

FAQ

PROCEDURE FOR ONLINE REGISTRATION AND GRANT OF LICENCE UNDER THE FACTORIES ACT, 1948

Q1. What is a “FACTORY” under the Factories Act, 1948?

Ans. Premises engaged in “manufacturing process” employing 10 or more workers with the aid of power or, 20 or more workers without the aid of power will constitute a “factory”.

Q2. What is the meaning of “manufacturing process” under the Factories Act, 1948?

Ans. “Manufacturing process” is defined under section 2 (k) of the said Act. Any process for making, repairing, packing, pumping, printing, cold storage, etc. is a manufacturing process.

Q3. Whether “factory” licence is required under the provisions of the Factories Act, 1948?

Ans. Yes. Running a “factory” without registration and grant of licence is a punishable offence (One Lakh fine or Two Years imprisonment or both as per section 92 of the Factories Act, 1948).

Q4. Who is required to obtain a licence?

Ans. A person who runs a “factory” either in owned or rented premises shall be the “Occupier” and requires to obtain “factory” licence.

Q5. Who can be an “Occupier” of a factory and apply for licence?

Ans. Proprietor/Partner/Director/Nominated Govt. Officer of a factory can be an “Occupier” as defined under section 2(n) of the Factories Act, 1948 and can apply for licence. No other person can be treated as occupier for the purpose of granting licence.

Q6. Whether “factory” licence under the Factories Act, 1948 is mandatory apart from MCD factory licence?

Ans. Yes. If your premises satisfies the definition of “factory” mentioned at Question No. 1 above, then licence under the Factories Act, 1948 is mandatory.

Q7. Is there any restriction to obtain licence?

Ans. Yes. Licence can be granted to an occupier of a “factory” situated only in **conforming industrial areas of Delhi**. However, “Public Utility Services” such as Petrol Pumps, CNG Stations, DTC Depots, etc are granted licence irrespective of their locations.

Q8. Can licence of a “factory” be granted in non-conforming industrial/residential area?

Ans. No. Factories cannot run in non-conforming/residential areas of Delhi as per the directions of Hon’ble Supreme Court.

Q9. How to obtain online licence?

Ans. An occupier of a factory is required to obtain a Licence under the provisions of Rule 4 of the Delhi Factories Rules, 1950. The occupier is required to get himself registered through “Citizen Registration Form” available at **e-District Delhi portal**. He has to login e-District Delhi portal and select the service of “Registration and Grant of Licence under the Factories Act, 1948” and fill up “Service Specification Details” and upload necessary documents and pay online auto calculated fee by the system.

Q10. For how many years licence can be applied?

Ans. Licence can be applied for one, five or ten years.

Q11. Whether any fee is required to be paid?

Ans. Yes, fee is payable online as per Schedule appended below as per Rule 5 of the Delhi Factories Rules, 1950:-

H.P. Installed	Maximum number of workers to be employed on any day during the year							
	Upto 20	21 to 50	51 to 100	101 to 250	251 to 500	501 to 750	751 to 1000	Above 1000
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Nil	100	200	400	1000	1600	3000	4000	5000
Upto 10	200	400	480	1200	2400	3600	4800	6000
Above 10 and upto 50	400	600	800	2000	4000	6000	8000	10000
Above 50 and upto 100	800	1000	1200	3000	6000	9000	12000	15000
Above 100	1200	1600	2000	4000	8000	12000	16000	20000

Q12. Whether the fee paid for obtaining licence is refundable?

Ans. No. Fee once paid shall not be refunded under any circumstances.

Q13. What are the documents required to be uploaded?

Ans. The following documents are required to be uploaded:-

1. ID proof of Occupier and Manager.
2. List of Partners/Directors with their residential address.
3. NOC from other partners or Board Resolution by Directors for nomination of occupier as per sections 2(n) and 7 of the Factories Act, 1948.
4. Proof/supporting documents of Occupier as Director/ Partner/ Proprietor of the factory.
5. Existing building plan in PDF format as per Rule 3A of the Delhi Factories Rules, 1950.

6. Latest electricity bill as a proof of sanctioned load of electricity.
7. Proof of occupancy (copy of rent agreement/ownership proof i.e. conveyance deed).
8. Flow chart of manufacturing process.
9. List of raw materials used in manufacturing process.
10. List of machineries installed in the premises.
11. Such other particulars as the Chief Inspector/Director (ISH) may require.

Q14. What is the procedure followed by the Department in granting licence?

Ans. All online applications are scrutinized and in case of any defect the same will be communicated to the applicant online, pointing out the defects.

If the application is complete in all aspects, the factory premises shall be inspected to adjudge suitability for registration and grant of licence. If factory conforms to the statutory requirements, the licence will be granted within a month.

Q15. What is the validity of licence granted?

Ans. The licence will be valid for one or five or ten years as per the application from the date of grant of licence.

Q16. Is there any time limit to rectify/reply in case application submitted by applicant was found incomplete?

Ans. Yes. In case any document, information is sought from the applicant, within 03 days the reply alongwith required documents should be uploaded by the applicant. Otherwise, the application shall be rejected and fee shall be forfeited.

Q17. Whether online application for grant of licence can be rejected?

Ans. Yes. If the information provided by the applicant through "Service Specification Details" of the online service is found to be incorrect and cannot be rectified within the stipulated period, his/her application shall be rejected. In such case, the licence fee shall be forfeited. Hence, the applicant has to be very careful while filling the online "Service Specification Details".

Q18. Once rejected, whether the application can again be submitted for obtaining licence?

Ans. Yes. An applicant can apply afresh by depositing auto-calculated licence fees again through online system. A new reference number will be generated. Please ensure that the defects pointed out earlier, on which the application was rejected, have been rectified before submission of fresh application.

Q19. Can a licence be surrendered? Is it mandatory?

Ans. Yes. It is mandatory to surrender the licence, if the factory is closed (permanent/temporary), shifted out of Delhi. Licence can also be surrendered if no. of workers employed is reduced to less than 10 in the past 12 months. For further details please refer FAQ of de-registration and closure of factory.

Q20. What are the bare minimum requirements to obtain a licence?

Ans. The factory should be located in conforming industrial area of Delhi and alternate emergency staircase should be available in the factory premises. Manufacturing process as defined under section 2(k) should be carried out in the said premises.

Q21. Whether the licence will be sent by post?

Ans. No. A digitally signed licence can be downloaded from the dashboard of the applicant.

ELIGIBILITY CRITERIA

Premises engaged in “manufacturing process” employing 10 or more workers with the aid of power or, 20 or more workers without the aid of power will constitute a “factory”.

NODAL OFFICER DETAILS

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