



SOP for Factory License Application – Unified MCD Citizen Interface

<https://mcdonline.nic.in>

Municipal Corporations of Delhi
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Note: This document will be amended on regular basis as per the upgradation done in the application.





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1. Introduction

1.1. About Factory License (FL)

Section 416 of the MCD Act, 1957 places an obligation power to obtain prior permission of Commissioner MCD in writing on the person desirous to establish in any premises or materially alter, enlarge or extend any factory, workshop or trade premises in which it is intended to employ, steam, electricity, water or other mechanical.

Once the permission is granted under this Section to install some machinery in a premise, it is also an obligatory to obtain a trade license as laid down under Section 417 (i) before starting the trade. In order to streamline the smooth and orderly growth of industries as per provisions of DMC Act, 1957, the Master Plan of Delhi & Pollution Control Committee, G.N.C.T.D., and as per directions/judgements delivered by the Supreme Court of India, the provisions are implemented in the NCT of Delhi to minimize the nuisance, health hazard and pollution for the orderly industrial growth in the NCT of Delhi. In order to achieve this, certain restrictions are imposed in form of licensing conditions for different categories of licenses.

1.2. Purpose

The purpose of the FL portal is: -

- Transformation of legacy process and afresh development of web application as per the current functional and technical requirements.
- Facilitate citizens with cashless, paperless, and faceless system.
- Advanced GUI of Online registration system can help the citizen to easily apply, renewal, amendment and surrender the factory license.
- Allows preservation of reporting forms in digital mode.
- Process oriented architecture which helps citizen to do easy registration for factory license without visiting MCD department from any internet point.

1.3. Factory License Categories

The following categories are now merged with the Property Tax application. Citizens can pay their Factory License fee along with their property tax. The license fee will be 5% of the property tax amount paid.

1. Conforming Industrial Area
2. DDA/DSIDC/DI Built-up auction/ allotted sheds.
3. Industries Outside Industrial Area.

Rest two categories are with Factory license application whose- License Validity Period = One Year and valid up to 31-March of the Financial Year.

Sl. No.	Trade Classification
1	Household Category
2	Local Commercial Category

2. *Standard Operating Procedure*

- Open the system's browser, ensure the system is connected to the internet.
- Type URL- <https://mcdonline.nic.in/online> services--> Select the desired zone- -> Click on Search Button→ Factory Licenses and Login Page opens.
- At first time visit, citizen must register to proceed, please “**New User Click Here for Signup / Registration**”.
- Fill mandatory information on Sign-Up page and click on Submit button.
- On successful Sign-Up, **Login** with Registered Mobile No. along with country code through OTP authentication.
- Citizen can also change mobile number and other details through “**Edit Profile**” option available under name display at top right corner.
- All the registered factory licenses details will be shown on Dashboard Page with key details such as Registration Number, Process Name, Category, Applicant, Trade Name etc.
- Citizen must read all the Important Instructions and Guidelines
- To search legacy record, go to “**Search Factory License from Legacy**” module and search using License number, Factory Name or Applicant Name etc.
- If record found
 - If validity is expired, then renewal can be done.
 - If record found and its validity is not expired, then Amendment and Surrender can be done.
- If record not found or for New Factory License, “**Apply New Factory License**” button for applying for new Factory license
- Fill all the required information on application form page such as Trade Category, Industry Area & Type, Personal Details, Trade Details, Power Details, Factory Details and DPCC and Fire NoC details etc. and upload required documents.
- Filled details can be saved as draft using “**Save as Draft**” button to submit the details later.
- Click on “**Submit**” button to save the application form details and pay requisite fees using **online payment gateway**.
- On successful Submission, Registered details will be sent to **MCD Officials** for scrutiny and approval.
- Registered details can be seen on Dashboard with status.
- Following options will be available on “Action” button on Dashboard for a registered detail:
 - **View Form:** Submitted application form can be seen with all filled details
 - **Payment Receipt:** Payment receipt can be downloaded in case of successful payment

- **Reconcile Payment:** This option used to update payment status as per transaction details at Bank end.
- **Provisional License:** Provisional license will be available and can be downloaded only in case of New License
- **View Status:** To track the current application status.

Note: By default, provisional license validity will be for 90 Days for all categories from date of registration

1. If Factory's land area is above 250 Sq. Mtr., Then validity of Provisional License will depend upon DPCC date and FIRE NOC date whichever is lesser,
2. If Factory's land area is below 250 Sq. Mtr., Then validity of Provisional License will depend upon DPCC date if it is lesser

- In case of any deficiency raised by MCD Officials while scrutiny, Citizen need to provide required information or documents using "**Rectify Deficiency Details**".
- Check deficiency letter to see which documents are marked deficient and re-upload those documents and submit for verification and approval by MCD officials.
- On Rejection by MCD Officials, Citizen need to apply afresh for New Factory License.
- Rejection letter can be downloaded from "**Action**" button to check rejection remarks.
- On Approval from MCD Official, **Final License** can be downloaded from "**Action**" button for any registered detail.

Note: License Validity Period = One Year and valid up to 31-March of the Financial Year

Note:

1. Amendment and Surrender are only allowed for Valid Licenses
2. Renewal is only allowed for Expired Licenses

- Following options will be available on "from "**Action**" button" button on Dashboard for a registered detail after issuance of factory license:
 - **Renewal:** Factory License renewal can be applied on expiry of license or one month prior or one month after the start of current FY as per above note.
 - **Amendment:** Citizen can apply for amendments in license details to get required details changed in license which are allowed.
 - **Surrender:** Citizen can apply for surrender of license and after approval, surrender acknowledgement receipt can be downloaded from "Action" button under Dashboard.
- Select appropriate option from "Action" button as per the requirement
- Fill all the required details on form opened along with necessary documents and submit
- Pay requisite fee using **online payment gateway**
- Check details and status of registered request from Dashboard
- Download relevant updated License/ receipt and other documents available under "Action" button on Dashboard.

3. Factory License Fees and Charges

3.1. Unified MCD Fee Chart while issuance of New License

These Rates effected from FY=2022-2023, accordingly 15% increment in all applicable Factory license fee will be effected in 2025-2026. All components will be increased by 15% like Registration fees upto 5 HP will be 2300.

Total Amount = Registration fee + Processing fee + Factory License fee + Permission fee

1. **Permission fee** = Unit charge + (HP rate x Total HP)

S.no	Trade Category	Power HP	Registration fee	License Fee
1.	Local Commercial Area	Upto 5 HP	2000.00/-	4000.00/-
		6 to 15 HP	4000.00/-	8000.00/-
		16 to 50 HP	25000.00/-	20000.00/-
		Above 50 HP	50000.00/-	40000.00/-
2.	Household	upto 5 H.P	2000.00/-	HP rate x Total HP
		6 to 15 HP	4000.00/-	

2. **Local Commercial Area**

(a) **Processing fee (Rs)** = 1000.00 * number of years applied.

(b) **Unit Charge (Rs)** = 1000.00/- (fixed)

Household

(a) **Processing fee (Rs)** = 1000.00 (fixed) * number of years applied.

(b) **Per H.P (Rs)** = 50.00/- HP rate x Total HP x number of years applied

3. **Convenience Fee (Rs)** = 2.5937% of the Total Amount

3.2 Charges associated while Renewal of License

1. **Renewal in grace period i.e. April every year**

➤ **Total Amount = Permission Fee + Processing Fee + Transaction Fee + Convenience Fee**

a. License Fee = H.P. rate × Total H.P+ Permission Fee+ Processing fee.

b. Permission Fee = Unit Charge + License Fee

c. Processing Fee = 1000.00 (fixed)

d. Transaction Fee = 10 (Fixed)

2. **Renewal after April and prior to ending of current financial year.**

➤ **Total Amount = Permission Fee + Processing Fee + Transaction Fee + Late fee + Convenience**

Fee

- a. License Fee = H.P. rate × Total H.P. + Unit Charge + Processing fee
- b. Processing Fee = same as of Fee mentioned in Issuance of new license.
- c. Late fee = license fee * 0.05 * number of late months.
- d. Transaction Fee = 10 (Fixed)
- e. Total Fee

3. Renewal after One year

➤ **Total Amount = Permission Fee + Processing Fee + Transaction Fee + Late fee + Arrear + Convenience Fee**

- a. License Fee = H.P. rate × Total H.P. + Unit Charge + Processing fee
- b. Processing Fee = same as of Fee mentioned in Issuance of new license.
- c. Late fee = license fee * 0.05 * number of late months.
- d. Transaction Fee = 10 (Fixed)
- e. Arrear = license fee of base year * 0.05 * number of late months * 2

* **Convenience Fee** (Rs) will be charged as 2.5937% of the Total Amount except late fee and arrear.

3.3. Charges associated while Amendments of License**For all categories**

(a) Application/Processing Fees – Rs.1000.

(b) Unit charges – Rs. 1000

(c) Power Load per HP – 50 – HP rate x Total HP x number of years applied

(d) Amendment fees- processing fee + Unit charge + Power Load per HP + 2.5937% of the total amount towards Online Payment Convenience Fee will be collected at the time of Submission of Application Form for Amendment of Factory License.

3.4 . Charges associated while Surrender of License**Local Commercial Area and Household category**

Application/Processing Fees Rs.1000 + 2.5937% of the total amount) towards Online Payment Convenience Fee will be collected at the time of Submission of Application Form for Surrender of Factory License.

Automatic Increase in applicable Factory license fees after every three years.

Above Rates and calculation effected from FY=2022-2023, accordingly 15% increment in all applicable Factory license fee will be effected in 2025-2026. All components will be increased by 15% like Registration fees upto 5 HP will be 2300.

1. *Factory License Documents Required*

1.1. *Documents are to be Submitted for Issuance of New Factory License*

The following documents should be accompanied with the application form for obtaining a factory license:

Household Category	Local Commercial Category
<ol style="list-style-type: none"> 1. Ownership/registered occupancy proof /lease deed alongwith NOC of owner 2. Details applicant i.e. Photo ID proof. 3. Copy of electricity bill & Site plan/key plan. 4. Additional/Optional documents, if any. 5. Fire noc (if area greater than 250 sq. Mt). 	<ol style="list-style-type: none"> 1. Ownership/registered occupancy proof /lease deed alongwith NOC of owner 2. Copy of electricity bill 3. Sanctioned building plan & site plan/key plan. 4. Aadhar Card. 5. DPCC consent 6. Certificate of safety of explosives. 7. Fire NOC (If premises come under purview above 250 sqm).

1.2. Documents are to be Submitted for Renewal of Factory License

- ✓ DPCC
- ✓ Fire NOC (If area greater than 250 Sq. Mt)

1.3. Documents are to be Submitted for Amendments of Factory License

- ✓ Constitution of firm/Incorporation certificate in case of public or private limited company. (for Change of constitution of firm)
- ✓ NOC/Authority in favor of applicant (for change of name of director/partner).
- ✓ Details of proposed machinery with H.P. rating. (For change in power load).
- ✓ Undertaking on company letter head.
- ✓ Consent from DPCC, If any, as per norms laid down for the applied industry (Required for all purposes and for change of trade)
- ✓ Additional Undertaking/indemnity Bond/affidavit as prescribed for clusters of industrial concentration earmarked for redevelopment into conforming industrial areas as per MPD-2021

1.4. Documents are to be Submitted for Surrender of Factory License

- ✓ UID
- ✓ Undertaking