

Government of India  
Ministry of Commerce and Industry  
Department for Promotion of Industry and Internal Trade  
**Press Note No.1 (2023 Series)**

**STREAMLINING THE PROCEDURE FOR GRANT OF INDUSTRIAL LICENSES**

**I. Increasing the initial validity period of Industrial License to be issued**

In supersession of all earlier Press Notes, the period of validity of Industrial License is being extended from three years to fifteen years for all kind of Licenses henceforth to be granted under IDR Act in line with the validity of Licenses being issued for Defence items as a measure for ease of doing business. An extension of three years may be granted by concerned Administrative Ministry/Explosive Section (DPIIT) as per guidelines given below.

**II. Extension In validity of new/existing Industrial Licenses**

In supersession of all earlier Press Notes, 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 existing license holder has not commenced production of the items within 15 years of issue of license.

- i. The application for extension of license should be submitted to the concerned Administrative Ministry/Explosive Section (DPIIT), prior to the expiry of 15 years period or otherwise specified for commencement of commercial production.
- 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, change in Board of Director, 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 the concerned Central/State Government, as the case may be, and after obtaining comments of the Central/State Government, the case should be considered for extension of validity. Comments of MHA should also be sought for only if there is change in Board of Directors/key personnel.
- iv. Applicant should meet following conditions at the time of applying of extension/reconsideration:-
  - a. Land should have been acquired, either under ownership or on lease for minimum period of 30 years (as per registration/lease documents)
  - b. The construction on the project should have been completed (as per report of State Government).
  - c. Plant and machinery for the project should have been installed/commissioned (as per invoice and installation/commissioning certificate).



- v. Cases involving transfer, suspension or cancellation of license in the intervening period shall not be considered for extension.
- vi. Extension of validity of existing license would be allowed on receipt of application from license holder within 15 years period from issuance of Press Note 5 (2014 series) i.e. 2<sup>nd</sup> July 2014.
- vii. Extension of validity of new licenses, to be issued as per this Press Note, would be allowed for a further period of three years (upto maximum of 18 years of validity).
- viii. Any Industrial License, wherein commercial production has not started even within the extended period (15+3 i.e. a maximum period of 18 years from the date of issue of license), shall be treated as automatically lapsed.
- ix. The applicants fulfilling the above guidelines may be granted extension of Industrial License with the approval of concerned Additional Secretary/Joint Secretary of the Administrative Ministry/Explosive Section (DPIIT) without referring the application to Licensing Committee.
- x. All cases in which License has been issued/closed/lapsed/regretted after issuance of Press Note 5 (2014 series) i.e. 2<sup>nd</sup> July 2014 may also be reconsidered, as per this Press Note, on receipt of application from the licensee, by Administrative Ministry/Explosive Section (DPIIT).



(Balamurugan Devaraj)

Joint Secretary to the Govt of India

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