

Government of India
Ministry of Commerce & Industry
Department of Industrial Policy & Promotion

Press Note No. 5 (2014 series)

STREAMLINING THE PROCEDURE FOR GRANT OF INDUSTRIAL LICENSES

I Increasing the initial validity period of Industrial License

In supersession of all earlier Press Notes, the period of validity of Industrial License is being extended from two years to three years as a measure for ease of doing business.

II Extension in validity of Industrial License

The revised guidelines are as follows:

**Guidelines for
Extension of validity of Industrial License**

Note:-These guidelines are applicable for extension of validity of Industrial license in cases where the license holder has not commenced production of the items within three years of issue of license.

- i) The application for extension of license should be submitted to the concerned Administrative Ministry, 60 days prior to the expiry of the three years period or otherwise specified for commencement of commercial production. In case the application is not received in time, justification for late application shall have to be submitted along with the application.
- ii) At the time of applying for grant of extension of validity of license the condition and status of the firm should be same as mentioned in the Industrial License issued to the firm. Thus any amendment, viz. change in the name of the company, increases/changes in license capacity, alteration or change in the premises, part shifting etc. should have been endorsed in the License.
- iii) Applicant's request should be forwarded to Ministry of Home Affairs* and concerned State Government and after seeking comments of these agencies, case should be considered for Extension of validity. MHA may be consulted only if there is change in Board of Directors/key personnel.
- iv) Applicant should meet following conditions at the time of applying of extension.
 - a. Land should have been acquired, either under ownership or on lease for minimum period of 30 years

- b. The construction on the projects should have commenced (a certificate from appropriate local body viz. Municipal Corporation) may be provided in this regard.
- c. Orders for plant and machinery for the project should have been placed.
- v) Cases involving transfer, suspension or cancellation of license in the intervening period shall not be considered for extension.
- vi) Renewal of license would be allowed for a period of two years. Any Industrial License, wherein commercial production has not started within a period of five years of issue of license, will be treated as automatically lapsed.
- vii) The applicants fulfilling the above guidelines may be granted extension of Industrial License with the approval of concerned Joint Secretary of the Administrative Ministry without referring the application to Licensing Committee.

*[*Applicable in case of applicant for extension of validity of Industrial License in Defence and Explosive sector.]*


(Shubhra Singh)

Joint Secretary to the Government of India

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