

Factories Act Related Problems & Their Solutions

Ours is pharmaceutical company engaged in the manufacture of medicines in State of Himachal Pradesh. Now the number of workers in our factory has crossed 250. Are we bound to running canteen and how much accommodation is required for the canteen.

As per provisions of section 46 of the Factories Act, 1948 and rules 65 to 70 of the Delhi Factories Rules, 1950 regarding Canteen, there is no requirement to provide any subsidy for running a Canteen. But a Canteen is required to be provided, maintained and run, in accordance with the provisions of this section and the State Factories Rules framed there under this section, which inter-alia requires that the Canteen should be run on 'Non-profit basis' and the charges for food and other items to be served in the Canteen are required to be calculated as prescribed in the Rules and decided with the approval of Canteen Managing Committee. In computing the prices of the items to be served in a Canteen, rent for land and building, cost of equipments such as furniture crockery, utensils, cost of electricity, water, fuel, as prescribed in rule 68 of these Rules, should not be taken into consideration and are required to be borne by occupier of the factory. The Canteen accommodation should be as per State Factories Rules, prescribed under the said section 46. As per rule 66 of the Delhi Factories Rules, 1950, the dining hall should accommodate at a time at least 30% of the workers working at a time. The floor area of the dining hall, excluding the area occupied by service counter and furniture (except tables and chairs) should not be less than 10 square feet per dinner to be accommodated.

I am likely to be inducted as company secretary in public sector undertaking. The management proposes to appoint me to occupier of a factory as owned by the undertaking. I understand that there is no such restriction on appointment.

Normally a company secretary cannot be appointed as an occupier. The occupier in a public sector undertaking should be one of the directors of the company, nominated by the Board of directors. However, if the public sector company is owned or controlled by the Centre or State Government, the appropriate Government may appoint any senior officer of its factory (including a company Secretary), who has ultimate control of the affairs of such a factory, as an occupier.