

PUNJAB VIDHAN SABHA
BILL NO. 30-PLA-2020
THE FACTORIES (PUNJAB AMENDMENT)
BILL, 2020

A

BILL

further to amend the Factories Act, 1948 in its application to the State of Punjab.

BE it enacted by the Legislature of the State of Punjab in the Seventy-first Year of the Republic of India, as follows:-

1. (1) This Act may be called the Factories (Punjab Amendment) Act, 2020. Short title and commencement.
(2) It shall come into force on and with effect from the date of its publication in the Official Gazette.
2. In the Factories Act, 1948 (hereinafter referred to as the principal Act), in its application to the State of Punjab, in section 2, in clause (m),- Amendment of section 2 of Central Act 63 of 1948.
 - (i) in sub-clause (i), for the word "ten", the word "twenty" shall be substituted; and
 - (ii) in sub-clause (ii), for the word "twenty", the word "forty" shall be substituted.
3. In the principal Act, in section 65, in sub-section (3), in clause (iv), for the word "seventy-five", the words "one hundred and fifteen" shall be substituted. Amendment of section 65 of Central Act 63 of 1948.
4. In the principal Act, in section 85, in sub-section (1), in clause (i), for the words "ten" and "twenty", the words "twenty" and "forty" shall, respectively, be substituted. Substitution of section 85 of Central Act 63 of 1948.
5. In the principal Act, after section 106A, the following section shall be inserted, namely:- Insertion of new section 106B in Central Act 63 of 1948.

"106B. Compounding of offences. The Inspector may, subject to any general or special order of the State Government in this behalf, compound any offence (except offences under Chapter IV and IV A of the Factories Act, 1948) punishable under this Act with fine only, and committed for the first time, either before or after the institution of the prosecution, on realization of such amount of composition fee as he thinks fit not exceeding the maximum amount of fine fixed for the offence; and where the offence is so compounded,-

- (i) before the institution of the prosecution, the offender shall not be liable to prosecution, for such offence and shall, if in custody, be set at liberty;
- (ii) after the institution of the prosecution, the composition shall amount to acquittal of the offender."

Repeal and
saving.

6. (1) The Factories (Punjab Amendment) Ordinance, 2020 (Punjab Ordinance No. 3 of 2020), is hereby repealed.

(2) Notwithstanding such repeal, anything done or any action taken under the Ordinance referred to in sub-section (1), shall be deemed to have been done or taken under the corresponding provisions of this Act.

STATEMENT OF OBJECTS AND REASONS

At present factory has been defined as any premises where ten or more workers are employed in a manufacturing process with aid of power. In case, it is without power the figure is twenty. Because of the existing limit, small units are also covered under the definition of "factory". Due to increase in manufacturing activities by small units in the State, the existing threshold limit of "ten" and "twenty" is proposed to be amended by "twenty" and "forty" respectively, so that establishing of small manufacturing units is promoted resulting in creation of more employment opportunities for workers.

Under the existing provisions of the Act, there is no provision for compounding of offences, resulting in high number of prosecution cases. For speedy disposal of offences and to minimise litigation, a new provision, i.e. section 106B is proposed to be inserted for compounding of offences (except offences under Chapter IV and IV A of the Factories Act, 1948).

Hence the Bill seeks to achieve the aforesaid objectives.

BALBIR SINGH SIDHU,
Labour Minister, Punjab.

CHANDIGARH
THE 19th OCTOBER, 2020

SHASHI LAKHANPAL MISHRA
SECRETARY.

N.B. - The above Bill was published in the Punjab Government Gazette (Extraordinary), dated the 19th October, 2020 under the proviso to rule 121 of the Rules of Procedure and Conduct of Business in the Punjab Vidhan Sabha (Punjab Legislative Assembly).