

Bill Summary

The Factories (Amendment) Bill, 2016

- The Factories (Amendment) Bill, 2016 was introduced in Lok Sabha on August 10, 2016 by the Minister for Labour and Employment, Mr. Bandaru Dattatreya.
- The Bill amends the Factories Act, 1948. The Act regulates the safety, health and welfare of factory workers. The Bill amends provisions related to overtime hours of work.
- **Power to make rules on various matters:** The Act permits the state government to prescribe rules on a range of matters, including double employment, details of adult workers to be included in the factory's register, conditions related to exemptions to certain workers, etc. The Bill gives such rule making powers to the central government as well.
- **Powers to make rules for exemptions to workers:** Under the Act, the state government may make rules to (i) define persons who hold management or confidential positions; and (ii) exempt certain types of adult workers (e.g. those engaged for urgent repairs) from fixed working hours, periods of rest, etc. The Bill gives such rule making powers to both, the central and state governments.
- Under the Act, such rules will not apply for more than five years. The Bill modifies this provision to state that the five-year limitation will not apply to rules made after the enactment of this Bill.
- **Overtime hours of work in a quarter:** The Act permits the state government to make rules related to the regulation of overtime hours of work. However, the total number of hours of overtime must not exceed 50 hours for a quarter. The Bill raises this limit to 100 hours. Rules in this regard may be prescribed by the central government as well.
- **Overtime hours if factory has higher workload:** The Act enables the state government to permit adult workers in a factory to work overtime hours if the factory has an exceptional work load. Further the total number of hours of overtime work in a quarter must not exceed 75. The Bill permits the central or state government to raise this limit to 115.
- **Overtime in public interest:** The Bill introduces a provision which permits the central or state government to extend the 115-hour limit to 125 hours. It may do so because of (i) excessive work load in the factory and (ii) public interest.

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