

GUIDELINES FOR ISSUING LICENSES UNDER AMMONIUM NITRATE RULES, 2012

Note :

This SOP is only for reference and providing basic understanding. In case of any doubt or lack of clarity the provisions of the rules and conditions of the license FORM published in the Gazette of India, Extraordinary, Part-II, Section 3, Sub-section (i) vide notification G.S.R. 553 (E), dated the 11th July, 2012 and subsequently amended vide G.S.R 469(E) dated 9th July 2013, G.S.R 938(E), dated the 27th September, 2018 and G.S.R 608(E) dated 31st August, 2021 shall prevail at all the times.

**GUIDELINES TO BE FOLLOWED FOR ISSUING LICENSES IN
FORM P-1 OF AMMONIUM NITRATE RULES, 2012 FOR
MANUFACTURING OF AMMONIUM NITRATE**

SCOPE: P-1 licenses to be issued for the following purposes;

1. Manufacture and to possess for sale Ammonium Nitrate or convert melt to solid and vice versa and possess for sale of Ammonium Nitrate.

LICENSING AUTHORITIES:

S. No.	PURPOSE	LICENSING AUTHORITY
1	Manufacture and to possess for sale Ammonium Nitrate or convert melt to solid and vice versa and possess for sale of Ammonium Nitrate.	Chief Controller or Controller authorised by the Chief Controller

PREREQUISITE: Industrial License (IL) issued by Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry under Industries (Development and Regulation) Act, 1951 is the prerequisite document to obtain license for Ammonium Nitrate manufacturing in license Form P-1 of Ammonium Nitrate Rules, 2012. Industrial License is mandatory for manufacture and sale of Ammonium Nitrate (Solid/Melt). The site proposed to establish an Ammonium Nitrate manufacturing factory should have the same site address as mentioned on the Industrial License. Industrial License is not required for conversion of Ammonium Nitrate from solid to melt or vice versa.

PROCEDURE TO BE FOLLOWED FOR ISSUE OF LICENSE: Following procedure to be followed to issue license for manufacture of Ammonium Nitrate ;

1. **Construction approval:** The applicant shall upload the following documents to obtain construction approval as required under rule 33 of Ammonium Nitrate Rules, 2012;
 - (i) **Online generated application Form A-1.** The application form shall be signed and stamped by the applicant. No field of the application form shall be left blank.

- (ii) **Photograph of occupier:** Signed passport size photograph of the occupier.
- (iii) **Scrutiny fee:** To be submitted online while submitting the application.
- (iv) **Copy of the valid Industrial License.** Kind and quantity of Ammonium Nitrate solid/melt proposed to be manufactured and address of the proposed site should match with details mentioned on IL. Full or part of the IL capacity as the case may be can be considered for P-1 license. The Industrial shall be valid at the time of according construction approval.
- (v) **Certificate of registration of the company or partnership firm:** Certificate of registration issued by the Registrar of Companies (ROC) for companies registered with ROC shall be verified. This requirement will not apply to companies which are not registered with ROC. However, relevant documents in support of status of applicant as company shall be verified. Valid documents in support of all the Directors of the company and memorandum of Article of Association shall be uploaded. In case of partnership firm certificate of registration of the partnership firm from Registrar of Firms along with copy of partnership deed shall be verified.
- (vi) **Safety and Security Management Plan:** As per rule 15 of Ammonium Nitrate Rules, 2012 and as per the provisions made under this rule.
- (vii) **Nomination of occupier:** One of the Directors of the company shall be nominated as occupier by all the Directors or through resolution passed by Board of Directors. In case of partnership firm one of the partners of the firm shall be nominated as occupier by all the partners. The nomination shall be verified before issuing construction approval. In case of individual, nomination will not be required as individual himself shall be the occupier.
- (viii) **Nomination of authorised signatory (Maximum three):** Maximum three authorised signatories shall be nominated by the Board of Directors of the company or partners of the partnership firm or individual. The authorised signatories may be persons other than the Directors of the company or partners of the partnership firm or individual.
- (ix) **Technical persons details:** The details such education qualification and experience in relevant fields in respect of the

technical persons proposed to be engaged in the manufacturing plant shall be uploaded.

- (x) **Proposed site layout:** The proposed site layout shall consist of all the administration/office buildings, change rooms, rest rooms, workshops, vehicle parking area, canteen, workers' quarters, Ammonium Nitrate process plant, raw material stores, Ammonium Nitrate storehouse and internal roads boundary wall of the site. Scrutiny in respect of the following shall be done;
- (a) **Ammonium Nitrate store house or Ammonium Nitrate melt tanks:** Construction of Ammonium Nitrate store house and Ammonium Nitrate melt tanks shall be as per rule 12 of Ammonium Nitrate Rules, 2012.
- (b) **Safety Distances:** Required Safety Distances as per rule 12 of Ammonium Nitrate Rules, 2012 shall be provided and same shall be verified on site layout. All safety distances shall be marked from all sides of the process plants and Ammonium Nitrate store house and Ammonium Nitrate melt tanks. All the safety distances shall be considered between the nearest edges of the buildings.
- (c) **Process flow chart:** The comprehensive process flow chart shall be submitted by the applicant and shall be examined carefully to ensure safety.
- (d) **Proposed experienced man power.** The details of the proposed man power shall be verified. The competent person and supervisor shall be well conversant with the process and safety to be observed in the plant.
- (e) **Land documents:** The land on which the site is proposed shall be in legal and lawful possession of the company. Documents such as sale deed or registered land lease agreement in support of legal and lawful possession shall be verified. The land shall always be in the name of the company. In case land is obtained on long term lease, all the survey nos., period of lease, purpose of lease and validity of lease shall be verified.

After verification of above details construction approval shall be accorded.

- 2. Approval in supersession:** In case of major changes in the site layout or building construction plan, approval in supersession to earlier approved site layout & building plans shall be accorded.
- 3. Grant of license:** The applicant shall upload the following documents to obtain license as required under rule 33 of Ammonium Nitrate Rules, 2012;
 - (i) Application Form A-1 duly signed and stamped by the applicant or authorised person the company.
 - (ii) Replica of the last approved site layout and building construction plans. The building which are approved but not constructed and proposed to be constructed in future shall be marked in green colour. The constructed facilities shall be marked in black colour.
 - (iii) Signed passport size photograph of the occupier.
 - (iv) NOC along with endorsed site layout issued by the District Authority through PESO's Licensing System for District Authorities (LSDA) shall be uploaded. The site layout endorsed by the NOC issuing authority should tally with the site layout approved by PESO. In case of any deviations, revised endorsed site layout as per the approved layout shall be asked.
 - (v) Completion certificate issued by the authorised person of the licensee.
 - (vi) Copy of the Safety Management Plan as per rule 15 of Ammonium Nitrate Rules, 2012 and as per the provisions given in this rule.
 - (vii) Details of technical persons appointed. Documents in support of education qualification and experience in respect of the technical persons shall also be uploaded.
 - (viii) Compliance to the conditions of the construction approval if any.
- 4. Inspection and endorsement of license:** After the grant of license the premises shall be inspected by officer and details shall be verified as per approved site layout and building construction plan. The required safety measure shall also be verified at the time of inspection of the factory. The license shall be endorsed if premises are found in order and as per approved site layout and building plans.

- 5. Amendment of license:** The following amendments in the license shall be considered;
- (i) **Change in the name of occupier:** Procedure to be followed as per rule 38 of Ammonium Nitrate Rules, 2012.
 - (ii) **Addition/deletion of Partners/Directors:** Procedure to be followed as per rule 38 of Ammonium Nitrate Rules, 2012.
 - (iii) **Change in the license capacity:** Procedure to be followed as per rule 37 of Ammonium Nitrate Rules, 2012.
 - (iv) **Addition and deletion of buildings or facilities in the premises:** Construction approval for any addition or deletion of facilities/buildings shall be accorded by the licensing authority after proper scrutiny of the site layout plan and building construction plan. In case of addition of any facility in the process building the safety shall be taken into consideration. Whenever, addition of any new building is proposed, the safety distances shall always be taken into consideration. The proposed site layout and building plans shall always be compared with the last approved site layout & building plans.
 - (v) **Amendment of license:** After making required additions and deletions as per the approved plan, the licensee shall approach to the PESO officer in whose jurisdiction premises is located. The officer shall inspect the premises as per the approved plan and submit report to the licensing authority with clear recommendations. Based on the inspection report the licensing authority shall amend the license and also endorse the amended site layout and building plans.
- 6. Change of company name/transfer of license:** There is no provision in rules for change of company name/transfer of license. Amendment of rules is required.
- 7. Renewal of license:** Following documents shall be submitted by the licensee for renewal of license;
- (i) Online application form
 - (ii) Requisite renewal fee
 - (iii) An undertaking to the effect that no court case or legal proceedings are pending against the licensed premises.
 - (iv) Documents in support of legal possession of the site.

**GUIDELINES TO BE FOLLOWED FOR ISSUING LICENSES IN
FORM P-2 OF AMMONIUM NITRATE RULES, 2012 – LICENSE TO
BAG AND STORE AMMONIUM NITRATE**

SCOPE: P-2 license to be issued for the following purposes;

1. License to bag and store Ammonium Nitrate

LICENSING AUTHORITIES:

S. No.	PURPOSE	LICENSING AUTHORITY
1	License to bag and store Ammonium Nitrate	Chief Controller

PROCEDURE TO BE FOLLOWED FOR ISSUE OF LICENSE: Following procedure to be followed to issue license for **possession and sale** of explosives;

1. **Construction approval:** The applicant shall upload the following documents to obtain construction approval as required under rule 33 of Ammonium Nitrate Rules, 2012;
 - (i) Form A-2
 - (ii) Proposed layout plan of the site showing approach road, safety distances and proposed license capacity.
 - (iii) Certificate of registration issued by the Registrar of Companies (ROC) for companies registered with ROC shall be verified. This requirement will not apply to companies which are not registered with ROC. However, relevant documents in support of status of applicant as company shall be verified. Valid documents in support of all the Directors of the company and memorandum of Article of Association shall be uploaded. In case of partnership firm certificate of registration of the partnership firm from Registrar of Firms along with copy of partnership deed shall be verified.
 - (iv) Scrutiny fee.
 - (v) Signed passport size photographs of the occupier along with documentary evidence of nomination as occupier as per rule 2 of Ammonium Nitrate Rules, 2012.
 - (vi) Documents in support of legal possession of the site.
 - (vii) Nomination of Occupier under rule 2 of Ammonium Nitrate Rules, 2012.

2. Grant of license: The applicant shall upload the following documents to obtain license as required under rule 35 of Ammonium Nitrate Rules, 2012;

- (i) Application Form A-2 duly signed and stamped by the applicant or authorised person the company.
- (ii) Replica of the last approved site layout and building construction plans. The building which are approved but not constructed and proposed to be constructed in future shall be marked in green colour.
- (iii) Signed passport size photograph of the occupier.
- (iv) NOC along with endorsed site layout issued by the District Authority through PESO's Licensing System for District Authorities (LSDA). The endorsed site layout should tally with the approved site layout. There should not be any deviations. In case of any deviations, revised endorsed site layout as per the approved layout shall be asked.
- (v) Completion certificate.
- (vi) Compliance to the conditions of the construction approval if any.

3. Inspection and endorsement of license: After the grant of license the premises shall be inspected by officer and details shall be verified as per approved site layout and building construction plan. The required safety measure shall also be verified at the time of inspection. The license shall be endorsed if premises are found in order and as per approved site layout and building plans.

4. Amendment of license: The following amendments in the license shall be considered;

- (i) **Change in the name of occupier:** Procedure to be followed as per rule 38 of Ammonium Nitrate Rules, 2012.
- (ii) **Addition/deletion of Partners/Directors:** Procedure to be followed as per rule 38 of Ammonium Nitrate Rules, 2012.
- (iii) **Change in the license capacity:** Procedure to be followed as per rule 37 of Ammonium Nitrate Rules, 2012.
- (iv) **Addition and deletion of buildings or facilities in the premises:** Construction approval for any addition or deletion of

facilities/buildings shall be accorded by the licensing authority after proper scrutiny of the site layout plan and building construction plan. In case of addition of any facility in the process building the safety shall be taken into consideration. Whenever, addition of any new building is proposed, the safety distances shall always be taken into consideration. The proposed site layout and building plans shall always be compared with the last approved site layout & building plans.

- 5. Amendment of license:** After making required additions and deletions as per the approved plan, the licensee shall approach to the PESO officer in whose jurisdiction premises is located. The officer shall inspect the premises as per the approved plan and submit report to the licensing authority with clear recommendations. Based on the inspection report the licensing authority shall amend the license and also endorse the amended site layout and building plans.

- 6. Renewal of license:** Following documents shall be submitted by the licensee for renewal of license;
 - (i) Online application form
 - (ii) Requisite renewal fee
 - (iii) An undertaking to the effect that no court case or legal proceedings are pending against the licensed premises.
 - (iv) Documents in support of legal possession of the site.

**GUIDELINES TO BE FOLLOWED FOR ISSUING LICENSES IN
FORM P-3 OF AMMONIUM NITRATE RULES, 2012 - POSSESSION
AND SALE OR USE OF AMMONIUM NITRATE FROM A STORE
HOUSE**

SCOPE: P-3 licenses to be issued for the following purposes;

1. License to possess for sale of Ammonium Nitrate from a storehouse not exceeding 30 MT.
2. License to possess for sale of Ammonium Nitrate from a storehouse exceeding 30 MT or Ammonium Nitrate melt in tanks.
3. License to possess for use of Ammonium Nitrate from a storehouse or Ammonium Nitrate melt in tanks attached to explosives manufacturing or Nitrous Oxide manufacturing unit or Industrial application.
4. License to possess for use Ammonium Nitrate for agricultural purpose from a store house not exceeding 3 MT.

LICENSING AUTHORITIES:

S. No.	PURPOSE	LICENSING AUTHORITY
1	License to possess for sale of Ammonium Nitrate from a storehouse not exceeding 30 MT	District Authority
2	License to possess for sale of Ammonium Nitrate from a storehouse exceeding 30 MT or Ammonium Nitrate melt in tanks	Chief Controller or Controller authorised by the Chief Controller.
3	License to possess for use of Ammonium Nitrate from a storehouse or Ammonium Nitrate melt in tanks attached to explosives manufacturing or Nitrous Oxide manufacturing unit or Industrial application.	Chief Controller or Controller authorised by the Chief Controller.
4	License to possess for use Ammonium Nitrate for agricultural purpose from a store house not exceeding 3 MT.	District Magistrate or official authorised by the District Authority.

PROCEDURE TO BE FOLLOWED FOR ISSUE OF LICENSE: Following procedure to be followed to issue license for possession for sale or use of Ammonium Nitrate;

1. **Construction approval:** The applicant shall upload the following documents to obtain construction approval as required under rule 33 of Ammonium Nitrate Rules, 2012;

- (i) Form A-3
- (ii) Proposed site layout showing approach road and safety distances between proposed Ammonium Nitrate Store house and protected works/other buildings/structures/associated facilities.
- (iii) Certificate of registration issued by the Registrar of Companies (ROC) shall be verified. Valid documents in support of all the Directors of the company and memorandum of Article of Association shall be uploaded. In case of partnership firm certificate of registration of the partnership firm from Registrar of Firms along with copy of partnership deed shall be verified.
- (iv) Scrutiny fee.
- (v) Signed passport size photographs of the occupier along with documentary evidence of nomination as occupier as per rule 2.
- (vi) Documents such as registered land lease agreement/ copy of sale deed with land possession certificate in support of legal possession of the site.
- (vii) Nomination of Occupier under rule 2(37) of Ammonium Nitrate Rules, 2012.

2. **Grant of license:** The applicant shall upload the following documents to obtain license as required under rule 33 of Ammonium Nitrate Rules, 2012;

- (i) Application Form A-3 duly signed and stamped by the applicant or authorised person the company.
- (ii) Replica of the last approved site layout and building construction plans. The building which are approved but not constructed and proposed to be constructed in future shall be marked in green colour.
- (iii) Signed passport size photograph of the occupier.

- (iv) NOC along with endorsed site layout issued by the District Authority or DGMS as the case may be through PESO's Licensing System for District Authorities (LSDA). The endorsed site layout should tally with the approved site layout. There should not be any deviations. In case of any deviations, revised endorsed site layout as per the approved layout shall be asked.
- (v) Completion certificate issued by the authorised person of the licensee.
- (vi) Compliance to the conditions of the construction approval if any.

3. **Inspection and endorsement of license:** After the grant of license the premises shall be inspected by officer and details shall be verified as per approved site layout and building construction plan. The required safety measure shall also be verified at the time of inspection. The license shall be endorsed if premises are found in order and as per approved site layout and building plans.

4. **Amendment of license:** After making required additions and deletions as per the approved plan, the licensee shall approach to the PESO officer in whose jurisdiction premises is located. The officer shall inspect the premises as per the approved plan and submit report to the licensing authority with clear recommendations. Based on the inspection report the licensing authority shall amend the license and also endorse the amended site layout and building plans.

5. **Renewal of license:** Following documents shall be submitted by the licensee for renewal of license;

- (v) Online application form
- (vi) Requisite renewal fee
- (vii) An undertaking to the effect that no court case or legal proceedings are pending against the licensed premises.
- (viii) Documents in support of legal possession of the site.

**GUIDELINES TO BE FOLLOWED FOR ISSUING LICENSES IN
FORM P-4 OF AMMONIUM NITRATE RULES, 2012 – LICENSE TO
TRANSPORT AMMONIUM NITRATE**

SCOPE: P-4 licenses to be issued for the following purposes;

1. License to transport Ammonium Nitrate.

LICENSING AUTHORITIES:

S. No.	PURPOSE	LICENSING AUTHORITY
1	License to transport Ammonium Nitrate.	Chief Controller or Controller

PROCEDURE TO BE FOLLOWED FOR ISSUE OF LICENSE:

1. **Grant of license:** Following documents to be submitted to obtain license in license Form P-4 of Ammonium Nitrate Rules, 2012;
 - (i) Online application form A-4
 - (ii) Details of license obtained in license Form P-1 or P-2 or P-3 of Ammonium Nitrate Rules, 2012.
 - (iii) Signed coloured passport size photograph of the occupier.
 - (iv) Nomination of occupier.
 - (v) Required fee.
2. **Amendment of license:** Not applicable
3. **Renewal of license:** Following documents shall be submitted by the licensee for renewal of license;
 - (i) Online application form
 - (ii) Requisite renewal fee
 - (iii) An undertaking to the effect that no court case or legal proceedings are pending against the licensed premises.
 - (iv) Documents in support of legal possession of the site.

**GUIDELINES TO BE FOLLOWED FOR ISSUING LICENSES IN
FORM P-5 OF AMMONIUM NITRATE RULES, 2012 – IMPORT OR
EXPORT OF AMMONIUM NITRATE**

SCOPE: P-5 licenses to be issued for the following purposes;
License to import or export of Ammonium Nitrate.

LICENSING AUTHORITIES:

S. No.	PURPOSE	LICENSING AUTHORITY
1	License to import or export of explosives.	Chief Controller of Explosives

PROCEDURE TO BE FOLLOWED FOR ISSUE OF LICENSE: Following procedure to be followed to issue license for import or export of Ammonium Nitrate;

1. Grant of license: The applicant shall upload the following documents to obtain license under Ammonium Nitrate Rules, 2012;

(a) IMPORT OF AMMONIUM NITRATE:

- (i) Application Form A-5 duly signed and stamped by the applicant or authorised person the company.
- (ii) Signed photograph of the occupier.
- (iii) Copy of purchase order/supply order.
- (iv) License details of the store houses (possession and use) where imported Ammonium Nitrate to be stored.
- (v) Letter clearly mentioning the purpose of import of Ammonium Nitrate.
- (vi) Required license fee.

(b) EXPORT OF AMMONIUM NITRATE:

- (i) Application Form A-5 duly signed and stamped by the applicant or authorised person the company.
- (ii) Signed photograph of the occupier.
- (iii) Copy of purchase order/supply order.
- (iv) Required license fee.

Note: Import of Ammonium Nitrate for trading purpose shall not be allowed.

2. **Transfer of License:** There is no provision for transfer of license.
3. **Renewal of license:** There is no provision for renewal of license.
4. **Amendment of license:** There is no provision for amendment of license.