



**SOUTH DELHI MUNICIPAL CORPORATION
FACTORY LICENSING DEPARTMENT
3rd FLOOR, Dr. SPM CIVIC CENTRE,
J.L. NEHRU MARG, NEW DELHI-02**



No.ADC/FL/SDMC/SK/2018/Dy. - 3149

Dated: 21/12/2018

Subject: Implementation of Online policy for issuance & renewal of License under Household/Service industry category.

In order to streamline the smooth and orderly growth of industries as per provisions of the MPD-2021 and directions/judgments delivered by the Hon'ble Supreme Court of India, the provisions are implemented to minimize the nuisance, health hazard and pollution for the orderly industrial growth in the NCT of Delhi.

The South Delhi Municipal Corporation has approved the online policy for issuance and renewal of License under Household/Service industry Policy. The following are the procedures to grant online factory license under household category:-

- 1 The small unit holders can run the units from their residence fulfilling the criteria fixed by the Supreme Court Monitored High Power Committee as constituted under the judgment of Hon'ble Supreme Court of India dated 07/05/2004 in the matter of MC Mehta Vs UOI & Ors (WP No.4677/1985). The constitution of the committee is as below:

i)	Commissioner of Industries, GNCTD	-	Chairman
ii)	Addl. Commissioner (Factory License), MCD	-	Member
iii)	Addl. General Manager (T), (DESU	-	Member
iv)	Commissioner (Planning)DDA	-	Member
v)	A Sr. Environmental Engineer (CPCB)	-	Member
vi)	An Environmental Engineer (DPCC)	-	Member
vii)	A representative of Small Industry Service Institute-		Member

- 2 Further, the Commissioner of Industries, Govt of NCT of Delhi vide his letter No. PA/DC-I-V/Meeting/2016/201 dated 25/11/2016, constitute a Screening Committee to assist the above mentioned High Power Committee, comprising of the following members:

i)	Special Comm of Industries-I- Chairman.
ii)	Member Secy- DPCC
iii)	Concerned Dy. Comm (Factory Licensing)- MCD-Member
iv)	Dy. Commissioner of Industries (CETP)-Member

 - a) The Committee will examine each application submitted before MCD (Factory Licensing) for grant of NOC by High Power Committee under House Hold Category.
 - b) The permissibility of setting up of industries has to be seen as per provisions of Master Plan of Delhi-2021.
 - c) A list of applicants along with recommendation of Screening Committee and other details has to be submitted by Municipal Corporations (Factory Licensing Deptt.) to the High Power Committee for its decision.

- 3 **Rules and provisions applicable:**
 - A. **The MPD-2021 provides regarding house hold industrial units as under:**
 1. Household industrial units with maximum of 5 workers and 5 Kilowatt power may be allowed to continue in residential areas and new industrial units of this type could

- be permitted in residential areas subject to the conditions that no polluting industrial unit shall be permitted as household industry.
- II. The industrial units could be permitted only after provisional registration by the Govt. of NCTD.
- III. Household industrial units shall be allowed on any floor to the extent of 50% of permissible floor area of the dwelling unit.
- IV. Further additions/alterations to the list of household industries could be made, if considered appropriate and in public interest by the Central Government to do so.
- V. No inflammable or hazardous substance is permitted to be stored.
- VI. Separate industrial electric connection (single phase) and Municipal License, would be necessary to set up a household industry.

B. **DMC Act 1957 as amended from time to time provides under Section 416** of an obligation 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 power to obtain prior permission of Commissioner MCD in writing". Once the permission is granted under this Section to install some machinery in a premise, it is also an obligation to obtain a trade/storage license as laid down under **Section 417** before actually starting the trade.

C. As per **Hon'ble Supreme Court order dated 19.04.1996**, certain Household industries can be permitted to operate not only in the residential areas but also in the residential premises itself and under the provision of MPD-2021.

D. **Provisions of various Acts** relating to Environmental Laws and orders of National Green Tribunal for monitoring/ regulating industrial units operating in the non-conforming areas are also complied with.

4 This household policy will be enforcing with certain restrictions in form of licensing conditions for different categories of licenses.

5 **The applicant have to submit online application** for getting fresh/renewal of factory license under Household/Service industry category alongwith following requisite documents, registration & processing fee:

- I. ID proof (With photograph) i.e. Aadhar Card.
- II. Copy of key plan earmarking the site plan with dimension (blue print).
- III. Proof of ownership, in case of tenancy, NOC from owner.
- IV. Copy of electricity bill mentioning Kilowatts and proof of start of trade.
- V. Self declaration/undertaking available in online application.

II. **Fee structure (Fresh Cases):**

- o Processing Charge Rs. 1000/- (Rs. One thousand Only) to be deposited through online payment gateway.
- o Fixed charge Rs. 1000/- (Rs. One Thousand Only) (required when license approved)
- o Charges of Rs. 1000/- p.a. (Rs. One thousand only per annum) per unit and a charge of Rs. 50/- (Rs. fifty Only) per HP per annum.

III. **Fee structure (Renewal Cases)**

- o License are issued for a financial year (i.e. 1st April to 31st March).
- o License can be renewed within 30 days from the date of license expiry.
- o Charge of Rs. 1000/- p.a. (Rs. One thousand Only per annum) per unit and a charge of Rs. 50/- (Rs. fifty Only) per HP per annum.
- o Penalty @ 5% of license fee (per month) will be charged and double in the end of the year. (penalty may be invoked w.e.f. 01.04.2016 onwards only).
- o Cost of e-transaction charges to be borne by the applicant.

- IV. **Applicable License Issuance/Renewal Fee:** Rates of proposed House Hold Factory License fee for getting Household/Service industry license u/s 416/417 of DMC Act, 1957 is non-refundable under any circumstances whatsoever. Inherent powers conferred u/s 430(2) of DMC Act, 1957 which lays down as "Except as otherwise provided in this Act or any bye-law made there-under, for every such license or written permission a fee may be charged at such rate as may be from time to time fixed by the Commissioner with the sanction of the Corporation and such fee shall be payable by the person to whom the license or written permission is granted".
- V. **Restriction for "Household/Service industry":**
- i. Maximum floor area must be 50% of dwelling unit at any floor, any trade as per category -A & A-1 of MPD 2021
 - ii. Maximum 5 workers can work in a Household/Service industry.
 - iii. Power load restricted of 5KW.
 - iv. Owner must be residing in same premises.
 - v. Use of generator not allowed.
- VI. **List of areas in which license under Household Category cannot be provided:**
- a) Lutyen's Bungalow Zone
 - b) Civil Line Bungalow Area
 - c) Employer Housing
 - d) Group Housing (excluding Janta Flats)
- VII. **License Issuing Authority:** U/s 491 of DMC Act, 1957 (as amended in 1993), the Commissioner, South Delhi Municipal Corporation can delegate power of license issuing authority to DC/ADC(FLD), SDMC.
- VIII. **Penal Action for non-Compliance:** As per DMC Act, no person shall run House Hold Industrial Activities without written permission of the Commissioner, SDMC. Any violation of the obligation imposed by or under the laws, bye-laws, rules, regulations shall attract prosecution as provided u/s 461 of the DMC Act, 1957.
- IX. **Working hour of the trade:**
- o Working hours are restricted between 8:00 a.m. to 6:00 p.m.
- X. **Process of amendment in the license:**
- o License holder may request through online process after depositing the processing fee of Rs. 1000/- (Rs. One thousand Only).
- XI. **Events when amendment in license under Household/Service Industry Category permissible:**
- A. **In the event of death of license:** In the case of Death of license amendment in license will be permitted in favour of Legatee/Legal Heirs of the deceased on submitting the following document:
- o Death Certificate of license.
 - o Original Municipal License.
 - o NOC from other legal heirs of family settlement deed duly ratified by the Court of Law.
 - o Self declaration/undertaking by the applicant.
- B. **In the event of transfer due to retirement of licensee:**
- o Consent/Confirmation in the shape of affidavit supported by legal document on title in favour of nominated legal heir/ward of license only.

C. Change of trade/Activity: Change of trade/activity will be permitted within the permissible Household/Service industry activities as per prescribed in A & A-1 categories of trade as mentioned in the MPD -2021, subject to restriction of power load of 5 KW.

XII. Applicability of e-SLA:

- o The application received under household policy/Household/Service industry Category will not cover under e-SLA as these cases are subject to recommendation/approval by the duly constituted High Power Committee.
- o **Display of license:** Henceforth, all Household/Service industry establishments need to display their License for Household/Service industry, at a visible and prominent location within their premises. The license holder shall be liable to produce the same for inspection u/s 430(5) of DMC Act.

XIII. The issue of license shall be further subject to the following terms and conditions which are to be strictly adhered by the licensee:-


- (a) The licensee shall permit the authorized officer to inspect the licensed premises under question at all reasonable times and without notice during the tenure/ validity of license.
- (b) The license shall be displayed in the premises prominently.
- (c) The licensee shall not permit any negligent act which is likely to cause fire or otherwise endanger the public safety in the licensed premises.
- (d) The licensee shall install such adequate fire extinguishing measures as per specifications of fire safety standards and completely indemnify the SDMC for any incidence of fire due to the grant of the said license.
- (e) Whenever the licensed premise is vacated, the licensee shall inform the concerned officer and is liable to return/surrender the license to South DMC. Failure to do so shall make him ineligible for issue of license in future without getting cleared all previous dues.
- (f) The licensee shall keep the premises clean and will prevent accumulation of filth or refuse.
- (g) The license shall not be transferable from one premise to another nor from one person to another (except in death cases or transfer to their legal heirs) nor from one establishment to another.
- (h) The licensee shall make separate storage arrangements for the articles which are intended for human & animal consumption and which are poisonous or likely to contaminate other items within the premises.
- (i) The licensee shall ensure that no act is being done in the licensed premises which shall lead to danger to life or property, nuisance etc.
- (j) The licensee shall not encroach upon public land in any manner.
- (k) The license does not have any bearing on ownership and cannot be used for settlement of ownership dispute.
- (l) The License does not entitle for regularization of any unauthorized construction.
- (m) The license is subject to all terms and conditions imposed at the time of grant of License and also imposed from time to time. If it is found that the activity is not permissible then license shall stands revoked without any further communication and SDMC shall be kept harmless for the same.
- (n) The license is liable to be cancelled in any case if any of the statement made in self declaration/ undertaking are subsequently found otherwise.
- (o) The grant of the license does not abdicate the licensee from responsibilities towards complying with the provisions of the DMC ACT, 1957 (as amended in 1993 and from time to time) or any other law for the time being in force or as amended from time to time.
- (p) The licensee shall not be allowed to run any trade which is prohibited by any Act/Law/Govt. orders/Directions from any Court of Law /MPD-2021.
- (q) The license is liable to be cancelled if the trade/ premises is found to be contrary to provision of MPD-2021/ Delhi Special Provisions Act, 2011 (as amended in 2014 and from time to time).

5 **REVOCAION, SUSPENSION AND RESTORATION OF LICENSE:** If the licensee fails to comply with any of the conditions of the license as detailed above, the Dy. Com./ADC(FLD) SDMC or any other authorized officer, after giving reasonable opportunity to the licensee of being heard in the matter, may revoke or suspend the license. The license is liable to be cancelled in case any of the statement in the Self Declaration/Undertaking is proved to be otherwise or any of the information submitted in the application form is found to be otherwise. The appeal for restoration of such revoked/suspended license will lie with the Addl. Com. (In-charge), if the licensee has removed the contraventions.


Addl. Deputy Commissioner
Factory Licensing Department
South Delhi Municipal Corporation

Copy to:-

1. Commissioner of Industries, GNCTD, Chairman of High Power Committee
419 F.I.E. Patparganj, New Delhi-110092.
2. Addl. Commissioner (Factory License), SDMC , Member, HPC
6th Floor, Civic Centre Minto Road Delhi-110002
3. Addl. General Manager, (BSES) , Member, HPC
D, Block BSES Bhawan, Nehru Place Delhi.
4. Commissioner (Planning)DDA, Member , HPC
5th Floor, Vikas Minar I.P. Estate, Delhi.
5. Sr. Environmental Engineer (CPCB) , Member, HPC
5th Floor, Delhi Secretariat, Delhi-110002.
6. Environmental Engineer (DPCC) , Member, HPC
4th Floor, ISBT Building Kashmere Gate, Delhi-110006.
7. A representative of Small Industry Service Institute, Member, HPC
Opp. Modi Flour Mill, Sahid Captain Gaur Marg, Okhla Industrial Estate New Delhi.
8. Special Commissioner of Industries-I- Chairman, Screening Committee.
419 F.I.E. Patparganj Delhi-110092.
9. Member Secy- DPCC, Member of Screening Committee
4th Floor, ISBT Building Kashmere Gate, Delhi-110006
10. Concerned Dy. Comm (Factory Licensing)-SDMC, Member of Screening Committee
SDMC/ Civic Centre.
11. Dy. Commissioner of Industries (CETP) , Member of Screening Committee
419 F.I.E. Patparganj, Delhi-110092.


Addl. Deputy Commissioner
Factory Licensing Department
South Delhi Municipal Corporation

Copy for kind information to:-

1. Hon'ble Mayor/SDMC.
2. Hon'ble Leader of the House/SDMC.
3. Hon'ble Chairmen Standing Committee/SDMC.
4. Hon'ble Leader of Opposition/SDMC.
5. Hon'ble Chairmen Licensing Committee/SDMC.
6. PS to Commissioner/SDMC.
7. Director (IT)/SDMC
7. Addl. Dy. Commissioner, FLD/SDMC.