

(Department of Industrial Policy and Promotion)

The Registration and Licensing of Industrial Undertakings Rules, 1952 (As amended up to the 4th October, 2012)

1. *S.R.O. 1141 dated the 9th July, 1952.- In exercise of the powers conferred by section 30 read with sections 10 and 11, sub-section (2) of section 12 and sections 13 and 14 of the Industries (Development and Regulation) Act, 1951 (LXV of 1951), the Central Government hereby makes the following Rules, the same having been previously published as required under sub-section (1) of section 30 of the Act, namely:-

1. Short Title: These rules may be called the Registration and Licensing of Industrial Undertakings Rules, 1952.

2. Definitions: In these rules, unless there is anything repugnant in the subject or context:-

- (i) “the Act” means the Industries (Development and Regulation) Act 1951 (LXV of 1951),
- (ii) “effective steps” shall mean one or more of the following:-

- 2*[(a) that 60 per cent or more of the capital issued for an industrial undertaking which is a public company within the meaning of the Indian Companies Act, 1913 (VII of 1913) has been paid up;]
- (b) that a substantial part of the factory building has been constructed;
- (c) that a firm order has been placed for a substantial part of the plant and machinery required for the undertaking.

3. Application for Registration: 3*[(1) An application for the registration of an existing industrial undertaking shall be made to the Ministry of Industry (Department of Industrial Development), Government of India, New Delhi, at least three months before the expiry of the period fixed under sub-section (1) of section 10 of the Act in relation to that undertaking in such form and with such number of copies thereof as may be specified by the said Ministry:

Provided that an application which is not made in time may be entertained by the said Ministry, if the applicant satisfies that Ministry that there was sufficient cause for not making the application in time”.]

2* [(1A) Where an application for the registration of an industrial undertaking is pending at the commencement of the Industries (Development & Regulation) Amendment Act, 1953, no fresh application for such registration shall be necessary under the rule and any such pending application shall be disposed of in accordance with the provisions of these Rules].

1. Published in the Gazette of India, Extraordinary, 1952, Part II, Section 3, page 617.

2. Substituted by G.S.R. 1856, dated 1.10.1953.

3. Substituted by G.S.R. No. 9(E), dated 26.9.1981

2*[(2) Each application shall be accompanied by a crossed demand draft for Rs. 2500 drawn on the State Bank of India, Nirman Bhavan, New Delhi, in favour of the Pay and Accounts Officer, Ministry of Industry, (Department of Industrial Development), Government of India, New Delhi.]

4. Acknowledgement of Application: On receipt of application, the receiving officer shall note thereon the date of its receipt, and shall send to the applicant an acknowledgement stating the date of receipt.

5. Power of Central Government to ask for Additional Information: The 3*[Ministry of Industrial Development] or the authority appointed by it 4*[in this behalf] may require the applicant to furnish within a period to be specified by it, such additional information as it may consider necessary for the purpose of registration.

6. Grant of Registration Certificate: If an application made under sub-rule (1) of rule 3 falls within the scope of that rule, the 3*[Ministry of Industrial Development], shall after such investigation as it may consider necessary, grant to the applicant, before the [expiry of the period fixed under section 10 of the Act], a certificate of registration in Form C appended to these rules. If an application made under sub-rule (1) of rule 3 does not fall within the scope of that rule, the 4*[Ministry of Industrial Development] 5***shall inform the applicant accordingly.

7. Application for Licence:-(1) An application for a license or permission for the establishment of a new industrial undertaking or any substantial expansion of [or the production or manufacture of any new article in] an industrial undertaking shall be made before taking any of the following steps:

- (a) Raising from the public any part of the capital required for the undertaking or expansion [or the production or manufacture of the new article].
 - (b) Commencing the construction of any part of the factory building for the undertaking or expansion [or the production or manufacture of the new article].
 - (a) Placing order for any part of the plant and machinery required for the undertaking or expansion (or the production or manufacture of the new article).
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1. Sub rule (1B) omitted by G.S.R.O. 719(E), dated 26.9.1981
2. Substituted by G.S.R. 100(E), dated 18.2.1987
3. Substituted by G.S.R. 270(E), dated 14.6.1974
4. Substituted by S.R.O. 1856, dated 1.10.1953
5. Inserted by G.S.R. 1781, dated 11.12.1964
6. Certain words omitted by S.R.O. 1856, dated 1.10.1953

1[(1A) An application for a license or permission for changing the location of the whole or any part of an industrial undertaking which has been registered 2[or in respect of which a license or permission has been issued] shall be made before taking any of the following steps:

- (a) the acquisition of land or the construction of premises for the purpose of housing the industrial undertaking at the proposed new site;
- (b) the dismantling of any part of the plant and machinery at the existing site)

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4[(3) Each application shall be accompanied by a crossed demand draft for Rs. 2500 drawn on the State Bank of India, Nirman Bhavan, New Delhi, in favour of Pay and Accounts Officer, Ministry of Industry, (Department of Industrial Development), Government of India, New Delhi.]

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8. Acknowledgement of Application: On receipt of the application, the receiving officer shall note thereon the date of its receipt, and shall send to the applicant an acknowledgement stating the date of receipt.

9. Power to call for Additional Information: The 6[Ministry of (Industrial Development)] or the authority appointed by it [in this behalf] may require the applicant to furnish, within a period to be specified by it, such additional information as it may consider necessary.

6[10. Application to be referred to Committee: (1) The Ministry of Industrial Development shall refer the application to a Committee appointed under sub-rule (2).

[“(Provided that where an application relates to the extension of the period of validity of an industrial license or to the issue of a carry-on-business license or to diversification within the existing licensed capacity in respect of such schedule industries as may, from time to time be decided by the Central Government, having regard to the maximisation of production, better utilisation of existing plant and machinery and other factors, the Ministries concerned may dispose of such application without reference to the Committee)”].

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- 1. Inserted by S.R.O. 1856, dated 1.10.1953
 - 2. Inserted by G.S.R. 1781, dated 11.12.1964.
 - 3. Sub-rules (2) and (2A) omitted by G.S.R. 274(e), DATED 19.6.1974
 - 4. Substituted by G.S.R. 100(E), dated 18.2.1987
 - 5. Proviso to sub-rule (3) omitted, *ibid*.
 - 6. Substituted by G.S.R. 270(e), dated 14.6.1974 and substituted by S.R.O. 1856, dated 1.10.1953.

(2). The Central Government may, by notification in the Official Gazette, appoint one or more Committees, consisting of such number of members as it may think fit to represent the Ministries of the Central Government dealing with -

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- (a) the Industrial Policy and Promotion;
- (b) the Industry specified in the First Schedule to the Act;
- (c) Home Affairs;
- (d) Commerce, (Director General of Foreign Trade);
- (e) Micro, Small and Medium Industries:

Provided that the Central Government may, if it deems fit, include in such committee any other member to represent any other Ministry or Deptt.

(3) A Committee appointed under sub-rule (2) may co-opt one or more representatives of other Ministries of the Central Government or of any State Government concerned, wherever it is necessary.

11. Submission of Report by the Committee: After such investigation as may be necessary, the Committee to which an application has been referred under rule 10 shall submit a report to the Ministry of Industrial Development.]

12. Contents of the Report: In making the report under Rule 11, [the Committee] shall have regard to the approved plans, if any, of the Central Government for the development of the scheduled industry concerned and, where no such plans exist, to the existing capacity of the scheduled industry, the demand and supply position, availability of raw materials and plant and machinery. The report should, among other matters, contain recommendations regarding capital and its structure, suitability of the location proposed from the point of view of the approved plans for the industry, capacity of the plant to be installed, availability of rail-transport capacity, availability of technical and other skilled personnel required, and collaboration, if any, with foreign manufacturers.

13. Recommendation regarding Public Enquiry: If [the Committee referred to in rule 11] is of the opinion that a public enquiry is necessary in respect of any application it may recommend such a step to the [Ministry of (Industrial Development)]. *

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14. Invitation of Applications: (1) The [Ministry of Industrial Development] or the authority appointed by it [in this behalf] may, where it considers necessary, invite, by means of a notice published in the Gazette of India, applications for the grant of Licences for the establishment of new industrial undertakings in any scheduled industry.

(2) An application received under sub-rule(1) shall be dealt with in the manner laid down in rule 10 to 13.

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1. Substituted by Notification No. G.S.R. 740(E) dated 4.10.2012.
 2. Substituted by G.S.R. 270(E), dated 14.6.1974.
 3. Certain words omitted by S.R.O. 1856, dated 1.10.1953.
 4. Substituted, ibid, dated 1.10.1953.

15. Grant of License or Permission: (1) The ¹[Ministry of Industrial Development] shall consider the report submitted to it under rule 11, and where it decides that a license or permission, as the case may be, should be granted it shall inform the applicant accordingly, not later than 3 months from the date of receipt of the application, or the date on which additional information under rule 9 is furnished, whichever is later.

(2) Where the [Ministry of Industrial Development] considers that certain conditions should be attached to the license or permission or that the license or permission should be refused, it shall not later than three months from the date of receipt of the application or the date on which additional information under rule 9 is furnished, whichever is later, give an opportunity to the applicant to state his case, before reaching decision.

(3) Where a license or permission has been refused the applicant shall be informed of the reasons for such refusal.

(4) Licences or permissions shall be in Form F appended to these rules.

16. Variation or Amendment of Licences: (1) Any owner of an industrial undertaking in respect of which a license has been granted, who desires any variation or amendment in his license shall apply to the [Ministry of Industrial Development] ^{2*}

* giving the reasons for the variation or amendment.

(2) The [Ministry of Industrial Development] after carrying out such investigation as it may consider necessary, may vary or amend the license. The Ministry of Commerce and Industry may also consult the Licensing Committee before coming to a decision.

17. Revocation of Licences: The [Ministry of Industrial Development] ^{2*} *
*shall, before exercising its power of revocation of a license under sub-section (1) of section 12 of the Act, give an opportunity to the license to state his case.

18. Review of Licences by a Sub-committee: A sub-committee of the Central Advisory Council shall be constituted which will review all licences issued, refused, varied, amended or revoked from time to time, and advise Government on the general principles to be followed in the issue of licences for establishing new undertakings or substantial expansion of the existing undertakings. The results of the review shall be reported to the Central Advisory council.

1. Substituted by G.S.R. 270(E), dated 14.6.1974.

2. Certain words omitted by S.R.O. 1856, dated 1.10.1953.

19. Submission of Returns: [(1)] Every owner of an industrial undertaking in respect of which a license or permission has been granted ²[under the Act] shall send every half year ending 30th June and 31st December, commencing from the date of grant of the license or permission, as the case may be, till such time as the industrial undertaking commences production a return (with five spare copies), in Form G appended to these rules, to the [Ministry of Industrial Development], Government of India, New Delhi, [or to any authority appointed by it in this behalf]. The return relating to every half year shall be sent within one month after the expiry of that half year.

²[(2) Whether any condition has been attached to a license or permission granted in respect of an industrial undertaking to the effect that certain steps should be taken within a period specified therein every owner of such an undertaking shall send a return, with five spare copies, in Form G appended to these rules, to the [Ministry of industrial Development], Government of India, New Delhi (or to any authority appointed by it in this behalf) showing the progress made in taking such steps at the expiry of the period so specified. The return shall be sent within a period of seven days from the expiry of the period so specified.]

(3) Every owner of an industrial undertaking which has been registered by reason of effective steps having been taken for the establishment of that undertaking before the commencement of the Act shall send, every half year ending on the 30th June and the 31st December, and commencing from the 31st December 1953, till such time as the industrial undertaking commences production a return, with five spare copies, in Form G appended to these rules, to the [Ministry of industrial Development], Government of India, New Delhi, or to any authority appointed by it in this behalf. The return relating to every half year shall be sent within one month of the expiry of that half year].

² [19A. **Notice of certain facts to be given.**-(1) If there is any change in the name of registered industrial undertaking or an undertaking in respect of which a license or permission has been granted under the Act the owner thereof, shall within fourteen days from the date of such change, give notice in writing of the fact to the [Ministry of Industrial Development], Government of India, New Delhi and forward the registration certificate or the license as the case may be, to that Ministry for endorsing thereon the change in the name of the undertaking.

1. Rule 19 renumbered as sub-rule (1) by S.R.O. 1856, dated 1.10.1953.
2. Inserted, *ibid*, dated 1.10. 1953.
3. Substituted by G.S.R. 270(E), dated 14.6.1974.
4. Certain words omitted by S.R.O. 1856 dated 1.10.1953.
5. Inserted by S.R.O. 691, DATED 1.3.1957.

(2) If there is any change in the owner of a registered industrial undertaking or an undertaking in respect of which a license or permission has been granted the new owner thereof shall, within fourteen days from the date of such change, give notice in writing of the fact to the [Ministry of Industrial Development], Government of India, New Delhi; and forward the registration certificate or the license, as the case may be to that Ministry for endorsing thereon the change in the owner of the industrial undertaking.

(3) If by reason of (a) reduction in the number of workers employed; (b) discontinuation of the production of articles falling within the scope of the Act; or (c) any other reason, all or any of the provisions of the Act become inapplicable to a registered industrial undertaking or an undertaking in respect of which a license or permission has been granted to be so in-applicable for a period of six months, the owner thereof shall, within fourteen days of the expiry of the said period of six months give notice in writing of the fact to the [Ministry of Industrial Development], Government of India, New Delhi;

(4) If a registered industrial undertaking or an industrial undertaking in respect of which a license or permission has been granted, has been closed for a period exceeding thirty days, the owner thereof shall within seven days of the expiry of the said period of thirty days, give notice in writing of the fact to the [Ministry of Industrial Development], Government of India, New Delhi.

(5) If any decision has been taken by a competent authority that a registered industrial undertaking or an industrial undertaking in respect of which a license or permission has been granted shall be liquidated, the owner thereof shall, within fourteen days from the date of such a decision, give notice in writing of that fact to the [Ministry of Industrial Development], Government of India, New Delhi ²[and return the registration certificate or the license as the case may be to that Ministry].

³[**19B. Loss of Registration Certificate or License, etc.:** Where a registration certificate, a licence or a permission granted under these rules is lost, destroyed or mutilated, a duplicate copy may be granted in receipt of a crossed demand draft for Rs. 25 drawn on the State Bank of India, Nirman Bhavan, New Delhi, in favour of the Pay and Accounts Officer, Ministry of Industry (Department of Industrial Development), Government of India, New Delhi.]

20. Penalty for Contravention of Rules: Whosoever contravenes or attempts to contravene or abates the contravention of any of these rules shall be punishable under section 24 of the Act.

21. Allotment of Controlled Commodities to Licensed Undertakings: The owner of an industrial undertaking in respect of which a license or permission has been granted shall be eligible to the allotment of controlled commodities required by him for the construction or operation or for both construction and operation of his undertakings on such preferential basis as the Central Government may determine from time to time. In determining such preference the Central Government shall have due regard to the requirements of existing industrial undertakings.

1. Substituted by G.S.R. 270(E), dated 14.6.1974.

2. Inserted by S.R.O. 691(E), dated 1/3/1957.

3. Inserted by G/S/R/ 719(E), dated 26.9.1981.

22. Concession in the Grant of Import Licences to Undertakings: The owner of an industrial undertaking in respect of which a license or permission has been granted shall be eligible for the issue of licences for the import of goods required by him for the construction or operation or for both construction and operation of his undertaking on such preferential basis as the Central Government may determine from time to time. In determining this preference which may include such concession as the submission of one consolidated application in respect of the requirements from each currency area for all items shown as licensable to actual users, submission of separate application for highly specialised items even though such items may not be shown as licensable to actual users and priority in the matter of import from different currency areas, the Central Government shall have due regard to the requirements of existing Industrial undertakings.