



LEGISLATIVE ASSEMBLY OF THE STATE OF GOA

THE FACTORIES (GOA AMENDMENT) BILL, 2020

(Bill No. 16 of 2020)

(As introduced in the Legislative Assembly of the State of Goa)

**GOA LEGISLATURE SECRETARIAT
ASSEMBLY HALL, PORVORIM, GOA
JULY, 2020**

The Factories (Goa Amendment) Bill, 2020

(Bill No. 16 of 2020)

A

BILL

further to amend the Factories Act, 1948 (Central Act 63 of 1948), as in force in the State of Goa.

BE it enacted by the Legislative Assembly of Goa in the Seventy-first Year of the Republic of India as follows:-

1. **Short title and commencement.** - (1) This Act may be called the Factories (Goa Amendment) Act, 2020.
(2) The provisions of section 2 and section 4 of this Act shall be deemed to have come into force on the 7th day of July, 2020 and the provisions of section 3 shall come into force at once.
2. **Amendment of section 2.** – In section 2 of the Factories Act, 1948 (Central Act 63 of 1948), as in force in the State of Goa (hereinafter referred to as the “principal Act”), in clause (m),—
 - (i) in sub-clause (i), for the words “ten or more workers”, the words “twenty or more workers” shall be substituted;
 - (ii) in sub-clause (ii), for the words “twenty or more workers”, the words “forty or more workers” shall be substituted.
3. **Insertion of new section 5A.** – After section 5 of the principal Act, the following section shall be inserted, namely:—

“5A. Power to exempt in public interest. – Where the State Government is satisfied in the public interest that it is necessary to create more economic activities and employment opportunities, it may, by notification in the Official Gazette, exempt, subject to such conditions as it may think fit, any new factory or class or description of new factories which are established and whose commercial production start, from all or any of the provisions of this Act for a period of one thousand days from the date on which such commercial production start.

Explanation:- For the purposes of this section, the expression “new factory or class or description of new factories” means such factory or class or description of factories which are established and whose commercial production start within a period of one thousand days from the date of commencement of the Factories (Goa Amendment) Act, 2020.”.

4. **Amendment of section 85.** – In section 85 of the principal Act, in sub-section (1), in clause (i), for the words “ten” and “twenty”, the words “twenty” and “forty” shall be respectively substituted.
5. **Repeal and Savings.** – (1) The Factories (Goa Amendment) Ordinance, 2020 (Ordinance No.9 of 2020) is hereby repealed.
(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.

Statement of Objects and Reasons

With a view to boost the manufacturing sector, to facilitate ease of doing business and to create more economic activities and employment opportunities, the Governor of Goa has promulgated the Factories (Goa Amendment) Ordinance, 2020 (Ordinance No.9 of 2020) on 07th day of July, 2020, after obtaining prior instructions from the President of India in pursuance of the proviso to article 213 of the Constitution, so as to amend the Factories Act, 1948 (Central Act 63 of 1948), as in force in the State of Goa.

The Bill seeks to repeal the said Ordinance and insert a new section 5A in the said Act, so as to enable the State Government to exempt, subject to such conditions as it may think fit, any new factory or class or description of new factories which are established and whose commercial production start, from all or any of the provisions of the said Act for a period of one thousand days from the date on which such commercial production start, so as to create more economic activities and employment opportunities.

This Bill seeks to achieve the above objects.

FINANCIAL MEMORANDUM

Financial implications are involved in this Bill as the amendment to the section 2 of the said Act shall cause a loss of revenue of Rs.5 lakhs approximately per annum on account of de-registration of certain registered factories employing upto 20 workers whereby annual fees shall not be charged.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 3 of the Bill empowers the State Government to issue notification for exempting certain new factories or class or description of new factories from all or any of the provisions of the Factories Act, 1948 (Central Act 63 of 1948).

This delegation is of normal character.

Place: Porvorim, Goa.

Dated: 20th July, 2020.

(CHANDRAKANT (BABU) KAVLEKAR)

Dy. Chief Minister / Minister for Factories and Boilers

Assembly Hall,

Porvorim, Goa.

Dated: 20th July, 2020.

(NAMRATA A. ULMAN)

Secretary to the Legislative Assembly of Goa

ANNEXURE

Extract of clause (m) of section 2 and section 85 of The Factories Act, 1948

(Central Act 63 of 1948)

Clause (m) section 2

(m) "**factory**" means any premises including the precincts thereof –

(i) whereon ten or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or is ordinarily so carried on, or

(ii) whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on without the aid of power, or is ordinarily so carried on, but does not include a mine subject to the operation of the Mines Act, 1952 (35 of 1952), or a mobile unit belonging to the armed forces of the union, a railway running shed or a hotel, restaurant or eating place;

Explanation I: For computing the number of workers for the purposes of this clause all the workers in different groups and relays in a day shall be taken into account.

Explanation II: For the purposes of this clause, the mere fact that an Electronic Data Processing Unit or a Computer Unit is installed in any premises or part thereof, shall not be construed to make it a factory if no manufacturing process is being carried on in such premises or part thereof;

Section 85

85. Power to apply the act to certain premises – (1) The State Government may, by notification in the Official Gazette, declare that all or any of the provisions of this Act shall apply to any place wherein a manufacturing process is carried on with or without the aid of power or is so ordinarily carried on, notwithstanding that –

(i) the number of persons employed therein is less than ten, if working with the aid of power and less than twenty if working without the aid of power, or

(ii) the persons working therein are not employed by the owner thereof but are working with the permission of, or under agreement with, such owner : Provided that the manufacturing process is not being carried on by the owner only with the aid of his family.

(2) After a place is so declared, it shall be deemed to be a factory for the purposes of this Act, and the owner shall be deemed to be the occupier, and any person working therein, a worker.

Explanation: For the purposes of this section, owner shall include a lessee or mortgagee with possession of the premises.

Place: Porvorim, Goa.

Dated: 27th July, 2020.

(CHANDRAKANT (BABU) KAVLEKAR)

Dy. Chief Minister / Minister for Factories and Boilers

Assembly Hall,

Porvorim, Goa.

Dated: 27th July, 2020.

(NAMRATA A. ULMAN)

Secretary to the Legislative Assembly of Goa
