

Ordinance Summary

The Factories (Himachal Pradesh Amendment) Ordinance, 2020

- The Factories (Himachal Pradesh Amendment) Ordinance, 2020 was promulgated on July 6, 2020. It amends the Factories Act, 1948 in its application to Himachal Pradesh. The Factories Act, 1948 is a central Act that regulates labour in the factories across India. Certain provisions of the Act can be amended by state government. Key features of the Ordinance are:
 - **Factory:** The Act defines a factory as any premises where: (i) manufacturing process is carried on, and (ii) the number of workers (working at present or on any day during the last 12 months) meets a certain threshold. The Ordinance increases the threshold for any premises to be considered as a factory (Table 1).
 - **Overtime work:** The Act specifies that the duration of overtime work should not exceed 75 hours in three consecutive months. The Ordinance increases this limit to 115 hours.
 - **Compounding of offences:** The Ordinance provides that offences which are committed for the first time and penalised through fine under the Act can be compounded (settled by a monetary payment) by the Chief inspector either before or after starting the prosecution. The compensation fee should not exceed the maximum amount of the fine prescribed for the offence. This means: (i) if the prosecution is not started, then the alleged offender will not be liable to prosecution and will be released, if in custody, and (ii) if the prosecution has been initiated, the alleged offender will be acquitted.

Table 1: Change in the definition of factory

Type of factory	Threshold under the Act	Threshold under the Ordinance
Manufacturing is carried on with the aid of power	10 or more workers	20 or more workers
Manufacturing is carried on without the aid of power	20 or more workers	40 or more workers

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