

STANDARD OPERATING PROCEDURE (SOP)

Subject: Implementation of Auto-Generation of Licences under the Occupational Safety, Health and Working Conditions (OSH) Code for Low and Medium Risk Factories and Regulation of Periodical Inspections.

Ref: 1. Memo No. B2/4648/2025 dated 18.12.2025 of the Director of Factories.

2. Memo No 38/Lab-II/A1/2026 dt 14-5-2026 of Secretary, LETF Dept

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1. Objective

This Standard Operating Procedure (SOP) is issued to streamline the process for grant of licences under the OSH Code for Low and Medium Risk industries through auto-generation mechanism and to regulate the system of inspections in accordance with Ease of Doing Business (EoDB) reforms and Deregulation-II policy.

2. Scope

This SOP shall apply to all applications for licences received through the TGiPASS portal in respect of factories categorized as Low Risk and Medium Risk industries under the existing risk classification adopted by the Factories Department.

A. PROCEDURE FOR ISSUE OF LICENCES UNDER OSH CODE

3. Receipt and Scrutiny of Applications

1. Upon receipt of an application for licence under the OSH Code through TGiPASS, the concerned officer shall:

a. Verify whether the unit is covered under the provisions of the OSH Code; and b. Verify submission and completeness of the Self-Compliance Checklist furnished by the applicant.

2. The officer shall examine the information furnished by the applicant and determine the applicable risk category of the industry based on the existing classification system, namely:

- o Low Risk
- o Medium Risk
- o High Risk

4. Collection of Licence Fee

1. After determination of the applicable risk category, the officer shall communicate the licence fee payable (which is auto calculated by the system) based on the number of years opted by the

applicant.

2. Upon payment of the prescribed licence fee by the management:
a. Licences for Low Risk and Medium Risk factories shall be auto generated through the portal system; and b. The Registration Number shall be automatically generated/picked up from the Central Database.

5. Procedure for High-Risk Factories

1. In respect of High-Risk factories, the existing system shall continue, including:
o Prior inspection before grant of licence; and
o Approval and digital signature of the licence by the competent authority.

B. PROCEDURE FOR PERIODICAL INSPECTIONS

6. Inspection Exemption Period

The following inspection-free period shall be applicable from the date of issue of licence:

Category of Factory

Inspection-Free Period

Low Risk Factory

Five (5) Years

Medium Risk Factory

Three (3) Years

7. Exceptions to Inspection-Free Period

The inspection-free regime shall not apply in the following cases:

1. Complaints received against the factory;
2. Accident occurring in the factory; and
3. Default in payment of annual licence fee.

8. Procedure in Case of Complaints and Accidents

1. In cases involving complaints or accidents, inspections shall be conducted only after obtaining prior permission of the Director of Factories, as per the existing procedure.
2. Officers shall submit relevant details and justification while seeking such permission.

9. Procedure in Case of Annual Licence Fee Default

1. In cases where the factory defaults in payment of annual licence fee, officers may conduct inspection after expiry of the due date for payment.

2. The scope of such inspection shall be restricted only to issues relating to licence fee payment and compliance thereof.
3. During such inspection, if any of the following are noticed:
 - o Non-disclosure of machinery/equipment in the self-compliance checklist;
 - o Major safety violations; or
 - o Serious occupational safety concerns,the matter shall immediately be brought to the notice of the Director of Factories.
4. The Director of Factories shall examine such cases and issue further instructions regarding necessary action.

C. RESPONSIBILITIES OF CGG AND FIELD OFFICERS

10. Responsibilities of CGG

1. Centre for Good Governance (CGG), which maintains the departmental portal and inspection allotment system, shall ensure incorporation of the above inspection protocols in the portal.
2. The above provisions shall be made applicable to all licences auto-generated on or after 01.01.2026 in respect of Low and Medium Risk factories.

11. Responsibilities of Departmental Officers

1. All officers shall strictly adhere to the provisions of this SOP.
2. Any deviation observed in inspection allotment or implementation shall immediately be brought to the notice of the Director of Factories.
3. Officers shall ensure that the objectives of Ease of Doing Business and transparent regulatory administration are effectively implemented without compromising occupational safety standards.

12. Effective Date

This SOP shall come into force with immediate effect and shall apply to licences auto-generated from 01.01.2026 onwards.

13. Conclusion

All concerned officers are instructed to follow the above Standard Operating Procedure scrupulously and ensure uniform implementation across all jurisdictions.

Director of Factories
Telangana State