

CHAPTER 03 · COMPLIANCE MANUAL · 2024 EDITION

Factories Act – To be subsumed with New Labor code

This chapter is an extract from **The RST Compliance Manual**, a regulator-mapped reference for Indian business entities curated by the partners of R S T & Co.

Factories Act, 1948, is a central act which is enforced by the state governments making the relevant rules to extend scope and objectives of the Act. Karnataka state has formulated its rules under the Act called "The Karnataka Factories Rules, 1969".

3.1 Applicability

All the entities engaged in manufacturing activities satisfying below conditions:

Use of Power	No. of Workers
Yes	20 or more workers
No	40 or more workers
<i>Applicable even if less than 10 workers, if such activity is notified by State Govt</i>	<i>Applicable even if less than 10 workers, if such activity is notified by State Govt</i>

3.2 Compliances

3.2.1 Registration & Licensing

Application for registration & grant of license is required to be made within 15 days of starting a manufacturing activity, to the concerned area inspector (Form-2).

Application made with necessary documents will be scrutinized and replied within 30 days of acceptance or rejection. If no such reply is received till 3 months from the date of application, the application is deemed to be granted.

License to be renewed annually within 31st October (default will attract a surcharge of 25% on license fee).

If the applicant wants to avail the benefit of renewal of factory licence for 3 years at once, he can do so by paying three years licence fee along with the relevant documents.

3.2.2 Maintenance of Books

Form No.	Name of Register
Form 22	Muster Roll/Register of Wages
Form 11	Register of Adult Workers
Form 14	Register of Leave with Wages
Form 23	Register of Accident or Dangerous Occurrence

Form No.	Name of Register
Form 9	Overtime Registers, in case of exempted workers
Form 16	Health Registers, in case of factories involving hazardous processes and dangerous operations
Form 6, 28 & 29	Inspection Book

3.2.3 Filing of Returns

Periodicity	Form No.	Due Date
Annually	Form 20	1st February of subsequent year
Half Yearly	Form 21	15th July / 15th January
Monthly	Form 23	5th of subsequent month

3.3 Exemption Provisions

3.3.1 Exemption to work on overtime

Application must be made on a stamp paper narrating the reasons for working overtime, number of workers, and their willingness to work for overtime.

Application must be made 15 days prior to such engagement.

Exemption is granted after scrutiny for a period of 3 months each time and this exemption is restricted to 125 hours in a quarter.

Exemption is prohibited for women workers.

3.3.2 Exemption to employ women worker upto 10pm

This exemption is available only for the 15 categories of factories specified by the Government with the following conditions:

Written consent from the willing women workers must be obtained.

No overtime can be extracted from them.

Every women worker must have an uninterrupted rest for atleast 9 hours from cessation of work on a day to beginning of fresh work on the following day.

They would be allowed to work only upto 10pm and free transport must be provided to return to their homes.

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End of Chapter. For the complete Compliance Manual, additional chapters, or a tailored briefing for your finance and compliance teams, contact info@rstandco.co.in.