone Crushing operations, Tanneries and Leather manufacture and Security Services are not to be covered under Third Party Certification.

All low risk and medium risk establishments shall furnish every year a combined online annual return- cum-self certification in accordance with the integrated Registration Act along with third party audit certification to qualify for exemption from departmental inspections.

Failure to submit on time the necessary third party audit scheme returns specified under different Acts will render the establishment's ineligible for exemption from departmental inspections.

However high risk establishments may opt for third party audit certification if they have consistently filed statutory returns for a period exceeding three consecutive years, Government may extend the modalities of third party audit certification to high risk establishments on application of such conditions as may be prescribed by the Government.

8. Allocation of establishments on the basis of G.O.Ms.No.33 dated 27.08.2002:

Establishments to be inspected online by the inspecting officers are allotted on the basis of norms specified in G.O.Ms.No.33, dated 27.08.2002 of LET&F Department as follows:

(a) Assistant Labour Officer:

Shops & Establishments: up to 10 workers,

Beedi & Cigar establishments: up to 50 workers,

Motor Transport Undertakings: upto 50 workers,

Building & Other Construction establishments: upto 25 workers.

(b) Assistant Commissioner of Labour:

Shops & Establishments: up to 30 workers
 Hospitals & Nursing Homes: up to 50 workers
 Factories Notified u/section 85 of the Factories Act, 1948,
 Beedi & Cigar Establishments: above 50 workers,
 Motor Transport Undertakings: above 50 workers,
 Contract Labour Establishments: up to 100 workers (workers in Principal Employer establishment),
 Building & Other Construction establishments: up to 50 workers.

(c) Deputy Commissioner of Labour:

Shops & Establishments: above 30 workers,
 Hospitals & Nursing Homes: 51 to 100 workers,
 Factories: up to 300 workers,
 Motor Transport Undertakings in Factories,
 Contract Labour Establishments of Principal Employer: 101 to 300 workers,
 Building & Other Construction Establishments: up to 100 workers.

(d) Joint Commissioner of Labour:

IT and ITES Establishments, Star Hotels,
 Hospitals: above 100 workers,
 Contract Labour establishments: above 300 workers,
 Inter State Migrant workmen establishments: above 300 workers,
 Factories: above 300 workers,
 Building & Other Construction Establishments: above 100 workers.

(e) Joint inspection by Labour & Factories Departments:

Factories Department is also implementing online inspection system which allots factory establishments to the inspectors of factories for online inspection. The list of factories allocated for online inspection by the factories department shall be made available to the Labour Department through web service. The online inspection portal of the labour department will also allocate factories as per the risk categorization. The factories commonly figured in both lists will be identified and indicated in the portal to the respective inspecting officer of the labour department to enable him / her to take up joint inspection of such common factories in consultation with the respective inspector of factories.

The Director of Factories shall take necessary action to enable joint inspections accordingly.

9. Establishments exempted from online inspection:

- a. Start-up Establishments for a period of 3 years from the date of commencement of work / business.
- b. Establishments having no employees.
- c. Establishments under SEZs/EPZs.
- d. Establishments submitted combined annual return and having no violations consecutively for 3 years.
- e. Any other establishment specifically exempted by the Govt.
- f. Establishment inspected in the first year will be exempted for the next 2 years for inspection by any inspecting officer.

10. Number of days of inspection and Number of inspections per day:

As per the feedback of the field officers of the department, the number of days to be allotted in a month by each inspecting officer for carrying out inspections and number of online inspections to be conducted per day has been assessed and specified as follows:

Name of Officer	No. of inspecting days in a month	No. of inspections Per day
Assistant Labour Officer	8	2
Assistant Commissioner of Labour	5	2
Deputy Commissioner of Labour	4	1
Joint Commissioner of Labour	3	1

11. Instructions to inspecting officers and Supervisory Officers:

- a. Link for the Online Inspection Portal is provided in the Home Page of Labour Department Web Site at www.labour.ap.gov.in and inspecting officers are required to login with the User ID provided to them. The system sends e-mail/sms to the inspecting officer with details of establishments allotted for inspection on the following day.
- b. The inspecting officers shall take up online inspection of Establishments as allocated by the system on daily basis. Inspecting officers shall carry out online inspection only and offline and manual inspection is not permitted. Manual inspection of establishments shall be carried out in case of need only on the orders of courts / Government or specific written instructions of the Commissioner of Labour.
- c. Online inspection should be conducted physically visiting the respective establishment and the data shall be entered into the inspection portal on the spot using the tablet/PC. All Tablet PCs provided to the inspectors are registered under MDM (Mobile Device Management) system to integrate GPS.
- d. The system transmits the Inspection Report to the employer on the spot through e-mail of the Establishment / Employer entered in the Inspection Report and SMS shall be sent to the mobile of the employer of the establishment.
- e. On submitting the Inspection report online, MIS Report will be received by the Supervisory Officer who in turn shall record remarks within 2 days.
- f. If no remarks recorded by the supervisory officer within 2 days, the system will automatically generate the Inspection order cum Notice based on the Inspecting Officer's findings and sends by e-mail, to the Employer of the establishment for submission of compliance online.

- g. If the supervisory officer records his remarks deviating from the action proposed by the inspecting officer, the inspector shall proceed to generate Inspection Report–cum- Notice accordingly and the system will transmit the same to the employer by e-mail and sends SMS to the Employer.
- h. The employer shall submit the compliance within one month through e-mail, failing which the inspecting officer shall proceed to take up further action as per law. The action initiated by the inspecting officer and the outcome shall be updated in the portal regularly.
- i. The information about the online inspection shall be publicized by placing in the web site of the department to bring awareness to the employers to comply with the statutory provisions without physical touch point.

2. G.O.Ms.No.24 Dt.4-11-2025 of LFB&IMS Department.

- 12.** The inspecting officers shall take up inspections of Establishments as allocated by the online software system on a random basis. A prior notice shall be issued to the following categories of establishments through email/ Whats App/ SMS to the registered mobile number or email provided by the employer at the time of registration, before inspection, as part of a cooperative compliance approach. Manual inspections other than those stipulated and notified in the online software system allotment of inspections on a random basis, shall be undertaken and conducted only when necessary and only upon orders of the Courts/Government or specific written instructions of the Commissioner of Labour.

Issuance of prior Notice of inspection	
Establishments having branches in more than one State.	30 days in advance
Establishments having branches in more than one District in the State.	15 days
Establishments having branches within the District or Unattributed /Unspecified operational Jurisdiction establishments.	7days

(3) G.O.Ms.No.7 Dt.25-3-2025 of LFB&IMS Department.

The Government of Andhra Pradesh exempted all Information Technology Enabled Services (ITES) and Information Technology Establishments in the State of Andhra Pradesh that are defined in G.O.Ms.No.5, Information Technology and Communication Department dated; 28.01.2002, for a further period of five years with effect from date of publication of Notification, from the provisions of Sections 15, 16,

21, 23, 31 and sub-sections (1) (2) (3) and (4) of Section 47 of the Andhra Pradesh Shops and Establishments Act, subject to the following conditions namely:-

- a. Weekly working hours for an employee shall be 48 hours. For the work done beyond 48 hours, employee is entitled for overtime wages.
- b. Every employee shall be given a weekly off.
- c. The management is permitted to engage women employees during the night shift subject to provision of adequate security during the course of employment and to and from transport from their respective residences.
- d. Every employee shall be provided with identity cards and all other welfare measures to which they are eligible as per the rules in force.
- e. Every employee shall be given a compensatory holiday in lieu of notified holidays, with wages under the provision to sub-section (2) of section 31 of the Andhra Pradesh Shops and Establishments Act 1988 if they work on notified holidays.
- f. The companies' shall obtain bio-data of each driver and conduct pre-employment screening of the antecedents of all drivers employed on their own or through outsourcing. The details such as driving license, photographs, address, telephone No/Mobile No. etc. of drivers shall be available with the respective companies.
- g. The schedule and route of the pickup and drop shall be decided by the supervisory officer of the company on every Monday (if Monday is holiday the next working day in a week). In case of exigencies change of drivers/routes/shifts shall be allowed only with the prior knowledge of supervisory officers/employees.
- h. The telephone number particularly mobile phone numbers and addresses of the women employee shall not be disclosed to unauthorized persons.
- i. Careful selection of routes shall be made in such a way that no women employees shall be picked up first and dropped last.
- j. It is desirable that the company shall provide security guards for night shift vehicles.
- k. The designated supervisors of the company shall randomly check the vehicle on various routes.
- l. Company shall have a control room/ travel desk for gps based vehicle movement monitoring; and to have the vehicles registered under the VAHAN app besides ensuring that women employees have downloaded the security mobile app of the Police department the list of hired vehicles be shared with police Department easy vehicle movement monitoring for the safety of women employees.
- m. The boarding and lighting points be covered by the CCTVs installed by Police department or by the establishment itself.
- n. The time after / before which security should be provided to women employees for cab drop offs / pickups should be specified suggested as before 6 am and after 8 pm.
- o. General exemption from maintenance of various statutory registers in hard copies and recognition of soft copy of Registers as sufficient

- compliance.
- p. The returns of employees shall be made online as directed by the LFB Department on the EODB / Industries department websites.
 - q. The exemption granted in these orders may be revoked at any time for contravention of these conditions or any other reason without assigning any prior notice.
 - r. In case of grievances from the workers against Termination, remedy under Industrial Relations Code 2020(Act No.35 of 2020) may be availed in view of exemption from Section 47 mentioned above.
 - s. In case of complaints regarding violations of Labour Laws received from the Workers or their Trade Unions, the same shall be forwarded to the Office of the Jurisdictional Joint Commissioner of Labour or any officer authorised by the Chief Inspector. The Jurisdictional Joint Commissioner of Labour or any officer authorised shall after due examination, seek and act upon specific instructions of the Chief Inspector. Upon receipt of such instructions, the Jurisdictional Joint Commissioner of Labour or any authorised officer shall conduct inspection of the establishment strictly in accordance with the guidelines issued from time to time. The inspection report shall be submitted to the Chief Inspector and Commissioner of Labour, indicating the violations, if any, detected during inspection and the remedial measures required or suggested, keeping in view the concept of "Inspector-cum-Facilitator" as envisaged under the Labour Codes.
 - t. On receipt of the inspection report, the Chief Inspector and Commissioner of Labour shall examine the same and take appropriate action in accordance with the provisions of the applicable Labour Laws and the Labour codes, as he deems fit.

Government of Andhra Pradesh exempted all **Information Technology Enabled Services (ITES) and Information Technology Establishments** in the State of Andhra Pradesh defined in G.O.Ms.No.5, Information Technology and Communication Department, dated 28.01.2002, for a further period of **five years** with effect from date of publication of the Notification, **subject to the above conditions**, from the provisions of Sections **15, 16, 21, 23, 31** and sub-sections **(1), (2), (3) and (4) of Section 47** of the Andhra Pradesh Shops and Establishments Act, 1988 (Act 20 of 1988), as per G.O.Ms.No. 2, LFB&IMS (Lab.I) Dept, Dt:12.02.2026.

M.V. SESHAGIRI BABU,
Secretary to Government .

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